

**Audit Report on Financial Statements
issued by an Independent Auditor**

**PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2022**

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

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

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of PROMOTORA DE INFORMACIONES, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2022, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2022 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

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

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

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

Key audit matters

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

Measurement of goodwill and investments accounted for using the equity method

Description As explained in Notes 6 and 8 to the accompanying consolidated financial statements, at December 31, 2022, the Group recognized goodwill totalling 117,220 thousand euros and investments accounted for using the equity method amounting to 33,123 thousand euros.

At least annually the Group perform impairment tests of goodwill and other impairment test for the participations registered under the equity method. The purpose of this analysis is to conclude whether it is necessary to recognize an impairment loss against the aforementioned assets when the carrying amount is higher than the recoverable amount. To determine the recoverable amount, Group management tests for impairment using the discounted free cash flow method.

Due to the high risk that some of these assets may be impaired, the relevance of the amounts involved and the fact that the analyses conducted by Group management require complex estimates and judgments, we determined the measurement of these assets to be a key audit matter.

**Our
response**

In this regard, our audit procedures included:

- ▶ Understanding the policies and procedures the Group applies to assessing impairment of goodwill and investments accounted for using the equity method to estimate the recoverable amount, including evaluation of the design and implementation of relevant controls of the related processes.
- ▶ Reviewing the models used by the Group's Management, in collaboration with our valuation specialists, focusing particularly on the model's mathematical coherence, the reasonableness of projected cash flows, discount rates, long-term growth rates, as well as the consistency of these models with the business plans approved by the Group's government bodies. In performing our review, we interviewed the people in charge of preparing the models and utilized recognized external sources and other available information to contrast data.
- ▶ Reviewing the sensitivity analyses performed by Group management on the estimates made to determine the recoverable amount, in the event of changes in the relevant assumptions made.
- ▶ Reviewing projected financial information, analyzing the consistency and reasonableness of the various assumptions.
- ▶ Checking that the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

Recognition of operating revenue

Description As explained in notes 4.k) and 13, the Prisa Group's operating revenue of 850,189 thousand euros is mainly derived from sales related to books, training, and advertising. With regard to sales related to books and training, the Group is engaged in various facets of publishing and selling books, especially for the different levels and fields of education. These sales represent 52% of total operating revenue. Sales pertaining to books and training recorded during the year relate to a significant number of transactions carried out with different types of customers and terms of sale. The majority of sales take place during the school year. Advertising sales represent 36% of total operating revenue. These sales are generally highly fragmented and subject to different contractual terms and conditions which, among other variables, determine, where applicable, what discounts may be applied.

We determined this to be a key audit matter due to the diversity of the Company's transactions and the materiality of the amounts involved.

Our response

In this regard, our audit procedures included the following:

- ▶ Gaining an understanding of the processes established by management for recognizing revenue, including evaluating the design and implementation of relevant controls of the related processes.
- ▶ Involving our internal information systems specialists in the computer systems and applications Group companies use to record these transactions.
- ▶ Conducting analytical tests including reviews of journal entries, analyzing correlations between revenue, receivables and cash accounts.
- ▶ Selecting a sample of transactions for which we obtained supporting documentation to ensure that the relevant amounts were accurate and recognized in the correct period.
- ▶ Performing substantive procedures on the operations cut-off, returns, as well as the Company's sales discounts policy.
- ▶ Checking that the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

Evaluating the impact and correct recognition of refinancing transaction

Description In 2022, the Prisa Group refinanced its syndicated debt and its super senior debt. The respective refinancing agreements were executed under the terms described in notes 1.b), 10.j) and 11.b) to the accompanying consolidated financial statements.

Due to the complexity of the refinancing transactions carried out by Group management and of determining their impact for accounting purposes, as well as the materiality of the effect of these transactions on the consolidated financial statements, we determined this to be a key audit matter.

Our response

Our audit procedures related to this matter included:

- ▶ Reviewing the documentation relating to the syndicated and super senior debt refinancing agreements, verifying that Group management identified the obligations and commitments acquired, and assessing whether they were

correctly valued and recorded.

- ▶ Assessing, in collaboration with our financial instrument specialists, the reasonableness of the analysis conducted by Group management to determine whether the refinancing transactions qualified as a modification of existing financing or new debt and verifying their integrity with the financial reporting regulatory framework.
- ▶ Checking and comparing the qualitative and quantitative components of the new debt, as well as the related contractual terms and guarantees granted, and analyzing the reasonableness of the impact on the consolidated income statement.
- ▶ Reviewing the disclosures made in the notes to the consolidated financial statements and assessing whether they are in conformity with the applicable financial reporting framework.

Other information: consolidated management report

Other information refers exclusively to the 2022 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

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

- a. Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.
- b. Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2022 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company's directors and the Audit, Risk and Compliance Committee for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is

necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit, Risk and Compliance Committee is responsible for overseeing the Group's financial reporting process.

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

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

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

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

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with the Audit, Risk and Compliance Committee of the parent company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Audit, Risk and Compliance Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of PROMOTORA DE INFORMACIONES, S.A. and subsidiaries for the 2022 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of PROMOTORA DE INFORMACIONES, S.A. are responsible for submitting the annual financial report for the 2022 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors have been included in the management report for reference.

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

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

Additional report to the Audit, Risk and Compliance Committee

The opinion expressed in this audit report is consistent with the additional report we issued to the Audit, Risk and Compliance Committee on March 28, 2023.

Term of engagement

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

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

(Signature on the original in Spanish)

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

March 28, 2023

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

Consolidated Financial Statements together with Directors' Report for 2022

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

Consolidated Financial Statements for 2022

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2022
(Thousands of euros)



ASSETS	Notes	12.31.2022	12.31.2021	EQUITY AND LIABILITIES	Notes	12.31.2022	12.31.2021
A) NON-CURRENT ASSETS		425,934	399,222	A) EQUITY	10	(532,160)	(511,815)
I. PROPERTY, PLANT AND EQUIPMENT	5	103,294	109,678	I. SHARE CAPITAL		74,065	70,865
II. GOODWILL	6	117,220	109,542	II. OTHER RESERVES AND ACCUMULATED PROFIT FROM PRIOR YEARS		(519,367)	(429,393)
III. INTANGIBLE ASSETS	7	104,943	96,008	III. RESULT FOR THE YEAR ATTRIBUTABLE TO THE PARENT		(12,949)	(106,506)
IV. NON-CURRENT FINANCIAL ASSETS	11a	12,363	11,359	IV. TREASURY SHARES		(401)	(1,320)
V. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	8	33,123	27,020	V. TRANSLATION DIFFERENCES		(87,583)	(90,410)
VI. DEFERRED TAX ASSETS	18	54,979	45,601	VI. NON- CONTROLLING INTERESTS		14,075	44,949
VII. OTHER NON-CURRENT ASSETS		12	14	B) NON-CURRENT LIABILITIES		1,073,345	1,033,811
B) CURRENT ASSETS		556,739	479,061	I. NON-CURRENT BANK BORROWINGS	11b	980,848	934,342
I. INVENTORIES	9a	74,693	39,920	II. NON-CURRENT FINANCIAL LIABILITIES	11b	53,935	53,854
II. TRADE AND OTHER RECEIVABLES				III. DEFERRED TAX LIABILITIES	18	19,894	21,335
1. Trade receivables for sales and services	9b	285,536	265,004	IV. LONG-TERM PROVISIONS	12	15,308	21,016
2. Receivable from associates		4,027	4,807	V. OTHER NON-CURRENT LIABILITIES		3,360	3,264
3. Receivable from public authorities	18	35,108	32,638	C) CURRENT LIABILITIES		441,488	356,287
4. Other receivables	9b	25,000	22,806	I. TRADE PAYABLES	24	254,800	195,983
5. Allowances	9b	(59,490)	(59,518)	II. PAYABLE TO ASSOCIATES		571	1,123
		290,181	265,737	III. OTHER NON-TRADE PAYABLES	9d	44,082	43,774
III. CURRENT FINANCIAL ASSETS	11a	1,528	2,425	IV. CURRENT BANK BORROWINGS	11b	30,824	14,918
IV. CASH AND CASH EQUIVALENTS	9c	189,496	168,672	V. CURRENT FINANCIAL LIABILITIES	11b	32,832	15,884
V. ASSETS CLASSIFIED AS HELD FOR SALE		841	2,307	VI. PAYABLE TO PUBLIC AUTHORITIES	18	30,286	34,204
TOTAL ASSETS		982,673	878,283	VII. CURRENT PROVISIONS		6,166	14,087
				VIII. OTHER CURRENT LIABILITIES	9e	41,503	35,218
				IX. LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE		424	1,096
				TOTAL EQUITY AND LIABILITIES		982,673	878,283

The accompanying Notes 1 to 27 and Appendix I and II are an integral part of the consolidated balance sheet at December 31, 2022.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR 2022
(Thousands of euros)



	Notes	Year 2022	Year 2021
Revenue		830,764	729,350
Other income		19,425	11,818
OPERATING INCOME	13-17	850,189	741,168
Cost of materials used		(127,640)	(103,093)
Staff costs	14	(297,882)	(307,945)
Depreciation and amortisation charge	5-7	(71,010)	(78,317)
Outside services	14	(282,575)	(257,116)
Change in allowances, write-downs and provisions	14	(4,515)	(9,917)
Impairment of assets	5-7	(3,203)	(4,489)
OPERATING EXPENSES		(786,825)	(760,877)
RESULT FROM OPERATIONS		63,364	(19,709)
Finance income		5,562	11,513
Finance costs		(132,226)	(60,444)
Changes in value of financial instruments		55,805	(15,791)
Exchange differences (net)		(1,476)	1,461
FINANCIAL RESULT	15	(72,335)	(63,261)
Result of companies accounted for using the equity method	8	5,986	1,404
RESULT BEFORE TAX FROM CONTINUING OPERATIONS	17	(2,985)	(81,566)
Expense tax	18	(10,283)	(20,969)
RESULT FROM CONTINUING OPERATIONS		(13,268)	(102,535)
Result after tax from discontinued operations	16	-	(3,308)
CONSOLIDATED RESULT FOR THE YEAR		(13,268)	(105,843)
Result attributable to non-controlling interests	10i	319	(663)
RESULT ATTRIBUTABLE TO THE PARENT		(12,949)	(106,506)
BASIC RESULT PER SHARE (in euros)	20	(0.02)	(0.15)
DILUTED RESULT PER SHARE (in euros)	20	(0.02)	(0.15)
- Basic result per share from continuing activities (in euros)	20	(0.02)	(0.15)

The accompanying Notes 1 to 27 and Appendix I and II are an integral part of the consolidated income statement for 2022.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATE STATEMENT OF COMPREHENSIVE INCOME FOR 2022
(Thousands of euros)



	Year 2022	Year 2021
CONSOLIDATED PROFIT FOR THE YEAR	(13,268)	(105,843)
Items that are not reclassified to result of the period	924	-
From actuarial gains and losses	630	-
Entities accounted for using the equity method	294	-
Items that may be reclassified subsequently to profit or loss	14,752	(5,941)
Translation differences	11,490	(6,952)
Profit/(Loss) for valuation	10,844	(6,891)
Amounts transferred to the profit and loss account	646	(61)
Entities accounted for using the equity method	3,262	1,011
TOTAL RECOGNIZED INCOME AND EXPENSE	2,408	(111,784)
Attributable to the Parent	1,550	(110,412)
Attributable to non-controlling interests	858	(1,372)

The accompanying Notes 1 to 27 and Appendix I and II are an integral part of the consolidated statement of comprehensive income for 2022.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 2022
(Thousands of euros)



	Share capital	Share premium	Reserves	Prior years' accumulated profit	Treasury shares	Exchange differences	Accumulated profit for the Year	Equity attributable to the Parent	Non-controlling interests	Equity
BALANCE AT DECEMBER 31, 2020	70,865	0	118,146	(634,194)	(1,530)	(92,275)	89,737	(449,251)	46,271	(402,980)
<i>Treasury share transactions (Note 10f)</i>			(839)		210			(629)		(629)
Distribution of 2020 results										
- Reserves			(52,793)	142,530			(89,737)			
<i>Income and expense recognised in net equity</i>										
- Translation differences (Note 10g-10h)				(5,771)		1,865		(3,906)	(2,035)	(5,941)
- Result for 2021							(106,506)	(106,506)	663	(105,843)
<i>Other movements</i>			1,521	2,007				3,528	1,126	4,654
<i>Changes in non controlling interest (Note 10i)</i>										
- Dividends paid during the year									(1,381)	(1,381)
- Due to changes in scope of consolidation									305	305
BALANCE AT DECEMBER 31, 2021	70,865	0	66,035	(495,428)	(1,320)	(90,410)	(106,506)	(556,764)	44,949	(511,815)
<i>Capital increase (Note 10a and 10b)</i>	3,200	17,088						20,288		20,288
<i>Treasury share transactions (Note 10f)</i>			(1,780)		919			(861)		(861)
Distribution of 2021 results										
- Reserves			56,547	(163,053)			106,506			
<i>Income and expense recognised in net equity</i>										
- Translation differences (Note 10g-10h)				4,341		9,234		13,575	1,177	14,752
- Result for 2022							(12,949)	(12,949)	(319)	(13,268)
- Rest of income and expense recognised				924				924		924
<i>Other movements</i>			817	(4,858)		(6,407)		(10,448)	(523)	(10,971)
<i>Changes in non controlling interest (Note 10i)</i>										
- Dividends paid during the year									(4,955)	(4,955)
- Due to changes in scope of consolidation									1,063	1,063
- Due to changes in percentage of consolidation									(27,317)	(27,317)
BALANCE AT DECEMBER 31, 2022	74,065	17,088	121,619	(658,074)	(401)	(87,583)	(12,949)	(546,235)	14,075	(532,160)

The accompanying Notes 1 to 27 and Appendix I and II are an integral part of the consolidated statement of changes in equity for 2022.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW FOR 2022
(Thousands of euros)



	Notes	Year 2022	Year 2021
RESULT BEFORE TAX FROM CONTINUING OPERATIONS	17	(2,985)	(81,566)
Depreciation and amortisation charge and provisions		78,722	92,715
Changes in working capital		(12,042)	7,842
Inventories	9a	(34,773)	5,788
Accounts receivable	9b	(11,299)	(27,111)
Accounts payable		34,030	29,165
Income tax recovered (paid)	18	(15,494)	(13,219)
Other profit adjustments		59,008	72,891
Financial results	15	72,335	63,261
Gains and losses on disposal of assets		(2,189)	(469)
Other adjustments		(11,138)	10,099
CASH FLOWS FROM OPERATING ACTIVITIES	17	107,209	78,663
Investments in intangible assets	7	(40,641)	(34,330)
Investments in property, plant and equipment	5	(11,163)	(10,936)
Investments in non-current financial assets		(2,200)	(12,336)
Proceeds from disposals		3,361	8,193
Other cash flow from investing activities		231	1,690
CASH FLOWS FROM INVESTING ACTIVITIES	17	(50,412)	(47,719)
Proceeds and payments relating to equity instruments	3	(30,087)	(629)
Proceeds relating to financial liability instruments	11b	99,826	112,080
Payments relating to financial liability instruments	11b	(7,442)	(104,364)
Dividends and returns on other equity instruments paid		(5,196)	(1,779)
Interest paid		(50,714)	(36,127)
Other cash flow from financing activities	11b	(46,506)	(55,703)
CASH FLOWS FROM FINANCING ACTIVITIES	17	(40,119)	(86,522)
Effect of foreign exchange rate changes		4,146	2,371
CHANGE IN CASH FLOWS FROM CONTINUING OPERATIONS	17	20,824	(53,207)
CHANGE IN CASH FLOWS IN THE YEAR		20,824	(53,207)
Cash and cash equivalents at beginning of year	9c	168,672	221,879
Cash and cash equivalents at end of period	9c	189,496	168,672

The accompanying Notes 1 to 27 and Appendix I and II are an integral part of the consolidated statement of cash flow for 2022.

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

Notes to the Consolidated Financial Statement for 2022

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see notes 2 and 27). In this sense, this translation has been carried out by the Company, under its sole responsibility, and it is not considered official or regulated information. In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR 2022

(1) GROUP ACTIVITIES AND PERFORMANCE

a) Group activities

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

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

The consolidated financial statements for 2021 were approved by the shareholders at the Annual General Meeting held on June 28, 2022 and are deposited in the Mercantile Register of Madrid.

The Group’s consolidated financial statements for 2022 were authorized for issue by the Company’s directors on March 28, 2023, for submission to the approval of the General Meeting of Shareholders, it being estimated that they will be approved without modification.

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

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

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

During last year and in the present the Administrators of PRISA have taken a number of measures to strengthen the Group's financial and asset structure, such as asset sale operations,

capital increases or issuance of bonds mandatorily convertible into shares and refinancing of its debt.

In 2020, Vertix, SGPS, S.A. (subsidiary fully owned by PRISA) sold its entire shareholding in Grupo Media Capital, SGPS, S.A. (Media Capital) for a total price of EUR 47.4 million, which implied an accounting loss of EUR 77 million. This amount, net of costs, was destined to partial repayment of syndicated loan of the Group existing at that time.

On June 29, 2020, the PRISA's General Shareholder Meeting agreed to reduce in share capital of the Parent Company in order to re-establish its equity balance. Therefore, since June 30, 2020 and at December 31, 2022, the parent Company's equity is greater than two thirds of the capital stock, which is why it is in a situation of equity balance.

On October 19, 2020, PRISA, through its subsidiary Grupo Santillana Educación Global, S.L.U. ("Santillana"), signed an agreement with the Sanoma Corporation, for the sale of the Spanish educational business of Santillana addressed at pre K12 and K-12 segments ("Santillana Spain"). Santillana's activity in public and private markets in Latin America was excluded from the transaction and will continue to be developed by PRISA through Santillana. On December 31, 2020, the transaction was closed at an enterprise value of EUR 465 million and as it meant a total cash obtained from the buyer of EUR 418 million. This operation implied a capital gain of EUR 377 million. EUR 375 million of the cash obtained was destined to partial repayment of syndicated loan of PRISA existing at that time.

In February 2022 the Board of Directors of PRISA approved, by unanimity, the signing of a lock-up agreement (the "Lock-Up Agreement") that incorporates a term sheet with the basic conditions for the amendment of the Group's syndicated financial debt (the "Refinancing"). The basic terms of the agreed Refinancing consist, among other aspects, in the extension of the maturity of the financial debt to 2026 and 2027 and division of the syndicated loan into two differentiated tranches (one of Senior debt and one of Junior debt) and the flexibilization of the contractual commitments of the current debt that will allow, among other improvements, to increase PRISA's operating flexibility and soften the financial ratios required by its current contracts. Likewise, a Term Sheet has been signed with the basic conditions for the modification of the Super Senior debt ("Super Senior Term & Revolving Facilities Agreement") of the Company that, among other terms, supposes an extension of the maturity of the debt to June 2026. On April 19, 2022, the Refinancing entered into force, once the agreements reached with all of its creditors had concluded.

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

In January 2023, the Board of Directors of PRISA unanimously agreed to issue subordinated bonds mandatorily convertible into newly issued ordinary shares of the Company, with pre-emptive subscription rights for PRISA shareholders. This issue took place through a public offer for subscription of up to a total of EUR 130 million, by issuing and putting into circulation up to a total of 351,350 convertible bonds. The maturity date of these convertible bonds and conversion into new shares will be on the fifth anniversary of the issue date, with a conversion price of EUR 0.37 per new share having been set. The convertible bonds will bear interest at a fixed annual rate of 1.00% (which cannot be capitalised) and payable upon conversion into ordinary shares. In February 2023, convertible bonds amounting to a total of EUR 130 million were subscribed, i.e. the full amount of the offer (*see note 26*).

This issue is an instrument to reduce PRISA's syndicated financial debt, which is linked to a variable interest rate and which was refinanced in April 2022. This has enabled the Company to raise the funds necessary to partially pay off early the tranche of the PRISA's syndicated financial debt that constitutes its largest interest financial expense, i.e. the junior debt tranche, which is benchmarked at Euribor+8% (including cash and capitalisable cost), which as at December 31, 2022 totalled EUR 192,013 thousand (*see note 11 b*). In February, 2023 the Group had cancelled EUR 110 million of Junior debt.

Developments and impacts of COVID-19 and the war in Ukraine

In recent years, the Group has undertaken its activities in the following areas in a general climate of almost constant volatility, uncertainty, complexity and ambiguity. This makes it difficult to predict future business performance, especially in the medium and long term. This complex environment has been greatly exacerbated by several events that are having a major impact at the global level: the COVID-19 pandemic and the war in Ukraine.

In relation to COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, the adverse impact of the virus has been reduced in recent months, thanks, among other things, to the efficacy and progressive extension of the application of vaccines. This has meant a relaxation of the restrictive measures implemented in the past. However, this positive evolution is not taking place equally among all the countries in which the Group operates, and in fact, the aforementioned Organization maintains the pandemic situation in force.

In February 2022, the Russian invasion of Ukraine took place, which has led the European Union to adopt a series of individual measures and economic sanctions against Russia. It has also caused great instability in international markets.

In particular, the latter development has led to a significant increase in inflation rates and higher energy prices in 2022. In addition, as a result of inflationary pressures, central banks have been raising interest rates, which has led to an increase in the cost of financing for economic agents. All of the above has led to a slowdown in the global economy in 2022, with the prospects for economic recovery still uncertain, depending on the duration of the war in Ukraine, the normalisation of commodity supplies and the future behaviour of inflation and its return to normal rates. This slowdown in the global economy could turn into a prolonged period of low growth and high inflation (stagflation).

In general, both the Education and Media businesses tend to develop in a way that is very much subject to the macroeconomic environment. For example, on the cost side, raw materials, energy resources or distribution are being affected as a result of rising inflation and supply chain disruptions resulting from the environment. Moreover, in the case of Media, the performance of the advertising market is particularly affected. PRISA's activities and investments in Spain and Latin America are exposed to the development of the different macroeconomic parameters of each country, including the development of currency exchange rates.

Likewise, the increase in Euribor, the reference rate for the cost of most of the Group's financial debt, has a negative impact on the financial cost of the same and interest payments.

Considering the complexity of the markets due to their globalization the consequences for the Group's businesses are uncertain and will depend to a large extent on the remaining impact of

the events mentioned above. Therefore, at the date of approval of these consolidated annual accounts we have carried out an assessment and quantification of the impacts that COVID-19 and the invasion of Ukraine had on the Group as of December 31, 2022. There is still a high level of uncertainty about its consequences in the short and medium term.

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

- **Liquidity risk:** the situation in the markets has caused an increase in liquidity pressures in the economy and a contraction in the credit market. To face this, the Group has in place a Super Senior debt ("*Super Senior Term & Revolving Facilities Agreement*") to meet operational needs for a maximum amount of EUR 240 million, that were fully drawn as of December 31, 2022. Likewise, the rest of subsidiaries of the Group have undrawn credit facilities and other lines of credit amounting to EUR 25 million at December 31, 2022. Additionally, the Group had a cash available of EUR 179.5 million. The foregoing, together with the implemented specific plans for the improvement and efficient management of liquidity, will make it possible to deal with these tensions.
- **Operational risk:** the changing and unpredictable nature of events could lead to the emergence of a risk of interruption in the provision of services or sales. Therefore, the Group has established contingency plans aimed at monitoring and managing its operations at all times. To date, no notable incidents have been revealed.
- **Risk of change in certain financial magnitudes:** the factors referred to above could adversely affect in the future to the Group's advertising revenues, the revenues of circulation and sale of education to the extent that there is an increase in costs or an adverse impact on revenues due to the current macroeconomic scenario, even though the Group has no trade relations with Ukraine or Russia. However, it is not possible at this stage to reliably quantify the impact of the above factors and events on future financial statements, given the constraints and limitations already indicated.

Likewise, the invasion of Ukraine and COVID-19 and its macroeconomic impacts could also have an adverse impact on key indicators for the Group, such as financial leverage ratios and compliance with financial ratios included in the financial agreements of the Group. In this sense, with the agreed Refinancing in 2022, the Group's financial debt was made more flexible and endowed with a financial structure that makes it possible to meet its financial commitments (including financial ratios (covenants)).

- **Balance sheet assets and liabilities measurement risk:** a change in the future estimates of the Group's revenue, production costs, finance costs, credit quality of trade receivables, etc. could have an adverse impact on the carrying amount of certain assets (goodwill, intangible assets, deferred tax assets, trade and other receivables, etc.) and on the need to recognize provisions or other liabilities. The appropriate analyses and calculations have been carried out which have allowed, where appropriate, those assets and liabilities to be re-measured with the information available to date. At December 31, 2022 there have not been significant changes in the estimates at the end of 2021 in the aforementioned magnitudes, that have a negative impact on the consolidated financial statements, although the sensitivity margins were reduced in the analysis to determine the recoverable amounts of certain assets, especially due to the significant increase in discount rates (wacc) (*see notes 6 and 8*).

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

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

(2) BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Application of International Financial Reporting Standards (IFRSs)

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

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

- The IFRSs are applied in the preparation of the consolidated financial information of the Group. The financial statements of individual companies that are part of the Group are prepared and presented in accordance with accounting standards in each country.
- In accordance with IFRSs, these consolidated financial statements include the following consolidated financial statements of the Group:
 - Balance sheet.
 - Income statement.
 - Statement of comprehensive income.
 - Statement of changes in equity.
 - Statement of cash flow.
- As required by IAS 8, uniform accounting policies and measurement bases were applied by the Group for all transactions, events and items in 2022 and 2021.

In 2022, the following amendment to accounting standard came into force which, therefore, was considered when preparing these consolidated financial statements:

- Amendment to IFRS 3. Business combinations.
- Amendment to IAS 16. Property, plant and equipment.
- Amendment to IAS 37. Provisions, contingent liabilities and contingent assets.
- IFRS annual improvements. 2018-2020 Cycle.

In this regard, the accounting policies used in the preparation of these consolidated financial statements are the same ones applied to the consolidated financial statements for the fiscal year that ended on December 31, 2021, since none of the standards, interpretations, or amendments

that apply for the first time in this fiscal year have had a significant impact on the accounting policies of the Group.

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

At December 31, 2022, the PRISA Group had not applied the following standards or interpretations issued, since the effective application thereof was required subsequent to that date or they have not been adopted by the European Union.

Standards, amendments, and interpretations		Mandatory application for financial years beginning on or after
Approved for use in the EU		
Amendments to IAS 1	Presentation of Financial Statements and disclosure of accounting policies	January 1, 2023
Amendments to IAS 8	Accounting policies, changes in accounting estimates and errors: definition of accounting estimates	January 1, 2023
IFRS 17	Insurance contracts, including amendments to IFRS 17	January 1, 2023
Amendments to IAS 12	Income Taxes: Deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023
Amendments to IFRS 17	Insurance contracts: Initial Application of IFRS 17 and IFRS 9- Comparative Information	January 1, 2023
Not yet approved for use in the EU		
Amendments to IAS 1	Classification of liabilities as current or non-current	January 1, 2024
Amendments to IFRS 16	Leases: Lease Liability in a Sale and Leaseback	January 1, 2024

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

b) Fair presentation and accounting principles

The consolidated financial statements were obtained from the separate financial statements of PRISA and its subsidiaries and, accordingly, they present fairly the Group's equity and financial position at December 31, 2022, and the results of its operations, the changes in equity and the cash flows in the year then ended. The Group prepared its financial statements on a going concern basis, as described in note 1b. Also, with the exception of the consolidated statement of cash flows, these consolidated financial statements were prepared in accordance with the accrual basis of accounting.

Given that the accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2022 may differ from those applied by some of the Group companies, the necessary adjustments and reclassifications were made on consolidation to unify these policies and bases and to make them compliant with IFRSs as adopted by the European Union.

c) Responsibility for the information and use of estimates

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

In the consolidated financial statements for 2022 estimates were occasionally made by executives of the Group and of the entities in order to quantify certain of the assets, liabilities and obligations reported herein. These estimates relate basically to the following:

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

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

In 2022, there were no significant changes in the accounting estimates made at the end of 2021, that imply a significant adverse impact on the consolidated financial statements of the current fiscal year.

d) Basis of consolidation

The consolidation methods applied were as follows:

Full consolidation-

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

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

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

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

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

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

Equity method-

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

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

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

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

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

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

Other matters -

All related party transactions have taken place under market conditions.

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

The items in the balance sheets of the companies whose functional currency is not the euro included in the scope of consolidation were translated to euros using “the closing rate method”, i.e. all assets, rights and obligations were translated at the exchange rates prevailing at the end

of the reporting period. Income statement items were translated at the average exchange rates for each month. The difference between the value of the equity translated at historical exchange rates and the net equity position resulting from the translation of the other items as indicated above is recognized under "*Equity- Translation differences*" in the accompanying consolidated balance sheet. At the time of sale of any company that has generated translation differences or translation differences in accumulated profit from prior years, these will be transferred to the consolidated income statement, reflecting them in the consolidated statement of comprehensive income, under the heading "*Amounts transferred to the profit and loss account*", no impact on consolidated net equity.

Venezuela

Venezuela is deemed a hyperinflationary economy since the fiscal year ended on December 31, 2009. The Group regularly evaluates the local economic and exchange rate situation that better reflects the economic aspects of its activities in the country, taking into account all information available on relevant factors and circumstances at each closing date.

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

In October 2019, the Central Bank of Venezuela published the inflation indexes for the first time, absent since 2016 to September 2019. Fiscal year 2022 ended with a cumulative inflation of 305.7% (686.4% between January and December 2021), continuing the deceleration of the inflation rate.

In October 2021 the Venezuelan government set up a new monetary reconversion, its third this century, which removed six zeros from the bolívar (the national currency) in an attempt to refloat an economy beset by hyperinflation and devaluation since 2017. The new currency, known as the "digital bolívar", has not succeeded in displacing the dollar due to the Government's insistence on maintaining a hyper depreciated local currency.

Transactional dollarisation and the penetration of dollars into the Venezuelan economy in the last few years are the two factors that have motivated the Group to adopt the dollar as a functional currency for its branch in Venezuela from January 1, 2021. The exchange rate used as of December 31, 2022 for the conversion of the financial statements of the Venezuelan subsidiary was provided by the Central Bank of Venezuela and amounted to 17.49 digital bolivars per euro.

The item "*Financial expenses*" of fiscal year 2022 also includes EUR 12 thousand of adjustments for inflation due to Venezuela being considered a hyperinflationary economy (EUR 624 thousand in fiscal year 2021).

The effect of the adjustment for inflation on the net assets of Venezuela under the item "*Equity - Accumulative profit from prior years*" of the attached consolidated balance sheet as of December 2022 amounts to EUR 660 thousand (EUR 1,133 thousand on December 31, 2021).

Argentina

Since the second quarter of 2018, Argentina's economy has been considered by international authorities as hyperinflationary. The main reason for this is that since July 1, 2018 the accumulated inflation of the last three years in Argentina exceeded 100%. As a general price index, Argentina's national CPI has been applied since 1 January 2017, the IPIM (Internal Wholesale Price Index) until December 31, 2018 and from January 2019 it was determined that the official index to be used will be the one issued by the "Federación Argentina de Consejos Profesionales de Ciencias Económicas" (FACPCE) which has matched the national CPI since 2019. The inflation rate from January to December 2022 amounts to 94.8% (50,9% from January to December 2021).

The functional currency is the Argentine peso and the balance sheet and the income statement of the Argentine subsidiaries were converted to the exchange rate on December 31, 2022, which was 189.19 EUR/Argentine peso (116.76 EUR/Argentine peso at December 31, 2021).

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

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

Non- monetary headings of the balance sheet are adjusted to reflect changes in prices in accordance with local laws, before they are translated to euros, as contained in the notes to these consolidated financial statements separately under the column "*Monetary adjustment*". The effect of inflation for the financial year as to monetary assets and liabilities is included under "*Finance costs*" in the attached consolidated income statement. The effect of the adjustment for inflation on the net equity of companies to which this accounting practice applies (Venezuela and Argentina) (positive impact of EUR 7.2 million, which EUR 6.6 million come from Argentina) and the translation differences associated with them (negative impact of EUR 4.7 million, of which EUR 3.6 million come from Argentina) have been registered under the line "*Translation differences*" on the accompanying consolidated statement of comprehensive income. Likewise, this effect has been registered under "*Equity- Accumulated profit for prior years*" on the accompanying consolidated balance sheet.

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

e) Information comparison

In accordance with commercial legislation, the figures for the previous year are presented for comparison purposes with each of the items in the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement, in addition to the figures for 2022. Comparative information for the previous year is

also included in the notes to the financial statements, except where an accounting standard specifically states that it is not required.

(3) CHANGES IN THE GROUP STRUCTURE

The most significant changes in the scope of consolidation in 2022 were as follows:

Subsidiaries

In January 2022, the merger of Prisa Noticias, S.L.U., Prisa Brand Solutions, S.L.U. and Prisa Tecnología, S.L. with Prisa Media, S.A.U. took place.

In April 2022, the company Caracol Broadcasting, Inc was sold for EUR 0.8 million.

In May 2022, 51% of Lacoproductora, S.L. was bought, without the amount of cash handed over or the consolidation of assets and liabilities of this subsidiary being significant. The sale agreement includes a cross option to buy and sell the remaining 49% at a fixed price plus a variable payment (subject to fulfilment of a quantitative objective), payable in 2024. The Group has recorded the fair value of this option as increased goodwill (*see note 6*), credited to a non-current account payable, insofar as it is a cross option to buy and sell at the same price for the buyer and the seller. In relation to this transaction, this option was considered to buy the remaining 49% of the capital, to determine whether there is control over the subsidiary according to IFRS 10.

In November 2022, the merger of Radio Rioja, S.A.U. and Sociedad Española de Radiodifusión, S.L.U. took place.

In December 2022, the merger of Sistemas Educativos de Enseñanza, S.A. de C.V., Lanza, S.A. de C.V. and Vanguardia Educativa Santillana Compartir, S.A. de C.V. with Richmond Publishing, S.A. de C.V. took place.

Likewise, in December 2022 Improve Education Services, S.A.S. and Improve Learning S.A.S., Colombian companies belonging to the Education business, were created. The two companies are 50% owned by Educactiva Ediciones S.A.S. and 50% by Distribuidora y Editora Richmond, S.A.S.

Associates

In March 2022 the company Green Emerald Business, Inc was sold.

In April 2022, the company El Dorado Broadcasting Corporation and its investee company WSUA Broadcasting Corporation were sold for 0.3 million euros.

In July 2022, the stake in Radio Olot, S.A. was sale.

In November 2022, the stake in Planet Events, S.A. was sale.

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

Significant operations

In May 2022, Prisa Media, S.A.U. acquired the remaining 20% stake of Prisa Radio, S.L. to Grupo Godó for an amount of EUR 45 million. This acquisition has led to a reduction in "Other reserves and accumulated profit from prior years" and "Translation differences" of approximately EUR 17 million because, in accordance with IFRS 10, it corresponds to an equity transaction, due to the transaction is about the acquisition of minority percentages that has not given rise to a change in control. That reduction occurs as a result of deducting on acquisition price amounting to EUR 45 million the associated non-controlling interest balance (see note 10i). Of the total purchase price, EUR 15 million have remained pending payment, payable in May 2023, therefore, a liability for this amount has been recorded under the heading "Other current liabilities" in the attached consolidated balance sheet.

(4) ACCOUNTING POLICIES

The principal accounting policies used in preparing the accompanying consolidated financial statements for 2022 and comparative information were as follows:

a) Presentation of the consolidated financial statements

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

b) Property, plant, and equipment

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

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

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

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

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

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

(*) It excludes assets under IFRS 16

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

c) Leases

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

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

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

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

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

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

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

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

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

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

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

Finally, the Group's main lease contracts, due to their significance (leases of buildings and land), in general do not include variable payments in addition to the fixed amounts established, other than updates of the CPI index, they have renewal options (generally at the discretion of the lessor and the lessee), and have no residual value guarantees. At December 31, 2022 there were no significant lease contracts that had not commenced at that date and were not booked in the consolidated balance sheet, to which the Group was not already committed.

d) Business combinations and goodwill

Combinations of businesses are accounted by applying the acquisition method. The cost of a business combination is the sum of the transferred compensation, valued at a reasonable value as of the date of acquisition, and the amount of the non-controlling interests of the acquired party, if any. For each business combination, the acquirer will value any non-dominant share in the acquired party as the proportional part of the non-dominant share of the identifiable net assets of the acquired party. Acquisition-related costs will be recorded as expenses in the consolidated results sheet.

If the business combination is carried out in stages, the Group will once again value its shares in the assets of the acquired party previously maintained at their reasonable value on the date of acquisition and will declare the resulting profits or losses, if any, in the consolidated results sheet.

Any contingent compensation transferred by the Group will be recognised at reasonable value on the date of acquisition. Subsequent changes in the reasonable value of contingent compensations classified as assets or liabilities will be recognised, recording any resulting profits or losses in the consolidated income statement or in the statement of comprehensive income. If the contingent compensation is classified as equity, there will be no need to value them again and its subsequent settlement shall be accounted as part of the consolidated net equity.

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

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

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

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

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

e) Intangible assets

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

Computer software-

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

Prototypes-

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

Advances on copyrights-

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

Other intangible assets-

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

f) Losses due to impairment of non-financial assets

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

identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group identifies these cash-generating units, broadly, by business and country.

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

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

These projections cover the following five years and include a terminal value that is appropriate for each business and that is calculated as a perpetual income extrapolating the normalized flow of year five using a constant growth rate. These cash flows are discounted to their present value at a rate that reflects the weighted average cost of capital employed adjusted by the country risk and business risk corresponding to each cash-generating unit. Therefore, in 2022 the rates used ranged from 9.0% to 53.0% depending on the business being analysed (from 7.0% to 34.0% in 2021).

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

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

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

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

g) Financial instruments

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

Non-current financial assets at amortized cost-

This heading includes the following categories:

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

Impairment and derecognition of financial assets-

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

Moreover, the Group shall derecognise a financial asset whenever the contractual rights on the cashflows of the aforementioned asset expire, or when the financial asset is transferred; this would entail, among other things, a substantial transfer of the risks and benefits inherent to the ownership of the financial asset.

Cash and cash equivalents-

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

Financial liabilities-

This category includes debits for commercial operations and debits for non-commercial operations. These external resources are classified as current liabilities, unless the Company has an unconditional right to defer their liquidation for at least twelve months after the balance

sheet date. Debits for commercial operations that have an expiration of no more than one year and that do not have a contractual interest rate, both initially and subsequently, for their nominal value when the effect of not updating the cash flows is not significant.

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

Lastly, the Group shall derecognise a financial liability only when it has been extinguished; that is, when the obligation specified in the corresponding contract has been fulfilled or cancelled, or when the contract expires.

Derivative financial instruments and hedge accounting--

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

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

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

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

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: those determinable on the basis of valuation techniques, which include inputs for the asset and liability that are not based on observable market data (unobservable inputs).

h) Investments accounted for using the equity method

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

When there are signs of deterioration, and at least annually, the Group will analyse the value of these investments to determine whether they have experienced losses due to deterioration. To do this, the recoverable amount of said asset is estimated to determine, where applicable, the necessary stabilisation amount (when the aforementioned recoverable value is lower than the book value), which is recorded in the consolidated income statement. Losses due to deterioration are reversible in subsequent periods, as long as the recoverable value of the investment is higher than its book value, and for a maximum amount equal to the losses recorded in previous periods.

Investments in companies accounted for using the equity method whose equity carrying amount is negative at the end of the reporting period are recognized under “*Long-term provisions*” (see notes 8 y 12) at their negative value (by their percentage of participation) excluding the financial effect, given the nature of the investments, and as long as the Group participates in them.

i) Inventories

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

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

The Group’s main inventories correspond to books and educational material from the Education segment. The stock also includes “*Audiovisual programmes*” that correspond, essentially, to the costs incurred in their production, which are valued at their acquisition or production cost and attributed to results based on their delivery to the contracting medium.

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

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

j) Long-term provisions

Present obligations at the consolidated balance sheet date arising from past events which could give rise to a loss for the Group, which is uncertain as to its amount and timing, are recognized

in the consolidated balance sheet as provisions at the present value of the most probable amount that it is considered the Group will have to pay to settle the obligation.

Provisions for taxes-

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

Provisions for indemnities and third-party liability-

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

Likewise, it includes the amount of the companies accounted for using the equity method with negative equity net value at the year end (by their percentage of participation) and as long as the Group participates in them.

k) Recognition of income and expenses

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

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

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

- *Advertising revenue* is recognized when the advertisement appears in the media, less the amount of volume rebates offered to the media agencies (rappels). Likewise, the amounts corresponding to commercial discounts will be reduced from the revenue amount. The average collection period is around 90 days, except programmatic advertising that is charged for 30 days.
- *Revenue from book sales* is recognized on the effective delivery thereof. Where the sales of the copies are subject to sales returns, the sales returns that are estimated to be produced are deducted from the revenue recognized. Also, the amounts corresponding to rebates or trade discounts are deducted from revenue. The collection period is variable and is established in the different sales contracts. The sales returns estimation is calculated using historical return percentages.

- *Revenue from digital teaching systems*: the revenue from the goods and services provided is recognised once control thereof is transferred to the client, in accordance with the criteria described below:
 - Printed teaching material and digital content: revenue is reported when ownership is transferred to the school or student.
 - Equipment made available to schools and other services: the respective revenue will be recognised during the school year.

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

- *Revenue from circulation* is recognized on the effective delivery thereof, net of the related estimated provision for sales returns. Also, the amounts relating to distributors' fees are deducted from revenue. The collection for the sale of newspapers and magazines occurs in the month in which the sales are made. Subscription revenue is recognized based on the duration of the subscription contract and are collected in two different ways, at the time it is signed or accrued based on the duration of the contract.
- *Revenue related to intermediation services* is recognized at the amount of the fees received when the goods or services under the transaction are supplied.
- *Other services*: this item includes music sales, organization and management of events, e-commerce and internet services. Some contracts in relation to events associated with Media business also include advertising services. In these cases, the price of the contract is distributed between the various performance obligations, by means of an analysis of discount margins and selling prices independent of equivalent advertising services but without the associated event.

Moreover, it includes the revenue and costs associated with audiovisual production contracts recognised in the results account as control of the content sold (episodes ready to be shown by the buyer) is transferred at the moment of delivery, with there being no other significant performance obligations to be fulfilled from this moment onwards. The collection period is set out in the different contracts.

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

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

l) Offsetting

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

m) Tax matters

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

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

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

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

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

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

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

To the extent in which the values of the Group affected by this rule have no impediment, in practice, in order to be able to be transmitted before the end of the period of five years, as there are no very severe restrictions on their transferability, whether legal, contractual or of other

types, these fiscal adjustments have been considered as permanent differences in the Group and, consequently, one fifth of the corresponding Corporate Tax expense has been recognized as payable as a tax liability to the Treasury.

n) Result after tax from discontinued operations

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

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

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

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

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

p) Share-based payments and compensations for termination of employees

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

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

The provisions corresponding to employment termination plans, such as pre-retirements and other terminations, are calculated individually based on the conditions agreed with the employees, which may at times require the application of actuarial valuations, considering both demographic and financial hypotheses.

q) Dividend policy

PRISA does not have a set dividend policy, and so the Group's distribution of dividends is reviewed annually. In this respect, the distribution of dividends depends mainly on (i) the existence of profit that can be distributed and the Company's financial situation, (ii) its obligations regarding debt servicing and those arising from commitments acquired with its financial creditors in the Group's financing contracts, (iii) the generation of cash arising from its normal course of business, (iv) the existence or non-existence of attractive investment opportunities that could generate value for the Group's shareholders, (v) the Group's reinvestment needs, (vi) the implementation of PRISA's business plan, and (vii) other factors PRISA should consider relevant at any given time.

r) Foreign currency transactions

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

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

s) Reult per share

The Group calculates the basic result per share using the weighed average of outstanding shares during the period. The calculation of the diluted result per share also includes the dilutive effect, where applicable, of the equity options granted during the period. In this case, there will be a dilutive effect of the result of the fiscal year or period is positive.

t) Information by segment

In accordance with IAS 8, the Group has identify two business segment:

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

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

u) Current/non-current classification

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

v) Consolidated statements of cash flows

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

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

w) Environmental impact

The Group is committed, through its Sustainability Policy and Environmental Policy, approved in December 2018 (amended in November 2020 and February 2022) and February 2021, respectively, to support the fight against climate change through the effective management of resources and taking into consideration the potential risks arising from resources, as well as through the monitoring and assessment of the environmental impact that its activity may generate. It includes the Group's commitment to compliance with applicable environmental legislation, the development of continuous improvement actions, environmental awareness when undertaking its activities and those of its business partners, customers and suppliers. Along these lines, in 2022, the 2022-2025 Sustainability Master Plan approved by the Board of Directors of PRISA last October includes as one of its environmental objectives the design of an environmental management plan in 2023 and a commitment to achieve carbon neutrality in 2035.

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

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

(5) PROPERTY, PLANT, AND EQUIPMENT
2022-

The changes in 2022 in “Property, plant and equipment” in the consolidated balance sheet were as follows:

	Thousands of euros							
	Balance at 12/31/2021	Monetary adjustment	Translation adjustment	Changes in scope of consolidation	Additions	Disposals	Transfers	Balance at 12/13/2022
Cost:								
Land and buildings	45,715	930	(433)	-	83	(162)	67	46,200
Plant and machinery	92,682	555	(678)	361	1,394	(2,426)	821	92,709
Other items of property, plant and equipment	68,834	4,661	(1,328)	54	5,780	(951)	148	77,198
Advances and equipment in the course	504	-	-	-	1,645	(1)	(1,072)	1,076
Total cost	207,735	6,146	(2,439)	415	8,902	(3,540)	(36)	217,183
Accumulated depreciation:								
Buildings	(15,387)	(870)	436	-	(540)	60	-	(16,301)
Plant and machinery	(81,228)	(507)	739	(141)	(3,214)	2,165	32	(82,154)
Other items of property, plant and equipment	(58,574)	(4,301)	1,129	(45)	(5,367)	884	(1,160)	(67,434)
Total accumulated depreciation	(155,189)	(5,678)	2,304	(186)	(9,121)	3,109	(1,128)	(165,889)
Impairment losses:								
Land and buildings	(7,096)	-	-	-	(1,271)	-	1,074	(7,293)
Plant and machinery	(297)	-	-	-	-	-	-	(297)
Other items of property, plant and equipment	(559)	-	(17)	-	41	-	-	(535)
Total impairment losses	(7,952)	-	(17)	-	(1,230)	-	1,074	(8,125)
Net property, plant and equip.	44,594	468	(152)	229	(1,449)	(431)	(90)	43,169
Cost of property, plant and equipment in lease:								
Land and buildings	89,093	2,466	678	-	11,936	(21,737)	-	82,436
Other items of property, plant and equipment	31,136	-	2,609	-	7,403	(5,745)	(49)	35,354
Total cost of property, plant and equipment in lease	120,229	2,466	3,287	-	19,339	(27,482)	(49)	117,790
Accumulated depreciation of property, plant and equipment in lease:								
Buildings	(35,795)	(1,596)	441	-	(17,162)	19,069	47	(34,996)
Other items of property, plant and equipment	(19,350)	-	(1,735)	-	(7,534)	4,743	1,207	(22,669)
Total accumulated depreciation of property, plant and equipment in lease	(55,145)	(1,596)	(1,294)	-	(24,696)	23,812	1,254	(57,665)
Net property, plant and equipment in lease	65,084	870	1,993	-	(5,357)	(3,670)	1,205	60,125
TOTAL NET PROPERTY, PLANT AND EQUIPMENT	109,678	1,338	1,841	229	(6,806)	(4,101)	1,115	103,294

2021-

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

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

Monetary adjustment and translation adjustment-

The column “Monetary adjustment” includes the effect of hyperinflation in Venezuela and Argentina in 2022 and 2021. Furthermore, the column “Translation adjustment” includes the impact of exchange rates variation in Latin America, highlighting the contribution in 2022 of México, Brazil and Argentina (Argentina, Chile and Colombia in 2021).

Changes in scope of consolidation-

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

Additions-

The most significant additions in 2022 were as follows:

- *“Plant and machinery”*, in the amount of EUR 1,394 thousand (EUR 1,416 thousand in 2021).
- *“Other items of property, plant and equipment”* (including property, plant and equipment in lease) amounting to EUR 13,183 thousand (EUR 11,429 thousand in 2021), mainly for investments made by Santillana in digital equipment's and learning systems (EUR 3,556 thousand), the acquisition of computers to the Group, amounting to EUR 3,643 thousand, as well as renewal of lease contracts for vehicles (EUR 4,950 thousand), mainly in Santillana Brazil.
- *“Land and buildings for lease”* amounting to EUR 11,936 thousand (EUR 13,366 thousand euros in 2021), mainly due to the activation or renewal of lease contracts for buildings and offices where the Group carries out its activity.

Disposals-

In fiscal year 2022, the withdrawals of financially leased constructions are mainly due to the abandonment of several buildings of the Miguel Yuste complex (Madrid) in accordance with the agreement in force.

In 2022 and 2021, the withdrawals in fix assets in property were primarily due to the removal of totally depreciated assets.

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

In addition, the renegotiation of the Miguel Yuste contract entailed a supplementary fee in December 2021 of EUR 20 million. This was mainly associated with the early exit of the buildings, and the impact of which incorporated into the recalculation of the lease liability and right-of-use asset described below. Its effect on the consolidated income statement as at December 31, 2021 was EUR 12.7 million, recorded under *“Depreciation and amortization charge”*. This impact corresponded to the portion of the fee associated with the buildings for which the effective exit took place before December 31, 2021. Its effect on the consolidated income statement as at December 31, 2022 has been approximately EUR 1.2 million and corresponds, mainly, the portion of the fee associated with the buildings for which the effective exit took place before the end of 2022, with the remainder being charged to the consolidated income statement in the following years, as the associated right-of-use asset is amortised, considering the estimated effective exit of the remaining buildings.

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

Transfers-

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

Impairment losses-

During 2022 During 2022, losses due to deterioration are mainly due to the deterioration in the value of a building in the Media segment in Argentina.

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

Others matters-

The balance in the property, plant and equipment in lease, mainly correspond with the activation of the contract leases of offices and warehouses of the Group for a net amount of EUR 47,440 thousand as of December 31, 2022 (EUR 53,298 thousand as of December 31, 2021). In addition, Education includes technological equipment in lease for use in the classroom by students and teachers integrated into teaching systems for a net amount of EUR 7,408 thousand, in the heading "*Other items of property, plant and equipment*" (EUR 8,206 thousand as of December 31, 2021).

The property, plant and equipment amortization expense recorded in 2022 totalled EUR 33,817 thousand (EUR 41,910 thousand in 2021) of which EUR 24,696 thousand corresponding to the amortization of property, plant and equipment held under leases (EUR 33,604 thousand in 2021).

There are no restrictions on holding title to the property, plant, and equipment.

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

At December 31, 2021, the PRISA Group's assets included fully amortized property, plant, and equipment amounting to EUR 128,097 thousand (December 31, 2021: EUR 129,390 thousand).

The Group companies take out insurance policies to cover the potential risks to which the various items of property, plant, and equipment are exposed. At December 31, 2022 and at December 31, 2021, the insurance policies taken out sufficiently covered the related risks.

(6) GOODWILL
2022-

The detail of the goodwill relating to fully and proportionately consolidated Group companies and of the changes therein in 2022 is as follows:

	Thousand of euros			
	Balance a 12/31/2021	Translation adjustment	Additions	Balance at 12/31/2022
Editora Moderna, Ltda.	12,938	1,456	-	14,394
Santillana Educaçao, Ltda.	22,086	2,485	-	24,571
Grupo Latino de Radiodifusión Chile, Ltda.	27,086	1,547	-	28,633
Propulsora Montañesa, S.A.	8,608	-	-	8,608
Sociedad Española de Radiodifusión, S.L.	27,217	-	-	27,217
Other companies	11,607	16	2,174	13,797
Total	109,542	5,504	2,174	117,220

In financial year 2022, the addition recorded in “*other companies*” was due to the purchase, in May 2022, of 51% of Lacoproductora, S.L., also including the fair value of the cross option for the buyer and seller to buy and sell the remaining 49%, as described in note 3.

The detail, by business segment, of the goodwill relating to fully consolidated Group companies and of the changes therein in 2022 is as follows:

	Thousand of euros			
	Balance a 12/31/2021	Translation adjustment	Additions	Balance at 12/31/2022
Media	72,824	1,547	2,174	76,545
Education	36,718	3,957	-	40,675
Total	109,542	5,504	2,174	117,220

2021-

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

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

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

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

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

Impairment tests

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

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

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

These projections cover the following five years and include a terminal value that is appropriate for each business, applying a constant expected growth rate ranging from 0% to 2.5%, as in 2021. The expected growth rates that have been used in the most relevant impairment tests are the following:

- Editora Moderna, Ltda.: between 0% and 0.75% in 2022 and 2021.
- Santillana Educaçao Ltda.: between 0% and 0.75% in 2022 and 2021.
- Grupo Latino de Radiodifusión Chile, Ltda.: between 0.75% and 1.5% in 2022 and 2021.
- Sociedad Española de Radiodifusión, S.L. and Propulsora Montañesa, S.A.): between 0% and 0.75% in 2022 and 2021.

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

In order to calculate the present value of these flows, they are discounted at a rate that reflects the weighted average cost of capital employed adjusted for the country risk and business risk corresponding to each cash-generating unit. Therefore, in 2022 the rates used ranged from 9% y 53% (7% and 34% in 2021) depending on the business being analysed. The rates that have been used for the most relevant impairment tests are the following:

- Editora Moderna, Ltda.: between 15% and 16% in 2022 (between 16% and 17% adjusting the tax rate) and between 11,5% and 12,5% in 2021.
- Santillana Educação Ltda.: between 15% and 16% in 2022 (between 16% and 17% adjusting the tax rate) and between 11,5% and 12,5% in 2021.
- Grupo Latino de Radiodifusión Chile, Ltda.: between 11% and 12% in 2022 (between 12% and 13% adjusting the tax rate) and between 9% and 10% in 2021
- Sociedad Española de Radiodifusión, S.L. and Propulsora Montañesa, S.A.): between 9% and 10% in 2022 (between 10% and 11% adjusting the tax rate) and between 7.5% and 8.5% in 2021.

Rates increased in 2022 mainly due to an increase in the risk-free rate of the countries and the cost of debt, motivated by the growth of the current macroeconomic scenario.

Key hypothesis-

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

- Editora Moderna Ltda.:

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

For informational purposes, the CAGR (compound annual growth rate) of the revenue due to book sales in the period considered in the forecasts of fiscal year 2022 is approximately one percentage point higher than the ones used in the deterioration test for fiscal year 2021. For this aspect, it must be considered that this business is impacted by educational cycles.

- Santillana Educação, Ltda.:

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

For informational purposes, the CAGR of the revenue due to sales of educational systems in the period considered in the forecasts of fiscal year 2022 is approximately two percentage points lower than the ones used in the deterioration test for fiscal year 2021. For this aspect, it must be considered that growth rates go down from the previous year since this growth has stabilised after the pandemic.

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

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

Finally, for information purposes, the CAGR (compound annual growth rate) of advertising revenue of the period considered in the 2022 projections is approximately one percentage point higher than those used in the 2021 impairment test for Sociedad Española de Radiodifusión, S.L. In the case of Grupo Latino de Radiodifusión Chile, Ltda. the CAGR is similar in both years.

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

Results of the impairment tests-

In accordance with the estimates and projections available to the Company's Directors, the expected future cash flows allocable to the cash-generating units to which goodwill is allocated indicate that the net value of each goodwill allocated as of December 31, 2022 may be recovered.

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

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

- Editora Moderna, Ltda.

To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would exceed the book value by approximately EUR 68 million. In the event that the

expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would exceed the book value by approximately EUR 66 million.

Also, assuming a 5% reduction in estimates of growth in earnings from books and training, the recoverable value would exceed the book value at December 31, 2022 by approximately EUR 46 million.

– Santillana Educação, Ltda.

To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would exceed the book value by approximately EUR 55 million. In the event that the expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would exceed the book value by approximately EUR 57 million.

Also, assuming a 5% reduction in estimates of growth in earnings from books and training, the recoverable value would exceed the book value at December 31, 2022 by approximately EUR 30 million.

– Grupo Latino de Radiodifusión Chile, Ltda.

To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would exceed the book value by approximately EUR 2 million. In the event that the expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would exceed the book value by approximately EUR 3 million.

Also, assuming a 5% reduction in estimates of growth in earnings from advertising, the recoverable value would be lower the book value by approximately EUR 3 million at December 31, 2022.

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

To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would exceed the book value by approximately EUR 106 million. In the event that the expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would exceed the book value by approximately EUR 109 million.

Also, assuming a 5% reduction in estimates of growth in earnings from advertising, the recoverable value would exceed the book value by approximately EUR 39 million at December 31, 2022.

(7) INTANGIBLE ASSETS
2022-

The changes in 2022 in “Intangible assets” in the consolidated balance sheet were as follows:

	Thousands of euros							Balance at 12/31/2022
	Balance at 12/31/2021	Monetary adjustment	Translation adjustment	Changes in scope of consolidation	Additions	Disposals	Transfers	
Cost:								
Computer software	100,447	799	554	-	12,742	(3,179)	45	111,408
Prototypes	200,691	6,499	11,368	-	27,184	(15,329)	-	230,413
Advances on copyrights	2,175	-	166	-	589	(325)	(395)	2,210
Other intangible assets	41,730	82	(163)	1	126	(105)	-	41,671
Total cost	345,043	7,380	11,925	1	40,641	(18,938)	(350)	385,702
Accumulated amortization:								
Computer software	(72,775)	(682)	(419)	-	(11,533)	2,923	(16)	(82,502)
Prototypes	(160,939)	(6,213)	(8,525)	-	(20,685)	13,619	-	(182,743)
Advances on copyrights	(1,053)	-	(67)	-	(609)	142	383	(1,204)
Other intangible assets	(18,396)	(82)	(315)	-	(208)	98	-	(18,903)
Total accumulated amortization	(253,163)	(6,977)	(9,326)	-	(33,035)	16,782	367	(285,352)
Impairment losses:								
Computer software	(873)	-	-	-	(75)	93	-	(855)
Prototypes	(3,443)	(6)	(198)	-	(1,721)	1,681	-	(3,687)
Advances on copyrights	(376)	-	-	-	(11)	-	-	(387)
Other intangible assets	(625)	-	35	-	(159)	139	-	(610)
Total impairment losses	(5,317)	(6)	(163)	-	(1,966)	1,913	-	(5,539)
Net intangible assets	86,563	397	2,436	1	5,640	(243)	17	94,811
Cost of intangible assets in lease:								
Other intangible assets	16,069	-	(907)	-	5,002	(3,633)	15	16,546
Total cost of intangible assets in lease	16,069	-	(907)	-	5,002	(3,633)	15	16,546
Accumulated amortization of intangible assets in lease:								
Other intangible assets	(6,624)	-	710	-	(4,157)	3,573	84	(6,414)
Total accumulated amortization of intangible assets in lease:	(6,624)	-	710	-	(4,157)	3,573	84	(6,414)
Net intangible assets in lease	9,445	-	(197)	-	845	(60)	99	10,132
TOTAL NET INTAGIBLE ASSETS	96,008	397	2,239	1	6,485	(303)	116	104,943

2021-

The changes in 2021 in “Intangible assets” in the consolidated balance sheet were as follows:

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

Monetary adjustment and translation adjustment-

The column “Monetary adjustment” includes the effect of hyperinflation in Argentina y Venezuela in 2022 and 2021. Furthermore, the column “Translation adjustment” includes the impact of exchange rates variation in Latin America, highlighting the contribution in 2022 of Brazil (Chile and Colombia in 2021).

Additions-

The most significant additions in 2022 were as follows:

- *“Prototypes,”* amounting to EUR 27,184 thousand (EUR 21,856 thousand in 2021), relating to new prototypes for the publication of books at Grupo Santillana, mainly in Brazil and Mexico.
- *“Computer software,”* amounting to EUR 12,742 thousand (EUR 11,667 thousand in 2021), relating to the computer software acquired and/or developed by third parties for Group companies.
- *“Other intangible assets in lease”* amounting to EUR 5,002 thousand (EUR 6,093 thousand euros in 2021), mainly due to the activation or renewal of lease contracts for administrative concessions.

Disposals-

Grupo Santillana derecognized, in 2022, EUR 13,619 thousand of fully depreciated prototypes (December 31, 2021: EUR 1,809 thousand) as well as other already deteriorated prototypes.

Additionally, in 2022 and 2021, the different business segments derecognized fully depreciated or impairment computer software.

Withdrawal of other intangible assets on lease in fiscal year 2022 and 2021 corresponds, primarily, to the termination of radio frequency lease contracts that had expired and were completely amortized.

Impairment losses-

In 2022 and 2021, impairments of book prototypes were recorded, mainly in Santillana Brazil, for an amount of EUR 1,721 thousand and EUR 3,113 thousand, respectively.

Others matters-

The net amount of the leases of administrative concessions of Radio amounting to EUR 10,132 thousand at December 31, 2022 (EUR 9,445 thousand in 2021).

The intangible asset amortization expense recorded in 2022 totalled EUR 37,192 thousand (EUR 36,407 thousand in 2021), of which EUR 4,157 thousand corresponding to the amortization of intangible assets held under leases (EUR 4,092 thousand in 2021).

“Other intangible assets” include administrative concessions acquired whose book value amounts to EUR 21,589 thousand (EUR 22,199 thousand in 2021), which are considered to be intangible assets with indefinite useful lives because it is highly probable that they will be renewed and the related costs are not material. That concessions correspond mainly to Sociedad Española de Radiodifusión, S.L. and Grupo Latino de Radiodifusión Chile, Ltda.

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

At December 31, 2022, the PRISA Group's assets included fully amortized intangible assets amounting to EUR 188,157 thousand (December 31, 2021: EUR 182,277 thousand).

There are no restrictions on holding title to the intangible assets.

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

(8) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

2022-

The changes in 2022 in "Investments accounted for using the equity method" in the consolidated balance sheet were as follows:

	Thousand of euros							Balance at 12/31/2022
	Balance at 12/31/2021	Translation adjustment	Changes in scope of consolidation	Dividends	Share of results	Transfers	Others	
Sistema Radiópolis, S.A. de C.V.	26,340	3,277	-	-	2,602	-	187	32,406
Other companies	680	10	(3,669)	(215)	3,384	527		717
Total	27,020	3,287	(3,669)	(215)	5,986	527	187	33,123

During 2022, changes in "Investments accounted for using the equity method" in the accompanying consolidated balance sheet is mainly due to the results participation in Sistema Radiópolis, S.A. de C.V., and by the effect of the exchange rate.

Column "Changes to the scope of consolidation" and "Share results" of other companies includes mainly the effect of withdrawing from the scope of consolidation of El Dorado Broadcasting Corporation and its investee company WSUA Broadcasting Corporation, as well as Green Emerald Business, Inc. and Planet Events, S.A. The effect on the net result of fiscal year 2022 of the Group is not significant taking into account that, although own negative net equity of these subsidiaries were provisioned (see note 12), the financial credits that were granted have been written off as described in note 11 a) (see note 3).

2021-

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

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

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

The impairment test of net investment in Sistema Radiópolis, S.A. de C.V. has had on the recoverable value of this investment which value in use has been calculated based on the forecasts of the next 5 years, including a terminal value in which a rate of constant expected growth of between 0.5% and 1.5% (between 0.5% and 1.5% in 2021). In order to calculate the present value of these flows, they are discounted at a rate that reflects the weighted average cost of capital employed adjusted for the country risk and business risk corresponding to each cash-generating unit. Therefore, in 2022 the rates used ranged from 13% to 14% (between 11% to 12% in 2021). The rate increased during 2022 mainly due to the increase in the risk-free rate in Mexico and the cost of debt motivated by the actual evolution of the macroeconomic environment.

In the case of Radiópolis, cash flow projections are based on a business plan updated to the year 2022. In this respect, advertising revenue is the main source of earnings for Radiópolis. There follows a description of the main revenue lever for this business, as a key hypothesis for drawing up the projections, with the additional consideration that it is the variable with the largest component of judgment for the estimate:

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

For information purposes, the CAGR of advertising revenue of the period considered in 2022 projections is approximately 2 percentage points higher than that used in the impairment test of Radiópolis for the year 2021.

Lastly, the evolution of fiscal year 2022 has been very positive compared to the forecasts carried out in 2021, with the subsequent positive effect on cashflow and net financial position of the current fiscal year.

In 2022 the outcome of the impairment test did not lead to any impairment being booked on the Group's investment in Radiópolis, because the book value is similar to the recoverable value.

For information purposes, there follows a sensitivity analysis on the recovery of the Group's investment in Radiópolis at December 31, 2022:

- Assuming a 5% reduction in estimates of growth in earnings from advertising, the recoverable value would be approximately EUR 5 million less than the book value at December 31, 2022.
- Assuming a 0.5% increase in the discount rate, the recoverable value would be approximately EUR 1 million less than the book value.
- Assuming a 0.5% decrease in the perpetual growth rate, the recoverable value would be approximately EUR 0.5 million less than the book value.

At December 31, 2022 and at December 31, 2021, the Group had ownership interests in companies accounted for using the equity method, the net negative value of which is recognized under "Long-term provisions" (see note 12).

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

(9) CURRENT ASSETS AND LIABILITIES

a) Inventories

The detail of "Inventories," in thousands of euros, at December 31, 2022 and at December 31, 2021, is as follows:

	12/31/2022			12/31/2021		
	Cost	Write-downs	Carrying amount	Cost	Write-downs	Carrying amount
Finished goods	73,640	(24,145)	49,495	52,396	(25,232)	27,164
Work in progress goods	9,233	-	9,233	3,094	-	3,094
Raw materials and other supplies	16,267	(302)	15,965	10,179	(517)	9,662
Total	99,140	(24,447)	74,693	65,669	(25,749)	39,920

At December 31, 2022, the "Finished goods" account contains publishing products for a net amount of EUR 49,495 thousand (EUR 26,880 thousand in 2021). This increase is mainly due to the delayed delivery of publishing goods in December 2022 that took place during the first months of 2023. On the other hand, the "Work in progress goods" account also contains publishing goods and audiovisual programmes pending completion for an amount of EUR 7,806 thousand and EUR 1,427 thousand, respectively (EUR 3,094 thousand in publishing goods in 2021). Lastly, the "Raw materials and other supplies" account includes mostly paper.

The detail of the changes in 2022 and 2021 in “*Inventories- Write-downs*” is as follows:

Thousands of euros				
Balance at 12/31/2021	Translation adjustment	Charge for the year/Excess	Amounts used	Balance at 12/31/2022
(25,749)	(546)	147	1,701	(24,447)

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

b) Trade and other receivables

The detail of the changes in 2022 and 2021 in “*Trade and other receivables- Allowances*” is as follows:

Thousands of euros					
Balance at 12/31/2021	Translation adjustment	Charge for the year/Excess	Amounts used	Transfers	Balance at 12/31/2022
(59,518)	(1,969)	(378)	2,368	7	(59,490)

Thousands of euros						
Balance at 12/31/2020	Translation adjustment	Changes in scope of consolidation	Charge for the year/Excess	Amounts used	Transfers	Balance at 12/31/2021
(61,920)	85	60	(6,883)	8,905	235	(59,518)

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

The most significant heading included in “*Trade and other receivables*” is “*Trade receivables for sale and services*” amounting to EUR 240,356 thousand, net of allowance at December 31, 2022 (EUR 219,958 at December 31, 2021). The details of the aging of this amount is as follows:

	Thousands of euros	
	Balance at 12/31/2022	Balance at 12/31/2021
0-3 months	209,184	206,950
3-6 months	23,980	7,204
6 months - 1 year	6,458	3,810
1 year- 3 years	722	1,968
More than 3 years	12	26
Total	240,356	219,958

The change in *“Trade receivables for sale and services”* is mainly due to higher education sales booked late in 2022, primarily in Brazil and Mexico, which were therefore still receivable at December 31, 2022, in comparison to the sales booked during the same period in 2021, offset by lower customers in the Dominican Republic due to lower sales.

Additionally, section *“Trade debts and other accounts receivable - Other debts”* includes, as of December 31, 2022, EUR 12,620 thousand (EUR 9,984 thousand as of December 31, 2021) of adjustments due to accrual corresponding to invoices pending allocation such as expenses in the consolidated results statement of future periods according to accrual criteria.

c) Cash and cash equivalents

The balance of the heading *“Cash and cash equivalents”* in the accompanying consolidated balance sheet to December 31, 2022 amounts to EUR 189,496 thousand (EUR 168,672 thousand at December 31, 2021). This amount included approximately EUR 76,492 thousand belonging to the companies in the Media and Education segments located outside of Spain.

It also includes EUR 10,000 thousand received by the Company under the escrow agreement associated with the Vertix sale agreement by Cofina in 2019. This amount has been under dispute with Cofina since the breach of the aforementioned sale agreement by Cofina in April 2020, so the company will not have access to this sum until the dispute is resolved. That is the reason the Company maintains accounted a liability in the heading *“Other non-trade payables”* of the consolidated balance sheet for the same amount.

In 2021, this amount included approximately EUR 79,325 thousand belonging to the companies of Media and Education segments located outside of Spain and EUR 10.000 thousand received under the escrow agreement described above.

The breakdown of cash and other cash equivalents is as follows:

	Thousands of euros	
	Balance at 12/31/2022	Balance at 12/31/2021
Cash	109,982	132,968
Other cash equivalents	79,514	35,704
Cash and cash equivalents	189,496	168,672

The increase in other cash equivalent assets is due to very short-term treasury allocations (maximum period of 3 months) to maximise the profitability of the available cashflow.

d) Other non-trade payables

The heading *“Other non-trade payables”* of the accompanying consolidated balance sheet at December 31, 2022 amounts to EUR 44,082 thousand (EUR 43,774 thousand at December 31, 2021) and mainly include remuneration payable.

e) Other current liabilities

The heading *“Other current liabilities”* of the accompanying consolidated balance sheet at December 31, 2022 amounts to EUR 41,503 thousand (EUR 35,218 thousand at December 31, 2021) and includes accrual adjustments generated by unfulfilled obligations, generated both in the Education segment and in the Media segment.

The detail of the changes in 2022 in accrual adjustments is as follows:

Thousands of euros				
Balance at 12/31/2021	Translation adjustment/ Monetary adjustment	Additions/ Disposals	Amounts used	Balance at 12/31/2022
35,218	2,090	103,745	(99,550)	41,503

As of December 31, 2022, the execution obligations pending to be paid amounted to EUR 41,503 thousand, which will mainly be paid and transferred to the consolidated income statement during the year 2023 and correspond, mainly, to recorded collections or invoices issued in 2022 whose income will accrue over the following year, as the performance obligations associated with the contracts are executed.

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

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

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

(10) EQUITY

a) Share capital

As of January 1, 2022, the share capital of PRISA amounts to EUR 70,865 thousand and is represented by 708,650,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros, and have been fully paid up.

The Refinancing agreements provided for various financing, structuring and underwriting fees, which PRISA may pay, at its discretion, either in cash or in kind and PRISA has chosen to pay the aforementioned fees by means of their conversion into shares and consequent issuance of newly issued shares (*see note 11 b*). At the General Shareholders' Meeting held on June 28, 2022, it was resolved to increase the share capital by way of a compensation of credits by an amount of EUR 3,200 thousand, through the issuance and floating of 32 million new ordinary shares with a face value EUR 0.10 each, of the same class and series as those currently outstanding. The new shares have been subscribed and disbursed by the creditor entities by setting-off the fees. The Shareholders' Meeting delegated to the Board of Directors the execution of the aforementioned agreement.

At the PRISA's Board meeting held on the same day, June 28, 2022, it was agreed to execute the capital increase resolved by the Shareholders' Meeting, setting all its terms. As a result of this agreement, these shares have been subscribed and paid in full by the creditor entities of the aforementioned commissions through the compensation of their credits. As a result of said compensation, the aforementioned credits have been extinguished.

The new shares have been issued at face value of EUR 0.10 plus a share premium of EUR 0.534 per share, resulting in an issuance price per share (capital plus issuance premium) of EUR 0.634. The total amount of the share premium corresponding to the new shares is EUR 17,088 thousand, being the total effective amount of the capital increase of EUR 20,288 thousand (face value plus premium).

Consequently, as of December 31, 2022, the share capital of PRISA amounts to 74,065 EUR thousand and is represented by 740,650,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros, and have been fully paid up.

On December 31, 2022, the significant shareholders of PRISA, according to information published on the website of the Comisión Nacional del Mercado de Valores ("CNMV") and in some cases, information that has been provided by the shareholders to the Company, are the following:

Shareholder's Name	Number of Direct Voting Rights	Number of Indirect Voting Rights	Total % of Voting Rights (1)
JOSEPH OUGHOURLIAN (2)	-	218,997,241	29.57%
VIVENDI, S.E.	70,410,336	-	9.51%
RUCANDIO, S.A.	-	53,938,328	7.28%
GLOBAL ALCONABA, S.L.	50,147,058	-	6.77%
KHALID BIN THANI BIN ABDULLAH AL-THANI (3)	-	36,422,971	4.92%
ROBERTO LÁZARO ALCANTARA ROJAS (4)	18,565	35,570,206	4.81%
BANCO SANTANDER, S.A. (5)	17,239,369	17,017,746	4.63%
CONTROL EMPRESARIAL DE CAPITALES, S.A. DE CV	30,509,047	-	4.12%
CARLOS FERNANDEZ GONZALEZ (6)	-	28,539,429	3.85%

The aforementioned indirect shareholding is held as follows:

Indirect Shareholder's Name	Direct Shareholder's Name	Number of Direct Voting Rights	Total % of Voting Rights
JOSEPH OUGHOURLIAN	OVIEDO HOLDINGS, S.A.R.L	189,155,670	25.54%
JOSEPH OUGHOURLIAN	AMBER CAPITAL INVESTMENT MANAGEMENT ICAV - AMBER GLOBAL OPPORTUNITIES FUND	29,841,571	4.03%
RUCANDIO, S.A.	RUCANDIO INVERSIONES, SICAV, S.A.	90,456	0.012%
RUCANDIO, S.A.	PROMOTORA DE PUBLICACIONES, S.L.	125,949	0.017%
RUCANDIO, S.A.	AHERLOW INVERSIONES, S.L.	53,721,923	7.25%
KHALID BIN THANI BIN ABDULLAH AL-THANI	INTERNATIONAL MEDIA GROUP, S.A.R.L	36,422,971	4.92%
ROBERTO LÁZARO ALCANTARA ROJAS	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	35,570,206	4.80%
BANCO SANTANDER, S.A.	SULEYADO 2003, S.L	5,627,382	0.76%
BANCO SANTANDER, S.A.	CANTABRO CATALANA DE INVERSIONES, S.A	5,762,982	0.78%
BANCO SANTANDER, S.A.	CÁNTABRA DE INVERSIONES, S.A.	5,627,382	0.76%
CARLOS FERNANDEZ GONZALEZ	FCAPITAL DUTCH B.V.	28,539,429	3.85%

(1) The percentages of voting rights have been calculated on the total voting rights in PRISA at December 31, 2021 (i.e. 740,650,193 rights).

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

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

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

(4) Mr Roberto Lázaro Alcántara Rojas controls 85% of Consorcio Transportista Occher S.A. de CV.

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

(6) Mr Carlos Fernández González controls the majority of the capital and voting rights of Grupo Far-Luca, S.A. de C.V., the owner of 99% of Grupo Finaccess, S.A.P.I. de C.V., which in turn owns 64.30% of the capital and voting rights of Finaccess Capital, S.A. of C.V. The latter controls FCapital Dutch, B.V.

Additionally, as of December 31, 2022 and according to the information that is published on the CNMV's website, the ownership of significant participations on financial instruments that have PRISA's underlying voting rights is as follows:

Shareholder's Name	Number of voting rights that may be acquired if the instrument is exercised/converted	Total % of Voting Rights
MELQART OPPORTUNITIES MASTER FUND LTD (1)	15,629,271	2.11%

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

b) Share premium

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

As a result of the capital increase of 32 million shares, described in note a), the share premium as of December 31, 2022 is EUR 17,088 thousand and corresponds to 0.534 euros per share.

c) Reserves of parent company*Legal reserve-*

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

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

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

The balance of this account at December 31, 2022 amounts to EUR 12,646 thousand (EUR 7,087 thousand at December 31, 2021).

Reserve for treasury shares-

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

The balance of this account at December 31, 2022 amounts to EUR 401 thousand (EUR 1,320 thousand at December 31, 2021).

d) Reserves for first-time application of IFRS

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

e) Accumulated profit - From prior years

These reserves include the results not distributed by the companies that form part of the consolidated group, minus the dividend distributed to the parent Company .

f) Treasury shares

The changes in “*Treasury shares*” in 2022 and 2021 were as follows:

	2022		2021	
	Number of shares	Amount (Thousands of euros)	Number of shares	Amount (Thousands of euros)
At beginning of year	2,335,568	1,320	1,713,477	1,530
Deliveries	(1,060,587)	(2,308)	-	-
Purchases	1,174,355	626	2,524,761	1,993
Sales	(1,024,019)	(539)	(1,902,670)	(1,364)
Reserve for treasury shares	-	1,302	-	(839)
At end of year	1,425,317	401	2,335,568	1,320

At December 31, 2022, Promotora de Informaciones, S.A. held a total of 1,425,317 treasury shares, representing 0.192% of its share capital.

Treasury shares are valued at market price at December 31, 2022, 0.281 euros per share. The market value of the treasury shares ad December 31, 2022 amounts to EUR 401 thousand.

At December 31, 2022, the Company did not hold any shares on loan.

In July 2019, the Company signed an annual liquidity contract, which is solely intended to encourage liquidity and regularity in the Company's share price, within the limits established by the Company's General Meeting and by the applicable regulations, in particular Circular 1/2017. Aforementioned contract has been renewed annually, the last renewal being in July 2022, valid until July 2023. In the framework of this contract, the Company has purchased a total of 1,174,355 shares and sold a total of 1,024,019, and therefore the net purchases in the 2022 financial year have been 150,336 shares and EUR 87 thousand.

Additionally, during 2022, the delivery of treasury shares derived from the Medium-Term Incentive Plan for the period 2018/2020 has been carried out, which was approved by the Ordinary General Shareholders Meeting on April 25, 2018 (*see note 14*). Within the framework of this operation, the Company has delivered a total of 905,302 shares that were valued at a cost of EUR 1,991 thousand in the consolidated balance sheet.

On the other hand, 155,285 shares have been granted in connection with successful refinancing, valued at a cost of EUR 317 thousand in the consolidated balance sheet (*see note 14*).

g) Translation differences

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

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

Exchange loss at December 31, 2022, amounted to EUR 87,583 thousand (December 31, 2021: exchange loss of EUR 90,410 thousand). In 2022, the most significant translation differences are generated in Brazil, Colombia, Chile and Mexico by the evolution of exchange rates.

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

	12/31/2022	12/31/2021
Mexican peso	(6,649)	(6,410)
Colombian peso	(20,304)	(14,783)
Brazilian real	(40,035)	(48,662)
Chilean peso	(19,471)	(18,706)
Other currencies	(1,124)	(1,849)
Total	(87,583)	(90,410)

h) Translation differences in accumulated profit from prior years

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

The detail, by currencies, of the translation differences in 2022 and 2021 is as follows:

	Thousand of euros	
	12/31/2022	12/31/2021
Venezuelan Bolivar	(48,929)	(47,900)
Mexican peso	(16,309)	(24,008)
Argentine peso	(28,635)	(21,709)
Colombian peso	4,309	3,725
Brazilian real	(3,359)	(4,841)
Chilean peso	(1,908)	(1,740)
Others	1,485	(1,215)
Total	(93,346)	(97,688)

i) Minority interest

The minority interest is the stake in the equity and income of the Group companies that are fully consolidated. The changes in this line-item in 2022 and 2021 were as follows:

	Thousands of euros						Balance at 12/31/2022
	Balance at 12/31/2021	Translation adjustment	Participation in results	Changes in scope of consolidation / Change in percentage	Dividends paid/ received	Other	
Caracol, S.A.	7,219	(52)	(162)	(2,679)	(817)	-	3,509
Diario As, S.L.	7,337	-	296	-	(1,533)	(93)	6,007
GLR Chile, Ltda.	9,017	756	212	(9,985)	-	-	-
Grupo Santillana Educación Global, S.A. and subsidiaries	111	29	(60)	-	-	-	80
Prisa Radio, S.A. y and subsidiaries (Spain)	19,877	-	(161)	(12,880)	(2,191)	(813)	3,832
Other companies	1,388	444	(444)	(710)	(414)	383	647
Total	44,949	1,177	(319)	(26,254)	(4,955)	(523)	14,075

The decrease in the minority interests of Prisa Radio, S.L. and investee subsidiaries (Spain), as well as Caracol, S.A. and GLR Chile, Ltda. is a consequence of the purchase of 20% of Prisa Radio, S.L. described in note 3 of these consolidated financial statements.

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

j) Capital management policy

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

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

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

On October 19, 2020, PRISA, through its subsidiary Grupo Santillana Educación Global, S.L.U. ("Santillana"), signed an agreement with the Sanoma Corporation, a European learning and

Finnish media company, for the sale of the Spanish educational business of Santillana addressed at pre K12 and K-12 segments. On December 31, 2020, the transaction was close.

In February 2022 the Board of Directors of PRISA has approved, by unanimity, the signing of a lock-up agreement (the "Lock-Up Agreement") that incorporates a term sheet with the basic conditions for the amendment of the Group's syndicated financial debt (the "Refinancing"). The basic terms of the agreed Refinancing consist, among other aspects, in the extension of the maturity of the financial debt to 2026 and 2027 and division of the syndicated loan into two differentiated tranches (one of Senior debt and one of Junior debt) and the flexibilization of the contractual commitments of the current debt that will allow, among other improvements, to increase PRISA's operating flexibility and soften the financial ratios required by its current contracts. Likewise, a Term Sheet has been signed with the basic conditions for the modification of the Super Senior debt ("Super Senior Term & Revolving Facilities Agreement") of the Company that, among other terms, supposes an extension of the maturity of the debt to June 2026. On April 19, 2022, the Refinancing entered into force, once the agreements reached with all of its creditors had concluded.

Finally, in January 2023, the Board of Directors of PRISA unanimously agreed to issue subordinated bonds mandatorily convertible into newly issued ordinary shares of the Company, with pre-emptive subscription rights for PRISA shareholders. This issue took place through a public offer for subscription of up to a total of EUR 130 million. In February 2023, convertible bonds amounting to a total of EUR 130 million were subscribed, i.e. the full amount of the offer.

The issue has enabled the Company to raise the funds necessary to partially pay off early the tranche of the PRISA's syndicated financial debt that constitutes its largest interest financial expense, i.e. the Junior debt tranche (*see note 11b*). This has entailed an amortization in February 2023 of EUR 110 million of the aforementioned Junior debt. This issuance improves the equity position of the Group insofar as the aforementioned instrument has been deemed a compound financial instrument, in which virtually the entire amount of the cash received from said issuance has been registered as net equity, given that the stock of debentures will be necessarily converted into new shares of the Company at a fixed exchange rate (*see notes 1 and 26*).

As of December 31, 2022, the equity of the parent Company is greater than two thirds of total share capital, which is why it was in a situation of equity balance at that date.

(11) NON- CURRENT FINANCIAL ASSETS AND FINANCIAL LIABILITIES
a) Financial investments

The breakdown by category of financial investments of the Group at December 31, 2022 and 2021 is as follows:

2022 -

	Thousand of euros			
	Financial investments at fair value with changes in results	Financial assets at amortized cost		
		Loans and receivables	Other financial assets at amortized cost	Total
Derivated instruments	3,977	-	-	-
Other financial assets	-	3,310	5,076	8,386
Non-current financial investments	3,977	3,310	5,076	8,386
Other financial assets	-	1,112	416	1,528
Current financial investments	-	1,112	416	1,528
Total	3,977	4,422	5,492	9,914

2021 -

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

Non-current financial assets

The changes in "Non-current financial assets" in the consolidated balance sheet in 2022 by type of transaction are as follows:

	Thousands of euros					Balance at 12/31/2022
	Balance at 12/31/2021	Translation / monetary adjustment	Changes in scope of consolidation	Additions / allowance	Disposals / Transfers	
Financial assets at amortized cost	11,359	(809)	46	2,802	(5,012)	8,386
<i>Loans and receivables</i>	5,035	(892)	40	1,736	(2,609)	3,310
-Loans to associates	13,585	(838)	-	-	(12,547)	200
-Long-term loans to third parties	3,492	(202)	40	1,736	(1,956)	3,110
-Allowance	(12,042)	148	-	-	11,894	-
<i>Other financial assets at amortized cost</i>	6,324	83	6	1,066	(2,403)	5,076
- Other financial assets at amortized cost	12,988	218	6	1,067	(7,192)	7,087
- Allowance	(6,664)	(135)	-	(1)	4,789	(2,011)
Financial investments at fair value with changes in results	-	-	-	4,800	(823)	3,977
<i>Derivated instruments</i>	-	-	-	4,800	(823)	3,977
Total	11,359	(809)	46	7,602	(5,835)	12,363

In 2022, in "Financial assets at amortized cost", the decrease in "Loans and receivables" is mainly due to the cancellation of the loans granted to Green Emerald Business, after the sale of the company, for a net amount of EUR 2,405 thousand (see notes 3 and 8).

The decrease in "Other financial assets at amortized cost" is mainly due to the written off a financial investment related to the participation of Prisa Radio in the associated companies El Dorado Broadcasting Corporation and WSUA Broadcasting Corporation as a result of their sale for an amount of EUR 1,411 thousand (see notes 3 and 8).

The relation to the addition in "Financial investments at fair value with changes in results" is due to an interest rate hedge arranged by PRISA of a nominal amount of EUR 150 million which caps the three-month Euribor at 2.25%. According to applicable accounting standards and the Company's analysis, it does not believe that the arranged product meets requirements to be considered effective, and so the change in the fair value of the hedge is posted to the consolidated income statement for each period. The amount recorded as at December 31, 2022 is the fair value of that financial instrument at the end of 2022, the same to the amount paid for arranging this hedge and which was pending being posted in the consolidated income statement during its validity period (until June 2025) (see section Market risk - interest rate). In this regard, the expense recorded in 2022 totaled EUR 823 thousand (see note 15).

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

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

In 2021 the decreased in the heading “Non-Current Financial Assets” was mainly due to the short-term transfer of EUR 1,000 thousand pending collection in 2022 as part of framed within the agreement to sell the credit rights held by the Group with Le Monde.

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

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

Current financial assets

The changes in “Non-current financial assets” in the consolidated balance sheet in 2022 by type of transaction are as follows:

	Thousands of euros					Balance at 12/31/2022
	Balance at 12/31/2021	Translation / monetary adjustment	Changes in scope of consolidation	Additions / allowance	Disposals / Transfers	
Financial assets at amortized cost	2,425	(6)	25	449	(1,365)	1,528
<i>Loans and receivables</i>	1,800	(9)	-	13	(692)	1,112
-Loans to associates	265	(9)	-	-	(256)	-
-Short-term loans to third parties	1,535	-	-	13	(436)	1,112
<i>Other financial assets at amortized cost</i>	625	3	25	436	(673)	416
- Minority equity investments	8	-	-	42	-	50
- Other financial assets at amortized cost	617	3	25	394	(673)	366
Total	2,425	(6)	25	449	(1,365)	1,528

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

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

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

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

b) Financial liabilities

The breakdown by category of financial liabilities at December 31, 2022 and 2021 is as follows:

	Thousands of euros	
	12/31/2022	12/31/2021
Bank borrowings	980,848	934,342
Financial liabilities for leases	52,006	53,766
Other financial liabilities	1,929	88
Non-current financial liabilities	1,034,783	988,196
Bank borrowings	30,824	14,918
Financial liabilities for leases	17,150	15,555
Other financial liabilities	15,682	329
Current financial liabilities	63,656	30,802
Total	1,098,439	1,018,998

Bank borrowings

The detail, in thousands of euros, of the bank borrowings at December 31, 2022, of the credit limits and of the scheduled maturities is as follows:

	Maturity	Limit	Drawn-down amount maturing at short term	Drawn-down amount maturing at long term
Junior Syndicated Loan (*)	2027	192,013	-	192,013
Senior Syndicated Loan	2026	575,105	-	575,105
Super Senior debt	2026	240,000	-	240,000
Credit facilities	2023-2024	21,590	2,547	-
Loans	2023-2027	15,442	9,705	5,737
Finance leases, interest and other	2023-2026	28,254	18,572	3,792
Fair value of debt/ Loan arrangement costs	2027	-	-	(35,799)
Total		1,072,404	30,824	980,848

(*) The long-term amount drawn down includes capitalized interests as of December 31, 2022 (EUR 6,664 thousand)

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

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

The changes in bank borrowings in 2022 and 2021 were as follows:

	Thousands of euros	
	12/31/2022	12/31/2021
Bank borrowings at beginning of year	949,260	913,314
Amortization / debt disposition (*)	92,384	7,716
Loan arrangement costs	(2,400)	591
Fair/Present value in financial instruments	(55,805)	15,791
Change in unpaid accrued interest	5,852	6,786
Capitalizable fixed cost (PIK)	10,979	5,121
Effect of foreign exchange rate changes in debt	1,510	151
Others	9,892	(210)
Bank borrowings at end of year	1,011,672	949,260

(*) Movement that generates cash flow.

Of the total bank borrowings at December 31, 2022, 98.30% were denominated in euros (98.50% at December 31, 2021) and the remainder in foreign currencies.

The nominal average interest rates on the Group's bank borrowings were 6.53% in 2022 and 5.25% in 2021.

Of the total bank borrowings at December 31, 2022, 97.67% were linked to floating interest rates and the rest to fixed ones (97.58% to floating interest at December 31, 2021).

In accordance with IFRS 13, to determine the theoretical calculation of the fair value of the financial debt we used the listed value of the debt on the secondary market as reported by an independent third party (level 1 variable: estimates using prices listed in active markets) has been used. The fair value of the Junior and Senior Syndicated Loan, Super Senior debt and of the accrued interest pending to be paid, according to this calculation, would amount to EUR 910,288 thousand at December 31, 2022 considering a 10.72% average discount over the real principal payment obligation and accrued interests to the creditor entities.

Refinancing-

In February 2022 the Board of Directors of PRISA approved, by unanimity, the signing of a lock-up agreement (the "Lock-Up Agreement") that incorporated a term sheet with the basic conditions for the amendment of the Group's syndicated financial debt (the "Refinancing"). On April 19, 2022, the Refinancing has entered into force, once the agreements reached with all of its creditors were concluded.

Therefore, in the context of the Refinancing of its financial debt, PRISA agreed on the novation of its syndicated loan ("2013 Override Agreement") for a total amount of EUR 751,114 thousand, which has been structured in two tranches with the following characteristics:

- The amount of the Senior debt is set at EUR 575,105 thousand, including EUR 5,633 thousand of refinancing expenses with the lenders which have been incorporated as an increased financial liability, and the maturity is extended to December 31, 2026.
- The amount of the Junior debt is set at EUR 185,349 thousand, including EUR 3,707 thousand of refinancing expenses with the lenders which have been incorporated as an increased financial liability, and the maturity of is extended to June 30, 2027.
- The cost of the Senior debt is benchmarked at Euribor + 5.25% payable in cash, while the cost of the Junior debt is benchmarked at Euribor + 8%, payable partly in cash and partially capitalised. This is the 1, 3 or 6-month Euribor, depending on the interest settlement window chosen by the Company at each maturity.
- Partial amendment of the package of debt guarantees.
- The flexibilization of the contractual commitments of the current debt that will allow, among other improvements, to increase PRISA's operating flexibility and soften the financial ratios required by its current contracts.
- A refinancing, structuring and insurance commission is agreed, which the Company could pay in cash or by issuing shares. The Company has chosen to pay the aforementioned commission through the issuance of shares, for which it has proceeded to issue 32 million new shares of the Company, which have been granted to the creditor entities and those that have acted as structurers and/or insurers of the Refinancing, and who have the subscription right (*see note 10*). The new shares, which have represented 4.3% of the share capital after the increase, allow the Company's interests to be aligned with those of the new creditors, in turn increasing the liquidity of the value on the Stock Market.

The agreed Refinancing makes the Company's financial debt more flexible and provides a financial structure allowing the Company to comply with its financial commitments, ensuring the Company's stability in the short and medium term.

Likewise, the Refinancing agreement has entailed a reorganisation of the debt in terms of borrowers, so that the financial debt previously held by Prisa Activos Educativos, S.A.U. has been transferred to PRISA.

Compliance with certain financial ratios is established in the financial agreements for the PRISA Group, which application begins on June 30, 2022. These contracts also include provisions on cross-default, which could cause, if the breach exceeds certain amounts, the early maturity and resolution of the contract in question. Since the Refinancing come into force no such breaches have occurred, nor are foreseen in the next twelve months.

The Refinancing agreement also includes causes for early termination as is customary in this kind of agreement, including the acquisition of control of PRISA, acquisition being understood as by one or several persons together, with more than 30% of the capital with voting rights (excluding for such purposes the current significant shareholders of the Company).

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

Other aspects of debt-

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

Personal guarantees

The Senior and Junior Debt, as it was refinanced in April 2022, is jointly and severally guaranteed by Promotora de Informaciones, S.A. and the companies Prisa Activos Educativos, S.A.U. Diario El País, S.L., Grupo de Medios Impresos y Digitales, S.L.U., Grupo Santillana Educación Global, S.L., Prisa Media, S.A.U. and Prisa Gestión Financiera, S.L.U.

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

Guarantees

As a result of the Refinancing, PRISA has currently pledged certain current accounts held by it, and, in addition, the guarantors have pledged, as appropriate, shares and equity interests in certain Group companies and certain bank accounts held by them, all as security for the aforementioned creditors.

Part of PRISA's investment in Prisa Radio, S.A. (80% share capital) and the 100% of the investments (100% share capital) in Prisa Activos Educativos, S.A.U. (Sole proprietorship), Prisa Media, S.A.U. (Sole proprietorship), Prisa Gestión Financiera, S.L.U. (Sole proprietorship) and Grupo Santillana Educación Global, S.L.U insuring syndicated debt.

Similarly, given its significance in the group, a real guarantee has been constituted over 100% of the shares of Editora Moderna Ltda. (Brazil).

Accounting aspects of refinancing

The Company has carried out an analysis of the terms agreed in the framework of the Refinancing, concluding that they constitute a substantial modification of the previous terms from a qualitative point of view, inter alia, due to the existence of a refinancing, structuring and underwriting fee that can be paid in shares, the modification of the collateral structure and the flexibility to perform certain sales transactions. This has meant that the original financial liability has been cancelled, and a new liability from the Refinancing has been recognised. The initial recognition of the financial liability has been at fair value, which has led to the recognition of financial income in the amount of EUR 38,285 thousand in the heading "*Value variation of financial instruments*" of the consolidated income statements, for the difference between the nominal value of the debt and its fair value on the date of initial recognition. For this purpose, the listed value of the debt in the secondary market has been used, according to information provided by a third party on the date of the Refinancing agreement going public (level 1 variable, estimates using prices listed in active markets). The fair value of the Refinancing debt at that date and according to this calculation would amount to EUR 722,169 thousand. Thereafter, the difference between the par value of the debt and its initial fair value will be expensed in the consolidated income statement using the effective interest method.

In addition, all expenses and fees related to the Refinancing have been recognised in the heading "*Loan arrangement costs*" in the consolidated income statement as, including, among others, the form of upfront discounting ("OID"), consent fees and others fees for an amount of EUR 23,505 thousand. In this sense, the refinancing, structuring and underwriting fee which the Company has chosen to pay through the issue of shares discussed above has been treated from the beginning of the Refinancing as an equity instruments, as the method of settlement is at the discretion of the Company. This has resulted in recording a financial expense in the heading "*Loan arrangement costs*" of EUR 20,288 thousand, with a credit to consolidated equity (see note 10). For this purpose, the 32 million shares to be issued have been valued at the listed price of the PRISA share on the date the Refinancing agreement was made public.

Finally, a positive impact has been accounted under the heading "*Value variation of financial instruments*" of the financial result for an amount of EUR 23,434 thousand, associated with the derecognition of the original financial liability for interest accrued in previous periods (which accrues at effective interest rate ("TIE")) that do not have to be paid (see note 15).

Super senior loan –

In addition to the above Senior and Junior loans, the Company signed on April 8, 2022 a Super Senior Term & Revolving Facilities Agreement for a maximum amount of up to EUR 240,000 thousand. This agreement implies an extension of its maturity until June 30, 2026, with a cost indexed to Euribor + 5% payable in cash. This is the 1, 3 or 6-month Euribor, depending on the interest settlement window chosen by the Company at each maturity. In addition, the amendment of the agreement has led to a change of lender.

Out of the total amount of super senior debt, EUR 160,000 thousand are for the new Super Senior term loan facility, drawn down at the time of the refinance and used to fully cancel the previous Super Senior debt, for the amount on April 19, and EUR 80,000 thousand are for a

renewable credit facility, the Super Senior revolving facility, used to meet operational needs, which was not drawn down as at December 31, 2021. In the last quarter of 2022, the Company had drawn down all of the revolving facility amounting to EUR 80,000 thousand, meaning that as at December 31, 2022 the Super Senior debt had been fully drawn down.

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

In addition, the costs related to cancelling the Super Senior Debt with the previous lender have been recognised in the heading "*Other financial costs*" of the accompanying consolidated income statement as a financial expense (*see note 15*). The costs associated with arranging the debt with the new lender have been capitalised and are taken to the income statement over the life of the loan using the effective interest method.

Credit facilities-

Under this heading are included mainly the amounts drawn down against credit lines used to finance the PRISA Group companies' operating requirements. Borrowing facilities are recognized under "*Bank borrowings*" on the consolidated balance sheet. The interest rate applicable to these credit facilities is Euribor or Libor plus a market spread.

Nature and risks of financial instruments

Credit risk

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

Liquidity risk

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

The management of liquidity risk includes the detailed monitoring of the repayment schedule of the Group's borrowings and the maintenance of credit lines and other financing channels that enable it to cover foreseeable cash needs at short, medium and long term. In this respect,

the Group has a Super Senior loan to meet operational needs and other subsidiaries of the Group have credit facilities for that purpose.

The table below details the liquidity analysis of the PRISA Group in 2022 in relation to its bank borrowings, which represent substantially all the financial liabilities. The table has been prepared using the cash outflows of the contractually stipulated maturities and the early amortization of the Junior debt in February 2023 for an amount of EUR 110 million mentioned in note 26. The flows include both the expected repayments and interest payments. When the settlement is not fixed, the amount was determined using the underlings calculated based on the most recent available interest rate curve:

Maturity	Thousands of euros	Floating euro rates
Within 3 months	129,960	2.34%
From 3 to 12 months	67,824	3.24%
From 1 to 3 years	147,886	2.59%
From 3 to 5 years	982,836	2.24%
After 5 years	0	
Total	1,328,506	

The Group's main financial liabilities are the Junior and Senior debt and the Super Senior Debt, which are linked to the Euribor. An increase in the Euribor would directly impact interest paid, as a result of multiplying said increase by the nominal of past loans, except for a debt nominal of EUR 150 million, which, at December 31, 2022, is covered by an interest rate coverage that limits the increase of the Euribor in 3 months to 2.25%, as described below. Moreover, in January 2023, a new coverage has been contracted, in this case, for a nominal amount of EUR 150 million and a 2.5% cap (3-month Euribor). Therefore, as of the creation of these consolidated financial statements, the notional value of the debt covered by previous coverages amounts to EUR 300 million.

Market risk - exchange rate

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

The impact on the Group's operating income and operating profit for the year 2022 in the event of a change of +/-10% in the exchange rate of the main currencies is presented below:

	Millions of euros			
	10%		-10%	
	Impact on operating income	Impact on result from operations	Impact on operating income	Impact on result from operations
Brazilian real vs EUR	(17.2)	(1.4)	17.2	1.4
Mexican peso vs EUR	(9.5)	(1.2)	9.5	1.2
Colombian peso vs EUR	(8.3)	(1.2)	8.3	1.2
Chilean peso vs EUR	(3.6)	(0.8)	3.6	0.8
Argentine peso vs EUR	(3.6)	(0.9)	3.6	0.9
Total	(42.2)	(5.5)	42.2	5.5

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

Market risk - interest rate

The Group is exposed to changes in interest rates as around 97.67% of its bank borrowings bear interest at floating rates.

In this regard, the Group is assessing the need to execute interest rate coverage contracts based on its forecasts. At the end of fiscal year 2022 and within the scope of the debt associated to refinancing, the Company has a contracted coverage of a nominal amount of EUR 150 million that limits the impact of any increase in the Euribor (cap) above 2.25% (3-month Euribor). Should the Euribor drop below said percentage, the aforementioned coverage would not apply.

The previous section of "*Liquidity risk*" contains an analysis of risk for the payment of interest tied to floating interest rates.

Derivative financial instruments

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

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

Foreign currency derivatives-

In 2022, the Group arranged foreign currency hedges in order to mitigate exposure to exchange rate fluctuations.

In order to determine the fair value of the derivatives, the PRISA Group uses valuation methodologies in which the significant variables are based on data provided by an independent expert.

The detail of the foreign currency hedges as of December 31, 2022 is as follows:

Company	Instrument	Expiry	Local currency	Hedge currency	(thousands of euros)	
					Nominal value	Fair value
Editora Moderna, LTDA. (Brasil)	NDF	January 2023	BRL	EUR	2,500	9
Santillana del Pacífico SA de Ediciones (Chile)	Forward	January-March 2023	CLP	USD	2,323	(329)
Santillana del Pacífico SA de Ediciones (Chile)	Forward	January-March 2023	CLP	BRL	1,317	68
Grupo Santillana Educación Global (España)	Barrier option (Knock Out/ Knock In)	January 2023	EUR	BRL	200	7
Grupo Santillana Educación Global (España)	Barrier option (Knock Out/ Knock In)	January 2023-March 2024	EUR	USD	6,000	26
Grupo Santillana Educación Global (España)	Boosted Knock-Out Ratio Forward (European)	January-March 2023	EUR	USD	1,587	123
					13,927	(96)

Analysis of sensitivity to exchange rates

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

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

Sensitivity (before tax)	12/31/2022
+10% (increase in USD exchange rate)	(9)
-10% (decrease in USD exchange rate)	11

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

Financial liabilities for leases

The application of IFRS 16 Leases implies the recognition of financial liabilities associated with the leases, amounting at December 31, 2022 to EUR 52,006 thousand in the long term and EUR 17,150 thousand in the short term (EUR 53,766 thousand in the long term and EUR 15,555 thousand in the short term at December 31, 2021).

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

Maturity	Thousands of euros
Within 6 months	8,435
From 6 to 12 months	10,253
From 1 to 3 years	32,104
From 3 to 5 years	19,433
After 5 years	12,988
Total	83,213

In 2022, the payment associated with financial liabilities for leases (under IFRS 16) for all the Group amounts to EUR 24.3 million, included in "Other cash flow from financing activities" of the consolidated statement of cash flow (EUR 46.9 million in 2021. This amount included the payment of a supplementary fee of EUR 20 million resulting from the renegotiation of the associated Miguel Yuste contract, discussed in note 5).

(12) LONG-TERM PROVISIONS

The changes in 2022 in "Long-term provisions" were as follows:

	Thousands of euros						Balance at 12/31/2022
	Balance at 12/31/2021	Translation adjustment	Changes in scope of consolidation	Charge/excess for the year	Amounts used	Transfers	
For taxes	624	(17)	-	96	(5)	-	698
For indemnities	7,111	19	-	1,221	(97)	(2,011)	6,243
For third-party liability and other	13,281	194	(5,859)	3,868	(3,632)	515	8,367
Total	21,016	196	(5,859)	5,185	(3,734)	(1,496)	15,308

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

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

The "Provision for taxes" relates to the estimated amount of tax debts arising from the tax audit carried out at various Group companies.

In 2021, the decrease in the tax provision was mainly due to the completion of the 2016 to 2018 corporation tax audits of the 2/91 tax consolidation group, with no significant impact on the consolidated income statement (see note 18).

The “*Provision for indemnities*” includes the provision booked in the previous years to record the probable or certain responsibilities arising from workers' compensation to terminate their labor relations which are payable in future years, but for which a valid expectation has been created among the affected employees in the year in which they are endowed (see note 14).

During fiscal year 2022, the Group established a reserve for this item amounting to EUR 1,221 thousand (EUR 7,036 million during fiscal year 2021), has applied EUR 77 thousand (EUR 2,488 thousand in fiscal year 2021) as a result of the payment of compensations and issuance of promissory notes, and has transferred EUR 2,011 thousand to short-term that will be paid in 2023. The Group expects to apply this provision over the next six fiscal years.

The provision established in fiscal year 2022 comes from the Education segment. On the other hand, the increase that took place in fiscal year 2021 corresponded mainly to staff restructuring processes carried out in the Media segment during that year.

The provision accounted in 2021, EUR 5,995 thousand correspond to an early retirement plan in Media that was calculated based on an actuarial calculation with the following technical basis:

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

The “*Provision for third-party liability and other*” relates to the estimated amount required to meet probable claims and litigation brought against Group companies and other future obligations to employees. In addition, at December 31, 2022 and 2021, the Group had ownership interests in companies accounted for using the equity method which net value is negative and is recognized under “*Long-term provisions*” in the accompanying consolidated balance sheet, the detail being as follows (see note 8):

	Thousand of euros	
	12/31/2022	12/31/2021
WSUA Broadcasting Corporation	-	1,281
Green Emerald Business, Inc.	-	3,545
Other	624	1,128
Total	624	5,954

In 2022, as a result of the sale of the stakes in Green Emerald Business, Inc, WSUA Broadcasting Corporation, El Dorado Broadcasting Corporation and Planet Events, S.A. described in note 3, the provisions associated with these companies have been derecognized, amounting to EUR 5,337 thousand.

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

(13) OPERATING INCOME

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

	Thousands of euros	
	2022	2021
Advertising sales	309,616	298,412
Education sales	441,277	350,114
Circulation	53,709	51,878
Sales of add-ons and collections	4,237	7,219
Intermediation services	6,576	5,624
Other services	15,349	16,103
Revenue	830,764	729,350
Income from non-current assets	2,289	926
Other income	17,136	10,892
Other income	19,425	11,818
Total operating income	850,189	741,168

The most significant exchange transactions occurred under "Advertising sales" and the most significant segment was Media, whose exchanges with third parties amounted to EUR 1,938 thousand in 2022 (December 31, 2021: EUR 1,639 thousand).

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

	Advertising sales		Education sales		Circulation		Others		Total operating income	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Europe	237,064	234,297	1,691	2,609	53,709	51,878	36,385	32,929	328,849	321,713
Spain	237,064	234,297	-	149	53,709	51,878	36,287	32,899	327,060	319,223
Rest of Europe	-	-	1,691	2,460	-	-	98	30	1,789	2,490
America	72,552	64,115	439,586	347,505	-	-	9,202	7,835	521,340	419,455
Colombia	48,677	40,491	33,548	27,965	-	-	674	1,111	82,899	69,567
Brazil	-	-	170,939	145,762	-	-	1,412	841	172,351	146,603
Mexico	977	588	92,667	70,280	-	-	929	854	94,573	71,722
Chile	19,357	18,627	15,420	12,719	-	-	838	1,228	35,615	32,574
Rest of America	3,541	4,409	127,012	90,779	-	-	5,349	3,801	135,902	98,989
Total	309,616	298,412	441,277	350,114	53,709	51,878	45,587	40,764	850,189	741,168

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

	2022	2021
Advertising sales	309,616	298,412
Digital	73,912	75,262
Non digital	235,704	223,150
Education sales	441,277	350,114
Learning system	192,555	134,066
Didactic sales	114,214	79,840
Public sales	134,508	136,208
Circulation	53,709	51,878
Digital	14,244	10,432
Non digital	39,465	41,446
Others	45,587	40,764
Total	850,189	741,168

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

	Thousands of euros	
	2022	2021
Trade and other receivables (<i>see note 9b</i>)	285,536	265,004
Allowances (<i>see note 9b</i>)	(45,180)	(45,046)
Other current liabilities- performance obligations pending to satisfied (<i>see note 9e</i>)	41,503	35,218
Provisions for returns (<i>see note 14</i>)	(9,894)	(9,312)

(14) OPERATING EXPENSES

Staff costs

The detail of staff costs is as follows:

	Thousands of euros	
	2022	2021
Wages and salaries	227,490	210,860
Severances	47,857	43,861
Termination benefits	9,024	42,426
Other employee benefit costs	13,511	10,798
Total	297,882	307,945

The severance expenses in 2021 was significant due to the reorganization of the Group into two business units, which led to changes in Senior Management and integration of structures, to the contingency plans carried out to alleviate the effects of COVID-19 in that year, and to the continuous renewal of profiles based on the needs of businesses that continue to transform digitally.

*Transactions with payments based on equity instruments*i. Incentive Plan 2018-2020 of PRISA:

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

In 2021 PRISA's Board of Directors verified the degree of achievement of the Ebitda and Cash Flow objectives referred to in the Plan, approving the number of shares to be delivered to the beneficiaries for settlement (a total of 2,115,328 shares).

At the request of the Plan beneficiaries, the Board of Directors resolved that settlement and delivery of this compensation be delayed until January-February 2022 (according to the general conditions that regulated this compensation plan, delivery should have been made within 60 days to the formulation of the 2020 annual accounts).

The Plan payout was made in February 2022, through delivery of shares or their cash-value equivalent, according to the preference of each of the plan beneficiaries. In total, 905,302 PRISA shares were delivered and EUR 703 thousand in cash payments were made, including the tax. In 2022 the Company's net equity figure was reduced due to the cash paid out (EUR 703 thousands).

The decision to give the beneficiaries the option of a cash payment was made by PRISA's Delegated Committee, at the proposal of the Appointments, Compensation and Corporate Governance Committee, on January 25, 2022. That possibility was provided for in the General Conditions that govern the Incentive Plan. The cash value of the shares was calculated based on the share trading price on the day the decision was made (January 25, 2022).

ii. Santillana's Executive Chairman medium-term incentive Plan 2022-2025:

The Executive Director of Santillana, Mr Francisco Cuadrado (who is, in turn, executive director of PRISA) is the beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in Santillana's budget (linked to EBIT and Cash Flow) in fiscal years 2022, 2023, 2024 and 2025 and is payable in shares. The plan was approved by the Board of Directors of PRISA on May 24, 2022, and was also approved at the Ordinary Shareholders Meeting held on June 28, 2022.

Mr Cuadrado has been granted with a theoretical number of shares equivalent to EUR 500 thousand gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered (he has been assigned 923,494 theoretical shares for each year of the Plan, that is, a total of 3,693,976 theoretical shares). The calculations have been made considering the average stock market value of PRISA shares during the last quarter of 2021.

In addition, the incentive may be increased depending on the evolution of PRISA's share price.

In 2022, an expense of EUR 166 thousand has been recorded based on the level of performance of objectives and considering the listed price of PRISA's shares at the time of communication of those objectives.

iii. PRISA Media's Executive Chairman medium-term incentive Plan 2022-2025:

The Executive Director of PRISA Media, Mr Carlos Nuñez (who is, in turn, executive director of PRISA) is the beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in PRISA Media's budget (linked to EBITDA, Cash Flow and digital revenues) in fiscal years 2022, 2023, 2024 and 2025 and is payable in shares. The plan was approved by the Board of Directors of PRISA on December 21, 2021 and was subsequently modified by the Board (to extend it until 2025 in line with the Company's Strategic Plan) and was also approved at the Ordinary Shareholders Meeting held on June 28, 2022.

Mr Nuñez has been granted with a theoretical number of shares equivalent to EUR 500 thousand gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered (he has been assigned 923,494 theoretical shares for each year of the Plan, that is, a total of 3,693,976 theoretical shares). The calculations have been made considering the average stock market value of PRISA shares during the last quarter of 2021.

In addition, the incentive may be increased depending on the evolution of PRISA's share price.

In 2022, an expense of EUR 59 thousand has been recorded for this Plan, based on the level of performance of objectives and considering the listed price of PRISA's shares at the time of communication of those objectives.

iv. PRISA 2022-2025 Incentive Plan of the former CFO Mr David Mesonero:

PRISA's former CFO Mr David Mesonero (who has resigned from this position as of June 30, 2022) has been beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in PRISA's budget (linked to Cash Flow) in fiscal years 2022, 2023, 2024 and 2025, payable in shares. The Plan was approved by the Board of Directors of PRISA in December 21, 2021, and was subsequently amended on April 26, 2022, by the Board (to extend it until 2025, in line with the Company's Strategic Plan).

Mr. Mesonero had been assigned a number of theoretical shares equivalent to EUR 300 thousand gross for each year the plan is in effect, which would serve as a reference to determine the final number of shares to be awarded. The calculation was made considering the average trading value of PRISA shares during the last quarter of 2021. The incentive may likewise increased in view of the evolution of PRISA's share price.

The Plan also envisioned an increment if refinancing was achieved in the terms set forth in the Plan. Refinancing was implemented in April 2022, and expense of EUR 193 thousand was recorded, based on the performance of this refinancing objective and considering the listed price of PRISA's shares at the time of communication of those objectives.

This Plan was terminated at the time of termination of Mr. Mesonero's contractual relationship with the Company.

In 2022, Mr. Mesonero has received, in shares, the part of the Plan that was linked to the Company's refinancing objective.

v. PRISA 2022-2025 Incentive Plan of the CFO Ms Pilar Gil:

PRISA's CFO, Ms Pilar Gil is beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in PRISA's budget (linked to the adjusted Cash Flow of Grupo PRISA) in fiscal years 2022, 2023, 2024 and 2025, payable in shares, in similar terms to those of his predecessor in office, Mr. David Mesonero, but with the necessary adaptations. The Plan was approved by the Board of Directors on July 26, 2022.

Ms. Gil has been assigned a number of theoretical shares equivalent to EUR 300 thousand gross for each year the plan is in effect, which would serve as a reference to determine the final number of shares to be awarded. The calculation was made considering the average trading value of PRISA shares during the last quarter of 2021.

Likewise the incentive may likewise increase in view of the evolution of PRISA's share price.

It was registered an expense of EUR 103, based on the level of performance of objectives and considering the listed price of PRISA's shares at the time of communication of those objectives.

vi. 2022-2025 Incentive Plan for PRISA Media, Santillana and PRISA's executives:

At its meeting held on April 26, 2022, PRISA's Board of Directors approved a medium-term incentive plan benefiting some PRISA Media, Santillana and PRISA executives. Only one of the members of the senior management group is a beneficiary of this Plan.

The Plan, payable in shares, is linked to the fulfillment of the following quantitative financial objectives, in the years 2022, 2023, 2024 and 2025: i) in the case of PRISA Media, the objectives are linked to EBITDA, Cash Flow and digital income of its budget; ii) in the case of Santillana are linked to the EBIT and Cash Flow of its budget and iii) in the case of PRISA are linked to the adjusted cash flow of Prisa Group of its budget.

Each management group in PRISA Media and Santillana has been assigned a number of theoretical shares equivalent to EUR 700 thousand gross for each year the Plan is in effect, and the management group in PRISA has been assigned a number of theoretical shares equivalent to EUR 125 thousand gross for each year the Plan is in effect, which will serve as a reference for determining the final number of shares to be awarded. The calculations have been based on the average PRISA share trading price during the 4th quarter of 2021.

In 2022 an expense amounting to EUR 323 thousand was registered for this plan based on the level of performance of objectives and considering the listed price of PRISA's shares at the time of communication of those objectives.

Number of employees

The average number of employees of the Group and the number of employees at December 2022 and 2021, by professional categories, was as follows:

	2022		2021	
	Average	Final	Average	Final
Executives	272	271	284	273
Middle management	962	944	991	985
Other employees	5,762	6,007	5,535	5,538
Total	6,996	7,222	6,810	6,796

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

	2022		2021	
	Women	Men	Women	Men
Executives	101	171	107	177
Middle management	416	546	425	566
Other employees	2,908	2,854	2,787	2,748
Total	3,425	3,571	3,319	3,491

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

	2022		2021	
	Women	Men	Women	Men
Executives	102	169	106	167
Middle management	403	541	428	557
Other employees	2,994	3,013	2,771	2,767
Total	3,499	3,723	3,305	3,491

During 2022 the average number of employees with a disability greater than or equal to 33% was 31 (26 during 2021).

Outside services

The detail of outside services in 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Independent professional services	69,238	75,008
Leases and fees	11,524	6,644
Advertising	29,768	22,439
Intellectual property	23,660	19,106
Transport	23,405	19,950
Other outside services	124,980	113,969
Total	282,575	257,116

The heading "Other external services" includes an expense of EUR 389 thousand corresponding to the liability insurance of executives and directors (EUR 382 thousand in 2021).

The heading “Leases and fees” mainly includes those leases of low value assets, as well, other fees (canon) of Santillana. The increase experienced in 2022 is mainly due to the higher cost of canons.

Fees paid to auditors

The fees for financial audit services relating to the 2022 financial statements of the various companies composing the PRISA Group and subsidiaries provided by Ernst & Young, S.L. and by other entities related to the auditor amounted to EUR 1,356 thousand (2021: EUR 1,243 thousand), of which EUR 294 thousand relate to PRISA (2021: EUR 277 thousand). Furthermore, the fees relating to other auditors involved in the 2020 audit of the various Group companies amounted to EUR 9 thousand (2021: EUR 18 thousand).

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

	2022		2021	
	Principal auditor	Other audit firms	Principal auditor	Other audit firms
Other audit-related services	130	-	30	-
Other verification services	460	290	279	-
Tax advisory services	21	336	30	372
Other services	-	238	16	1,190
Total other professional services	611	864	355	1,562

Change in allowances, write-downs and provisions

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

	Thousands of euros	
	2022	2021
Change in operating allowances	861	1,278
Change in inventory write-downs	3,700	6,056
Change in provision for sales returns	(46)	2,583
Total	4,515	9,917

(15) FINANCIAL LOSS

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

	Thousands of euros	
	2022	2021
Income from current financial assets	3,156	963
Income from equity investments	20	1
Other finance income	2,386	10,549
Finance income	5,562	11,513
Interest of debt	(71,487)	(49,731)
Financial expenses for hedging operations (see note 11a)	(823)	-
Adjustments for inflation	(5,177)	(486)
Loan arrangement costs	(43,793)	-
Other finance costs	(10,946)	(10,227)
Finance costs	(132,226)	(60,444)
Exchange gains	47,083	27,333
Exchange losses	(48,559)	(25,872)
Exchange differences (net)	(1,476)	1,461
Value variation of financial instruments	55,805	(15,791)
Financial loss	(72,335)	(63,261)

The increase in the heading "*Income from current financial assets*" in financial year 2022 is mainly in the Education segment due to the increase in interest rates during the period on the deposits set up.

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

From the end of fiscal year 2020, financial expenses due to "*Interests of debt*" were positively impacted by a lower debt level with bank institutions after the amortizations that took place at the end of said fiscal year with the cashflow obtained from the sale of shares of Media Capital and Santillana España (see note 1 b). However, the increase in the expense in this section during financial year 2022 is mainly due to the increase in the Euribor on the cost of the Group's financial debt, which is mostly pegged to this indicator.

As of December 31, 2022, the heading "*Other financial costs*" includes EUR 4,912 thousand for the effect of updating the financial liability associated with the lease agreements (EUR 6,925 thousand as of December 31, 2021). It also includes the expense for the derecognition of a financial investment related to the participation of Prisa Radio in the associated companies El Dorado Broadcasting Corporation and WSUA Broadcasting Corporation (see note 11a).

As of December 31, 2022 the heading "*Loan arrangement costs*" includes all expenses and fees related to the Refinancing, including the refinancing, structuring and underwriting fee which the Company has chosen to pay through the issue of shares. Additionally, as of December 31, 2022 a positive impact has been accounted under the heading "*Value variation of financial instruments*" of the financial result for an amount of EUR 23,434 thousand, associated with the

derecognition of the original financial liability for interests accrued in previous periods (which accrues at effective interest rate ("TIE")) that do not have to be paid (*see note 11b*).

At December 31, 2022, the heading "*Value variation of financial instruments*" includes EUR 38,285 thousand for the difference between the nominal value of the debt and its fair value on the date of initial recognition (*see note 11b*). From that moment on, the difference between the nominal value of the debt and its initial fair value will be recognized as an expense in the consolidated income statement using the effective interest method (in financial year 2022 the expense moved to the consolidated income statement totalled EUR 4,886 thousand).

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

(16) RESULT AFTER TAX FROM DISCONTINUED OPERATIONS

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

(17) BUSINESS SEGMENTS

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

At December 31, 2022, PRISA's operations are divided into two main segments each of which has a person in charge:

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

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

Segment information about these businesses for 2022 and 2021 is presented below. The column "*Eliminations and adjustments*" mainly includes transactions between group companies:

	EDUCATION		MEDIA		OTHERS		ELIMINATIONS AND ADJUSTMENTS		PRISA GROUP	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Operating income	447,435	358,810	403,775	383,343	5,217	5,483	(6,238)	(6,468)	850,189	741,168
- External sales	447,351	358,800	402,417	380,916	798	557	(377)	895	850,189	741,168
- Advertising	0	0	309,616	298,413	0	0	0	(1)	309,616	298,412
- Education sales	441,277	350,114	0	0	0	0	0	0	441,277	350,114
- Circulation	0	0	53,709	51,878	0	0	0	0	53,709	51,878
- Other	6,074	8,686	39,092	30,625	798	557	(377)	896	45,587	40,764
- Intersegment sales	84	10	1,358	2,427	4,419	4,926	(5,861)	(7,363)	0	0
- Advertising	0	0	2	2	0	0	(2)	(2)	0	0
- Education sales	0	0	0	0	0	0	0	0	0	0
- Circulation	0	0	0	0	0	0	0	0	0	0
- Other	84	10	1,356	2,425	4,419	4,926	(5,859)	(7,361)	0	0
Operating expenses	(396,314)	(332,692)	(383,431)	(412,272)	(13,316)	(22,123)	6,236	6,210	(786,825)	(760,877)
- Cost of materials used	(97,219)	(75,072)	(30,421)	(28,020)	0	0	0	(1)	(127,640)	(103,093)
- Staff costs	(115,463)	(97,011)	(177,613)	(198,456)	(4,806)	(12,478)	0	0	(297,882)	(307,945)
- Depreciations and amortisation charge	(43,408)	(39,821)	(26,096)	(37,694)	(1,506)	(803)	0	1	(71,010)	(78,317)
- Outside services	(133,100)	(109,072)	(148,503)	(145,669)	(7,211)	(8,585)	6,239	6,210	(282,575)	(257,116)
- Change in operating provisions	(5,274)	(8,386)	555	(1,300)	204	(231)	0	0	(4,515)	(9,917)
- Changes in valuation allowances to Group companies	0	0	0	0	3	(0)	(3)	0	0	0
- Impairment of goodwill/assets	(1,850)	(3,330)	(1,353)	(1,133)	0	(26)	0	0	(3,203)	(4,489)
Result from operations	51,121	26,118	20,344	(28,929)	(8,099)	(16,640)	(2)	(258)	63,364	(19,709)
Finance income	6,634	3,204	2,448	3,451	38,443	20,321	(41,963)	(15,463)	5,562	11,513
- Interest income	2,992	803	2,090	3,188	9,697	12,420	(13,462)	(15,463)	1,317	948
- Other financial income	3,642	2,401	358	263	28,746	7,901	(28,501)	0	4,245	10,565
Finance costs	(21,760)	(10,349)	(11,605)	(11,634)	(111,659)	(53,924)	12,798	15,463	(132,226)	(60,444)
- Interest expenses	(12,427)	(6,387)	(5,661)	(4,888)	(66,858)	(53,919)	13,459	15,463	(71,487)	(49,731)
- Other financial expenses	(9,333)	(3,962)	(5,944)	(6,746)	(44,801)	(5)	(661)	0	(60,739)	(10,713)
Change in value of financial instruments	0	0	(5)	(7)	55,810	(15,784)	0	0	55,805	(15,791)
Exchange differences (net)	(630)	1,073	(1,027)	299	5	89	176	0	(1,476)	1,461
Financial result	(15,756)	(6,072)	(10,189)	(7,891)	(17,401)	(49,298)	(28,989)	0	(72,335)	(63,261)
Result of companies accounted for using the equity method	0	0	2,575	1,287	16	21	3,395	96	5,986	1,404
Result before tax from continuing operations	35,365	20,046	12,730	(35,533)	(25,484)	(65,917)	(25,596)	(162)	(2,985)	(81,566)
Expense tax	(9,043)	(18,535)	(5,793)	(3,713)	4,553	1,279	0	0	(10,283)	(20,969)
Result from continuing operations	26,322	1,511	6,937	(39,246)	(20,931)	(64,638)	(25,596)	(162)	(13,268)	(102,535)
Result after tax from discontinued operations	0	0	0	0	0	(3,308)	0	0	0	(3,308)
Consolidated result for the year	26,322	1,511	6,937	(39,246)	(20,931)	(67,946)	(25,596)	(162)	(13,268)	(105,843)
Non-controlling interests	60	4	(257)	(795)	0	0	516	128	319	(663)
Result attributable to the Parent	26,382	1,515	6,680	(40,041)	(20,931)	(67,946)	(25,080)	(34)	(12,949)	(106,506)

	EDUCATION		MEDIA		OTHERS		ELIMINATIONS AND ADJUSTMENTS		PRISA GROUP	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021	12.31.2022	12.31.2021	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Assets	530,039	432,260	465,943	475,583	2,467,171	1,757,606	(2,480,480)	(1,787,166)	982,673	878,283
- Non-current (except accounted for using the equity method)	174,939	152,585	219,275	223,555	2,030,261	1,346,633	(2,031,664)	(1,350,571)	392,811	372,202
- Investments accounted for using the equity method	0	0	33,092	30,725	0	0	31	(3,705)	33,123	27,020
- Current	355,100	279,675	213,079	219,330	436,700	410,695	(448,981)	(432,946)	555,898	476,754
- Assets classified as held for sale	0	0	497	1,973	210	278	134	56	841	2,307
Equity and liabilities	530,039	432,260	465,943	475,583	2,467,171	1,757,606	(2,480,480)	(1,787,166)	982,673	878,283
- Equity	226,682	210,564	49,567	89,384	1,220,514	536,364	(2,028,923)	(1,348,127)	(532,160)	(511,815)
- Non-current	37,795	39,048	62,224	71,497	980,534	933,981	(7,208)	(10,715)	1,073,345	1,033,811
- Current	265,562	182,648	353,805	313,676	266,123	287,261	(444,426)	(428,394)	441,064	355,191
- Liabilities classified as held for sale	0	0	347	1,026	0	0	77	70	424	1,096

The next table breaks down the cash flow statement for the continuing operations by segment in 2022 (in thousands of euros):

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Effect of foreign exchange rate changes	Change in cash flows in the year
Education	86,309	(41,287)	(12,296)	4,150	36,876
Media	28,548	(8,558)	(52,600)	(4)	(32,614)
Others	(7,648)	(567)	24,777	0	16,562
Total	107,209	(50,412)	(40,119)	4,146	20,824

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

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

The detail of capex for the continuing operations in 2022 and 2021 by business segment is as follows (in thousands of euros):

	2022			2021		
	Property, plant and equipment	Intangible assets	Total	Property, plant and equipment	Intangible assets	Total
Education	6,347	33,239	39,586	7,724	26,436	34,160
Media	4,612	7,382	11,994	3,165	7,892	11,057
Other	204	20	224	47	2	49
Total	11,163	40,641	51,804	10,936	34,330	45,266

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

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

	Thousands of euros					
	Revenue		Other income		Profit before tax from continuing operations	
	2022	2021	2022	2021	2022	2021
Europe	314,886	314,463	13,963	7,250	(63,099)	(135,145)
Spain	313,195	312,003	13,865	7,220	(62,378)	(135,229)
Rest of Europe	1,691	2,460	98	30	(721)	84
America	515,878	414,887	5,462	4,568	60,114	53,579
Colombia	82,393	69,111	506	456	6,820	5,135
Brazil	171,061	145,787	1,290	816	1,782	15,479
Mexico	94,118	71,324	455	398	15,604	10,988
Chile	35,049	31,543	566	1,031	6,202	5,461
Argentina	36,190	17,633	10	104	3,255	1,045
Rest of America	97,067	79,489	2,635	1,763	26,451	15,471
Total	830,764	729,350	19,425	11,818	(2,985)	(81,566)

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

	Thousands of euros			
	Non- current assets (*)		Total assets	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Europe	144,143	152,306	383,388	363,789
Spain	144,142	152,288	381,276	360,832
Rest of Europe	1	18	2,112	2,957
America	214,449	189,956	599,285	514,494
Colombia	23,575	26,749	65,140	70,607
Brazil	84,479	70,259	241,981	192,574
Mexico	54,623	44,482	105,739	89,674
Chile	38,783	37,186	80,279	72,153
Argentina	1,534	2,873	23,469	12,514
Rest of America	11,455	8,407	82,677	76,972
Total	358,592	342,262	982,673	878,283

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

(18) TAX MATTERS

In Spain, Promotora de Informaciones, S.A. is subject to the special tax consolidation regime, in accordance with the Corporate Tax Law, which is the dominant entity of the Group identified as number 2/91 and composed of all those subsidiaries (*see Annexe I*) which meet the

requirements for this status by the regulations governing the taxation of consolidated profits of the Groups of Companies.

In 2021, GLR Services, Inc. filed consolidated tax returns in the United States together with its subsidiaries that met the requirements for application of this special consolidated tax regime.

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

In financial year 2022, as in prior years, certain Group companies performed or participated in corporate restructuring operations under the special tax neutrality regime. The disclosures required by the tax legislation that arises from the application of the aforementioned transactions are included in the notes to the financial statements of the related Group companies for the year in which these transactions were carried out.

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

a) Reconciliation of the accounting profit to the taxable profit

The following table shows reconciliation, in thousands of euros, of the result of applying the current standard tax rate in Spain to the consolidated net accounting profit of continuing operations, calculated under International Financial Reporting Standards and the consolidated Group's income tax expense for 2022 and 2021 corresponding to the accounting consolidation group.

	Income statement (*)	
	2022	2021
CONSOLIDATED PROFIT UNDER IFRS BEFORE TAX FROM CONTINUED OPERATIONS	(2,985)	(81,566)
Tax charge at 25%	(746)	(20,391)
Consolidation adjustments	(6,358)	(1,881)
Temporary differences	5,031	2,375
Permanent differences (1)	6,940	18,711
Tax loss carry forwards	(308)	(69)
Deductions and bonuses	74	(111)
Non-activation effect of tax income (2)	10,364	17,010
Effect of applying different tax rates (3)	(4,543)	3,746
Current income tax expense	10,454	19,390
Deferred tax expense for temporary differences	(5,031)	(2,665)
Previous income tax	5,423	16,725
Adjustment of prior years' tax (4)	(1,391)	(1,042)
Foreign tax expense (5)	3,354	3,456
Employee profit sharing and other expense concepts (6)	2,153	1,096
Adjustments to consolidated tax	744	734
TOTAL INCOME TAX	10,283	20,969

(*)Parentheses indicate income for the different components of the calculation of the fiscal income tax

- (1) The permanent differences mainly arise from (i) the different accounting and tax recording criteria of the expenses derived from certain provisions, (ii) non-deductible expenses and non-computable income for tax purposes, (iii) the negative adjustment that can be accounted for by the merger tax difference, attributable to 2018, arising from the merger of the companies Promotora de Informaciones, S.A. and PRISA Televisión, S.A.U. (absorption merger described in Note 17 of the Report of Promotora de Informaciones, S.A. for the year 2013), and applying the requirements of the then current article 89.3 of the Tax Law to grant it a tax effect, (iv) of the 5% taxation of dividends, (v) a negative adjustment resulting from the recovery for tax purposes of one tenth of the amount adjusted in previous years as a result of the limitation of the deductibility of amortization expense, (vi) from limitation of the deductibility of financial expenses outlined in article 16 of the Spanish Income Tax Law and (vii) of adjustments derived from the monetary correction in taxable shareholders' equity and tax investments in Radio Chile companies.
- (2) This relates to the effect of companies that have not recognised a deferred tax asset because they accrued losses in the year.
- (3) This relates to the effect of taxation of profits from American subsidiaries at different rates.
- (4) It refers to the effect on the income statement arising from the regularization of Corporate Income Tax for previous years and the update of tax losses in Chile.
- (5) This relates to the expense for taxes paid abroad, which arose from withholdings at source on the income from exports of services provided by the Group's Spanish companies abroad and dividends.
- (6) The P.T.U. is one more component of the Income Tax expense in some countries such as Mexico and Ecuador.

b) Deferred tax assets and liabilities

2022-

The following table shows the origin and amount of the deferred tax assets and liabilities recognized at year-end 2022 (in thousands of euros):

DEFERRED TAX ASSETS ARISING FROM:	12/31/2021	Additions	Disposals	12/31/2022
Tax loss carry forwards	8,914	5,448	(748)	13,614
Other temporary differences	36,687	4,959	(281)	41,365
Total	45,601	10,407	(1,029)	54,979

DEFERRED TAX LIABILITIES ARISING FROM:	12/31/2021	Additions	Disposals	12/31/2022
Deferral for reinvestment of extraordinary income	1,006	-	(38)	968
Accelerated amortization	2,924	2	(504)	2,422
Different accounting and tax recognition criteria for income and expenses	7,275	744	(2,508)	5,511
Other	10,130	901	(38)	10,993
Total	21,335	1,647	(3,088)	19,894

2021-

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

DEFERRED TAX ASSETS ARISING FROM:	12/31/2020	Additions	Disposals	12/31/2021
Tax loss carry forwards	10,718	610	(2,414)	8,914
Other temporary differences	31,845	8,003	(3,161)	36,687
Total	42,563	8,613	(5,575)	45,601

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

In fiscal year 2022, the net increase of section “*Assets due to Deferred Taxes*” amounting to EUR 9,378 thousands is derived from the accounting record of tax credits due to the losses generated in some companies of the Santillana business and radio companies in Latin America, the temporary differences recorded, and the fluctuations in exchange rates.

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

The Group did not record any deferred tax liabilities in relation to the 5% taxation of dividends to be received from 2022 onwards by Spanish companies as no tax liability was expected to arise in this regard based on the best estimate of the taxable profit.

The tax assets and liabilities on the consolidated balance sheet at year-end 2022 are recognized at their estimated recoverable or cancellable amount.

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

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

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

Year incurred	2022			2021		
	Amount	Recognized	Not recognized	Amount	Recognized	Not recognized
1999	84	-	84	84	-	84
2000	1,200	-	1,200	1,200	-	1,200
2001	744	-	744	1,002	-	1,002
2002	890	-	890	890	-	890
2003	1,759	-	1,759	2,167	-	2,167
2004	2,069	-	2,069	2,069	-	2,069
2005	1,036	-	1,036	1,036	-	1,036
2006	535	-	535	535	-	535
2007	71	-	71	71	-	71
2008	599	-	599	599	-	599
2009	419	-	419	419	-	419
2010	80	-	80	80	-	80
2011	134,217	-	134,217	134,217	-	134,217
2012	249,326	-	249,326	249,355	-	249,355
2013	43,897	-	43,897	43,897	-	43,897
2014	36,841	-	36,841	36,841	-	36,841
2015	626,769	-	626,769	626,769	-	626,769
2016	88	-	88	88	-	88
2017	155,899	-	155,899	155,899	-	155,899
2018	43,009	27	42,982	42,982	-	42,982
2019	31,144	343	30,801	30,801	-	30,801
2020	60,294	271	60,023	60,080	8	60,072
2021	65,589	-	65,589	65,852	-	65,852
2022	39,908	-	39,908	-	-	-
Total	1,496,467	641	1,495,826	1,456,933	8	1,456,925

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

2022-

Year incurred	Argentina	Brazil	Chile	Colombia	Ecuador	Mexico	Peru	Puerto Rico	Dominican Republic	USA	TOTAL
2002	-	-	-	-	-	-	-	-	-	23	23
2003	-	-	-	-	-	-	-	-	-	76	76
2004	-	-	-	-	-	-	-	-	-	603	603
2005	-	-	350	-	-	-	-	-	-	1,691	2,041
2006	-	-	1	-	-	-	-	-	-	6,552	6,553
2007	-	125	22	-	-	-	-	-	-	5,186	5,333
2008	-	111	29	-	-	-	-	-	-	3,788	3,928
2009	-	58	21	-	-	-	-	-	-	3,705	3,784
2010	-	37	229	-	-	-	-	-	-	2,137	2,403
2011	-	79	840	-	-	-	-	-	-	596	1,515
2012	-	98	447	-	-	-	-	-	-	2,415	2,960
2013	-	930	1,578	-	-	1,747	-	-	-	3,025	7,280
2014	-	3,183	1,548	-	-	869	-	-	-	2,699	8,299
2015	-	790	846	104	-	1,276	-	-	-	-	3,016
2016	-	1,206	920	70	-	3,475	-	-	-	2,016	7,687
2017	-	1,153	585	688	-	3,701	-	-	-	1,701	7,828
2018	43	1,043	820	481	-	4,679	-	-	-	4,811	11,877
2019	105	878	455	187	-	6,160	-	-	-	819	8,604
2020	91	1,515	2,913	4,543	2,013	5,001	497	-	108	772	17,453
2021	324	1,043	1,556	82	-	2,117	1,070	175	-	709	7,076
2022	315	9,768	3,811	-	-	2,585	-	132	-	86	16,697
Total	878	22,017	16,971	6,155	2,013	31,610	1,567	307	108	43,410	125,036
Recognized	-	13,432	11,485	5,386	2,013	10,844	-	307	108	-	43,575
Not Recognized	878	8,585	5,486	769	-	20,766	1,567	-	-	43,410	81,461
Period for offset	5 years	Unlimited	Unlimited	12 years	5 years	10 years	4 years	10 years	5 years	20 years/unlimited	

2021-

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

c) Years open for review by the tax authorities

The fiscal years open for review by the tax authorities for the main taxes vary from one consolidated company to another, although they generally include the last four fiscal years.

In this fiscal year, a ruling was issued by the Supreme Court on the audits of the consolidated tax group's corporate income tax corresponding to the 2006 to 2008 financial years, which confirms the partially favourable ruling passed by the National High Court and concludes the proceedings. No additional impact on equity will be derived from these actions.

In this fiscal year, a decision to deny leave to proceed regarding the Company's petition for review by the Supreme Court of the Value Added Tax for the period from June 2007 to December 2008 was passed, which concludes the proceedings. No additional impact on equity will be derived from these actions.

In 2016 ended the audit procedure regarding the Value Added Tax for the period of May 2010 to December 2011 of VAT Group 105/08 of which Promotora de Informaciones, S.A. is the parent company, with the signing of a notice of agreement for the amount of EUR 512 thousand, which was paid and recorded in 2016; and another notice of disagreement for the amount of EUR 7,785 thousand, which, although it was appealed, was also paid and recorded with a charge to the consolidated income statement. Promotora de Informaciones, S.A. filed an economic-administrative appeal which was partially upheld by the TEAC. During the year 2021, the partially upholding Resolution of the TEAC executed, which generated a return of EUR 8,068 thousand, that was mainly accounted as financial income in that year (*see note 15*).

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

Similarly, they ended in 2016, the audits related to the Corporate Tax corresponding to 2009 to 2011 in Fiscal Consolidation Group 2/91, of which Promotora de Informaciones, S.A. is the parent company, resulting in the signing of a Notice in disagreement with no amounts payable and whose impact was recorded in accounting in that year. However, due to a disagreement with the criteria used by the inspection authority in the regularisation proposed, the corresponding claims and appeals have been issued, which are awaiting a verdict from the Supreme Court at the time these statements were prepared. No additional impact on equity will be derived from these actions.

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

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

Also in 2021, the inspection procedures relating to Value Added Tax for the periods 2016-2018 of VAT Group 105/08 completed, with the signing of (i) a conformity assessment for the years 2017 and 2018 from which no tax liability arose and (ii) a settlement agreement relating to the 2016 financial year amounting to EUR 147 thousand, which was paid by the Company and that is undergoing an economic-administrative claim before the Central Economic Administrative Court.

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

Finally in 2021, the inspections related to withholdings by residents and non-residents in 2017 and 2018 for PRISA, SER, Santillana Global and Grupo Santillana de Educación Global were completed, with no regularisations for the Companies.

The provision for taxes (*see note 12*) includes an amount of EUR 698 thousand to cover, mainly, the impact of probable unfavorable rulings upheld during the various tax proceedings described above.

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

(19) ALLOCATION OF RESULTS

The proposal for the allocation of the loss of Promotora de Informaciones, S.A. by the Directors for 2022 (under the Spanish General Accounting Plan) is as follows (in thousands of euros):

	Amount
Basis of appropriation	
Result for the year	(90,956)
Distribution-	
To negative results from previous years	(90,956)

During 2022, the Company has not distributed dividends to its shareholders.

(20) RESULT PER SHARE

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

The basic result per share attributed to equity holders of the Parent corresponding to continuing and discontinued operations in 2022 and 2021 were the following:

	Thousands of euros	
	12/31/2022	12/31/2021
Result for the year from continuing operations attributable to the Parent	(12,949)	(103,198)
Result after tax from discontinued operations attributable to the Parent	-	(3,308)
Result for the year attributable to the Parent	(12,949)	(106,506)
Weighted average number of ordinary shares outstanding (thousands of shares)	723,395	706,422
Basic result per share of continuing operations (euros)	(0.02)	(0.15)
Basic result per share (euros)	(0.02)	(0.15)
Diluted result per share (euros)	(0.02)	(0.15)

In 2021, considering the same weighted average number of ordinary shares outstanding as in 2022, the basic loss per share from continuing operations would be -0.14 euros.

For 2022 and 2021, the effect of the medium-term incentive has not been considered for the calculation of diluted earnings per share since it would have an anti-dilution effect by reducing losses per share.

Weighted average number of ordinary shares outstanding in 2022 and 2021:

	Thousands of shares	
	2022	2021
Ordinary shares at December 31	708,650	708,650
Capital increase (weighted) (see note 10a)	16,307	-
Weighted average of treasury shares	(1,562)	(2,228)
Weighted average number of ordinary shares outstanding for basic earnings per share	723,395	706,422

(21) RELATED PARTY TRANSACTIONS

The detail of the balances receivable from and payable to associates and related parties in 2022 and 2021 is as follows (in thousands of euros):

	12/31/2022			12/31/2021	
	Directors and executives	Group employees, companies or entities	Significant shareholders	Group employees, companies or entities	Significant shareholders
Trade receivables	-	4,027	14,800	4,807	14,328
Receivables- loans	-	200	-	3,073	-
Total receivables	-	4,227	14,800	7,880	14,328
Trade payables	5	571	1,024	1,123	223
Total payables	5	571	1,024	1,123	223

Balance with Group employees, companies or entities-

The amount of EUR 4,027 thousand includes the amounts pending of collection with associated companies, mainly Wemass Media Audience Safe Solutions, S.L. for the sale of advertising, respectively.

Receivables financial loans at December 31, 2022 include the loan granted by Prisa Media, S.A.U. to Wemass Media Audience Safe Solutions, S.L. amounting to EUR 200 thousand. The decrease compared to 2021 is due to the cancellation of the loan granted by Sociedad Española de Radiodifusión S.L. to Green Emerald Business Inc as a result of the sale transaction described in note 3 (EUR 2,642 thousand at December 31, 2021) (see note 11a).

Balance with significant shareholders-

The aggregate amount of EUR 14,800 thousand (EUR 14,328 thousand in 2021) mainly included the amounts pending of collection for advertising services of PRISA Group companies to the Vivendi Group. In this regard, the balance shown reflects the accounting information recorded in the consolidated balance sheet of the Prisa Group. This amount derives entirely from contractual relationships prior to which Vivendi had a significant stake in PRISA's capital stock (less than 10%) and was represented on PRISA's Board of Directors.

Vivendi became a significant shareholder of Prisa in financial year 2021 and has sat on the Board of Directors of PRISA (represented by proprietary director Carmen Fernández de Alarcón) since June 2021.

The transactions performed with related parties in 2022 and 2021 were as follows (in thousands of euros):

	12/31/2022			12/31/2021		
	Directors and executives	Group employees, companies or entities	Significant shareholders	Directors and executives	Group employees, companies or entities	Significant shareholders
Services received	22	886	2,512	-	1,086	1,854
Finance expenses	-	20	-	-	222	-
Leases	-	6	-	-	331	-
Other expenses	4,140	311	-	15,088	2,745	-
Total expenses	4,162	1,223	2,512	15,088	4,384	1,854
Finance income	-	-	-	-	518	-
Dividends received	-	197	-	-	220	-
Provision of services	-	13,119	30,056	-	14,376	24,705
Leases	-	6	-	-	-	1
Other income	-	325	3	-	25	-
Total revenues	-	13,647	30,059	-	15,139	24,706

All related party transactions have taken place under market conditions.

Transactions between with Directors and executives -

The aggregate amount of EUR 4,140 thousand relates to the accrued salaries of directors for an amount of EUR 2,400 thousand (*see note 22*) and senior managers for an amount of EUR 1,740 thousand.

Senior management compensation in 2022

- i. The aggregate remuneration of executives is the accounting reflection of the remuneration corresponding to the members of the senior management, who are not executive counselors in PRISA.

The aggregate compensation as of December 31, 2022, is the compensation of the following managers: the Secretary to the Board of Directors (Mr Pablo Jiménez de Parga), the CFO Ms Pilar Gil (since joining this position in July 2022), the Head of Corporate and Institutional Relations Mr Jorge Rivera, the Head of Communication, Ms Cristina Zoilo (since joining this position in July 2022), the Chief Sustainability Officer Ms Rosa Junquera (since joining this position in March 2022), the Head of People and Talent Ms Marta Bretos (since joining the senior management team in March 2022) and the Prisa's Director of Internal Audits Ms Virginia Fernández.

It is likewise included the remuneration of the former CFO Mr David Mesonero, until his resignation as of June 30, 2022.

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

ii. The remuneration of the senior management includes, inter alia:

- Annual variable compensation (bonus): reflection of the amount corresponding to theoretical annual variable compensation of the executives if 2022 management objectives are achieved. However, since this compensation is subject to achievement of the management objectives at the end of the year 2022, the accounting figure in no way constitutes acknowledgment that that variable compensation has accrued, which will occur, if at all, once the year is closed and the 2022 annual accounts of the Group are prepared, based on the level of achievement of the established objectives.
- Recalculation of the 2021 bonus paid in 2022.
- "PRISA 2018-2020 Incentives Plan": in 2022 no expenses were registered for the settlement of this plan in 2022 to certain executives.
- "Medium-term Incentive Plan 2020-2025, linked to the creation of value in Santillana through the implementation of a corporate transaction": it is registered an expense of -210 thousand euros in relation to the reversion of the provision that was registered for this Plan in relation to the former CFO, Mr. Mesonero.
- "PRISA 2022-2025 Incentive Plan of the former CFO Mr David Mesonero":

PRISA's former CFO Mr David Mesonero (who has resigned from this position as of June 30, 2022) has been beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in PRISA's budget (linked to Cash Flow) in fiscal years 2022, 2023, 2024 and 2025, payable in shares. The Plan was approved by the Board of Directors of PRISA in December 2021, and was subsequently amended on April 26, 2022, by the Board (to extend it until 2025, in line with the Company's Strategic Plan).

Mr. Mesonero had been assigned a number of theoretical shares equivalent to EUR 300 thousand gross for each year the plan is in effect, which would serve as a reference to determine the final number of shares to be awarded. The calculation was made considering the average trading value of PRISA shares during the last quarter of 2021. The incentive may likewise increase in view of the evolution of PRISA's share price.

The Plan also envisioned an increment if refinancing was achieved in the terms set forth in the Plan.

Refinancing was implemented in April 2022, and an expense of EUR 193 thousand was recorded, considering the compliance with the aforementioned objective and considering the listed price of PRISA's shares at the time of communication of that objective.

This Plan was terminated at the time of termination of Mr. Mesonero's contractual relationship with the Company. In 2022, Mr. Mesonero has received, in shares, the part of the Plan that was linked to the Company's refinancing objective.

- "PRISA 2022-2025 Incentive Plan of the CFO Ms Pilar Gil":

PRISA's CFO, Ms Pilar Gil is beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in PRISA's budget (linked to the adjusted Cash Flow of PRISA Group) in fiscal years 2022, 2023, 2024 and 2025, payable in shares, in similar terms to those of his predecessor in office, Mr. David Mesonero, but with the necessary adaptations. The Plan was approved by the Board of Directors on July 26, 2022.

Ms. Gil has been assigned a number of theoretical shares equivalent to EUR 300 thousand gross for each year the plan is in effect, which would serve as a reference to determine the final number of shares to be awarded. The calculation was made considering the average trading value of PRISA shares during the last quarter of 2021.

Likewise the incentive may likewise increase in view of the evolution of PRISA's share price.

It was registered an expense of EUR 103 thousand, considering the compliance with the aforementioned objective and considering the listed price of PRISA's shares at the time of communication of that objective.

- "2022-2025 Incentive Plan for PRISA Media, Santillana and PRISA's executives":

At its meeting held on April 26, 2022, PRISA's Board of Directors approved a medium-term incentive plan benefiting some PRISA Media, Santillana and PRISA executives. Only one of the members of the senior management group is a beneficiary of this Plan.

The Plan, payable in shares, is linked to the fulfillment of the following quantitative financial objectives, in the years 2022, 2023, 2024 and 2025: i) in the case of PRISA Media, the objectives are linked to EBITDA, Cash Flow and digital income of its budget; ii) in the case of Santillana are linked to the EBIT and Cash Flow of its budget and iii) in the case of PRISA are linked to the adjusted cash flow of Prisa Group of its budget.

Each management group in PRISA Media and Santillana has been assigned a number of theoretical shares equivalent to EUR 700 thousand gross for each year the Plan is in effect, and the management group in PRISA has been assigned a number of theoretical shares equivalent to EUR 125 thousand gross for each year the Plan is in effect, which will serve as a reference for determining the final number of shares to be awarded.

The calculations have been based on the average PRISA share trading price during the 4th quarter of 2021.

In 2022 an expense amounting to EUR 6 thousand was registered for this plan, considering the compliance with the aforementioned objectives and considering the listed price of PRISA's shares at the time of communication of those objectives.

In the 2022 an expense amounting to EUR 49 thousand has been recorded for the termination of the contractual relationship of Mr. Mesonero.

Senior management compensation in 2021

- i. As of December 31, 2021, the managers were the following: the Secretary to the Board of Directors (Mr Pablo Jiménez de Parga, who joined the Company in July 2021), the former CFO (Mr David Mesonero, who also joined the Company in July 2021), the former Chief of Communication and Institutional Relations (Mr Jorge Rivera) and the Prisa's Director of Internal Audits (Ms Virginia Fernández).

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

- ii. The remuneration of the senior management includes, inter alia:
 - o Annual variable compensation (bonus): is the reflection of the amount corresponding to theoretical annual variable compensation of members of senior management if 2021 management objectives were achieved.

- Recalculation of the 2020 bonus paid in 2021, taking into account that: i) in April 2020 the Managers voluntarily waived the part of their 2020 annual variable compensation based on achievement of their quantitative objectives and ii) in January 2021 Mr. Pujol likewise waived the part of his annual variable compensation for achieving his qualitative objectives.
- The 2021 figures include a EUR 744 thousand expense entry for the “2018-2020 Incentives Plan” with regard to the Managers.
- In 2021 an expense amounting to EUR 6,671 thousands was recorded as a consequence of the termination of the contractual relationship (indemnities and compensation for non-competition agreement) of 6 of the managers mentioned above.

Finally, in relation to financial year 2022, it is hereby noted that Pablo Jiménez de Parga (Secretary of the PRISA Board of Directors and a member of Senior Management) is Executive Vice President of the law firm ECIJA. During financial year 2022, following a favorable report from the Audit, Risks and Compliance Commission, the Board of Directors authorised the hiring of ECIJA to provide legal advice to certain PRISA Group companies, on specific matters (the amount of EUR 22 thousand is for the services recorded in the 2022 consolidated financial statements).

Transactions between Group employees, companies or entities-

The aggregate amount of EUR 1,223 thousand (EUR 4,384 thousand at December 31, 2021) is mainly includes the advertising commission expense with Wemass Media Audience Safe Solutions, S.L. Additionally, in 2021, the expense for holding events with Planet Events, S.A. was included.

Finally, the aggregate amount of EUR 13,119 thousand (EUR 14,376 thousand at December 31, 2021) mainly includes the income received for commercialization of advertising with Wemass Media Audience Safe Solutions, S.L.

Transactions between with significant shareholders -

The aggregate amount of EUR 2,512 thousand consists of the expense for the purchase of advertising space and the receipt of strategy services, market research, creativity and identification of consumption habits and consumer product niches with Vivendi Group (EUR 1,854 thousand at December 31, 2021).

Meanwhile, the aggregate amount of EUR 30,059 thousand (EUR 24,706 thousand in 2021) consists of income of PRISA Group companies for advertising services with Vivendi Group. This amount derives entirely from contractual relationships prior to which Vivendi had a significant stake in PRISA's capital stock (less than 10%) and was represented on PRISA's Board of Directors.

These transactions reflect the accounting information recorded in the consolidated income statement of the PRISA Group and are between Vivendi Group companies and PRISA Group companies.

Vivendi became a significant shareholder of Prisa in financial year 2021 and has sat on the Board of Directors of PRISA (represented by proprietary director Carmen Fernández de Alarcón) since June 2021.

Additionally, it is noted that during the year 2022, IT services were provided to significant shareholder Rucandio, originating from contractual relationships prior to 2022 and which are therefore not included in the aforementioned tables. However, because these services were reported in the financial information for the first half of 2022, it is hereby noted that the annual amount of the services in financial year 2022 is approximately EUR 2 thousand.

(22) REMUNERATION AND OTHER BENEFITS OF DIRECTORS

In 2022 and 2021, the companies of the Group registered the following amounts in respect of remuneration to Group's Board members:

	Thousands of euros	
	12/31/2022	12/31/2021
Compensation for belonging to the Board and/ or Board Committees	1,100	1,044
Salaries	875	705
Variable compensation in cash	187	676
Compensation systems based on shares	226	322
Severance compensation	-	1,742
Other	12	280
Total	2,400	4,769

- i. The aggregated remuneration of directors of PRISA reflected in the table above corresponds to the accounting expenses made in the income statement of PRISA and other companies of its Group and consequently corresponds to the accounting provisions registered in the profit and loss account.

Therefore, the compensation included in the table above, do not match, in some respects, with the remuneration that will be included in the Annual Remuneration Report of the Directors 2022 and in the Annual Report on Corporate Governance 2022, in which it is followed the criteria required by the "Circular 3/2021 of the CNMV (by which the annual corporate governance reports and annual remuneration report of the directors of public companies are modified), which is not the accounting provision basis.

- ii. At the beginning of the COVID-19 crisis (first quarter 2020) and in order to mitigate the negative impact of the current situation which has an special effect on the main sources of income generation of all kind of media, the Board of Directors of PRISA resolved to put in place a contingency plan to adequate the cost structures of the businesses to the foreseeable circumstances which gave rise to a series of measures in 2020 and 2021. Some of these measures have continue to be applied to non-executive directors of PRISA in the 2022 financial year:
 - o Fiscal year 2020: In fiscal year 2020 a reduction was applied of 20% in the directors remuneration and in the annual remuneration of the then Chief Executive Officer.

Additionally, the annual variable remuneration corresponding to the year 2020, of the then CEO, was suppressed, at his decision.

- Fiscal year 2021: With the pandemic still rampant and no return yet foreseen to sufficient revenue levels, at the beginning of fiscal year 2021, new temporary interim measures were adopted to contribute to dealing with this complicated scenario and it was proposed to all employees with annual gross remuneration of EUR 85 thousand or higher, a temporary salary reduction (of 10% of the fixed remuneration) during 2021.

Likewise it was applied a 20% reduction in the remuneration of the non executive Board members during the same time period (although this would not affect of the remuneration of the non-executive Chairman, whose remuneration has already been cut by 50%, from EUR 400 thousand to EUR 200 thousand in December 2020).

- Fiscal year 2022: To minimize the effects caused by the COVID-19 crisis, the Board of Directors agreed that during 2022 a 20% reduction will continue to be applied in the remuneration of non-executive directors. The remuneration of the non-executive chairman has continue to be exempted from the foregoing and, in addition, remuneration corresponding to the chairmanship of the Appointments, Remuneration and Corporate Governance Committee, the Audit, Risk and Compliance Committee and the Sustainability Committee has been exempted, given the special workload, dedication and responsibility that such positions entail. These measures were already announced in the Director Remuneration Report sent to the CNMV dated March 29, 2022 (registration number: 15203).

Regarding the fiscal year 2022:

- i. The overall remuneration of the Board of Directors includes that of Mr. Roberto Alcántara Rojas up to the time of his cessation as a director (June 28, 2022) as well as that corresponding to the new director, Mr. Andrés Varela Entrecanales, from the date of his appointment (September 7, 2022).
- ii. The Remuneration Policy for directors for the years 2022, 2023 and 2024 was approved by the PRISA Shareholders' Meeting held on June 28, 2022 and it provided for the remuneration corresponding to the members of the Sustainability Commission (set up in February 2022). Therefore, the table above also includes the remuneration corresponding to the members of said Commission from June 28, 2022.
- iii. Within the variable remuneration in cash of the directors, are included the following items:
 - Annual variable compensation (bonus): is the reflection of the amount corresponding to theoretical annual variable compensation of Mr. Francisco Cuadrado and Mr. Carlos Nuñez, both executive directors of the Company, if 2022 management objectives are achieved.

However, since this compensation is subject to achievement of the management objectives at the end of the year 2022, the accounting figure in no way constitutes acknowledgment that that variable compensation has accrued, which will occur, if at all, once the year is closed and the 2022 annual accounts of the Group are prepared, based

on the level of achievement of the objectives established by the Board of Directors. In 2022, an expense of EUR 438 thousand was recorded for this item.

- Regularization of the 2021 bonus of the two executive directors, Mr. Francisco Cuadrado and Mr. Carlos Nuñez, for an amount of EUR -3 thousand.
- Medium-term Incentive Plan 2020-2025, linked to the creation of value in Santillana through the implementation of a corporate transaction:

The Directors Compensation Policy for 2022, 2023 and 2024 provides for medium-term incentives linked to value creation in Santillana through the implementation of a corporate transaction during the term commencing on September 1, 2020 and ending on December 31, 2025, whose beneficiaries include, among others, Mr. Francisco Cuadrado, Santillana's Executive Chairman. The plan was approved by the Board of Directors at its meeting held on January 26, 2021 and subsequently amended by the board on May 24, 2022 for the purpose of defining when it may be considered that there has been a revaluation in Santillana and extending its duration until the year 2025 (initially it was until the year 2023).

The incentive plan will allow the beneficiaries to participate in the creation of value for Santillana during the reference period, provided that they exceed a minimum revaluation target for Santillana and comply with the rest of the conditions established in the regulation of the plan. It will be understood that there has been a revaluation in the event that one of the corporate transactions provided for in the Plan Regulation have been concluded (i.e., the sale or flotation of Santillana), and the price or value determined for Santillana in the transaction is higher than the minimum revaluation target of EUR 1,400 million.

The beneficiaries will have the right to receive in cash a percentage of the value created for Santillana, understood as the positive difference between the enterprise value of Santillana on the date on which the specific corporate transaction is carried out and the initial date (September 1, 2020), taking into account the amount of the distributed dividends as well as capital flow. Santillana's enterprise value at the completion date will be that resulting from a valuation made by one or more independent experts. The enterprise value of Santillana at the initial date had been set at EUR 1,250 million.

In 2022, the provision recorded for this Incentive Plan in relation to Mr. Cuadrado (for an amount of -248 thousand euros) has been reversed as a result of the modification of the plan.

iv. In relation to the "compensation systems based on shares " it is noted the following:

- "PRISA Incentive Plan 2018- 2020":

At the Ordinary Shareholders' Meeting held on April 25, 2018, a Medium Term Incentive Plan was approved for the period falling between 2018 and 2020", consisting of the award of Company shares linked to stock market value and to the performance of certain

economic objectives (Ebitda and Cash Flow), targeted at the former CEO of Prisa and certain managers, who may receive a certain number of ordinary shares of the Company following a reference period of 3 years, provided that certain predefined requirements are met. The Company assigned a certain number of restricted stock units (“Restricted Stock Units” or “RSUs”) to each beneficiary, which would serve as a reference to determine the final number of shares to be delivered.

In 2021 the Board of Directors verified the level of fulfilment of the Ebitda and Cash Flow objectives to which the Incentive Plan was pegged, and the Board agreed the number of shares to be awarded to the beneficiaries (a total of 2,115,328 shares) at the settlement date.

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

This Plan has been settled in February 2022, through the delivery of the shares or their equivalent value in cash, as chosen by each of the beneficiaries of the plan. The decision to give the beneficiaries the option of a cash payment was made by PRISA’s Delegated Committee, at the proposal of the Appointments, Compensation and Corporate Governance Committee, on January 25, 2022. That possibility was provided for in the General Conditions that govern the Incentive Plan. The cash equivalent value of the shares was calculated based on the listed price of the shares on the day this decision was made (January 25, 2022).

In 2022 no expense has been recorded for the settlement of this Plan.

- “Santillana’s Executive Chairman medium-term incentive Plan 2022-2025”:

The Executive Director of Santillana, Mr Francisco Cuadrado (who is, in turn, executive director of PRISA) is the beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in Santillana’s budget (linked to EBIT and Cash Flow) in fiscal years 2022, 2023, 2024 and 2025 and is payable in shares. The plan was approved by the Board of Directors of PRISA on May 24, 2022, and was also approved at the Ordinary Shareholders Meeting held on June 28, 2022.

Mr Cuadrado has been granted with a theoretical number of shares equivalent to EUR 500 thousand gross for each year of the plan’s duration, which will serve as a reference to determine the final number of shares to be delivered (he has been assigned 923,494 theoretical shares for each year of the Plan, that is, a total of 3,693,976 theoretical shares). The calculations have been made considering the average stock market value of PRISA shares during the last quarter of 2021.

In addition, the incentive may be increased depending on the evolution of PRISA’s share price.

In 2022, an expense of EUR 166 thousand has been recorded for this Plan, based on the level of performance of objectives and considering the listed price of PRISA's shares at the time of communication of those objectives.

- o "PRISA Media's Executive Chairman medium-term incentive Plan 2022-2025":

The Executive Director of PRISA Media, Mr Carlos Nuñez (who is, in turn, executive director of PRISA) is the beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in PRISA Media's budget (linked to EBITDA, Cash Flow and digital revenues) in fiscal years 2022, 2023, 2024 and 2025 and is payable in shares. The plan was approved by the Board of Directors of PRISA on December 21, 2021 and was subsequently modified by the Board (to extend it until 2025 in line with the Company's Strategic Plan) on April 26, 2022. Likewise, it was also approved at the Ordinary Shareholders Meeting held on June 28, 2022.

Mr Nuñez has been granted with a theoretical number of shares equivalent to EUR 500 thousand gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered (he has been assigned 923,494 theoretical shares for each year of the Plan, that is, a total of 3,693,976 theoretical shares). The calculations have been made considering the average stock market value of PRISA shares during the last quarter of 2021.

In addition, the incentive may be increased depending on the evolution of PRISA's share price.

In 2022, an expense of EUR 59 thousand has been recorded for this Plan, based on the level of performance of objectives and considering the listed price of PRISA's shares at the time of communication of those objectives.

- v. "Others" includes health and life/accident insurance for the executive directors Carlos Nuñez and Francisco Cuadrado.
- vi. No other credits, advances or loans occurred, nor were pension obligations incurred, in respect of the Board of Directors during 2022.

Regarding the fiscal year 2021:

- i. The overall remuneration of the Board of Directors includes that of Mr. Javier de Jaime Guijarro and Mr Dominique D'Hinnin up to the time of their resignation as directors in February and November 2021, respectively.
- ii. In 2021 our operations were split into the two Grupo PRISA business areas of Education and Media, each with an Executive Chairman who is likewise an executive director of Prisa.

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

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

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

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

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

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

- iv. Within the variable remuneration in cash of the directors, are included the following items:
- Annual variable compensation (bonus) for the former CEO Mr Manuel Mirat, for 2021 in the amount of EUR 175 thousand, which was paid when his contract with the Company was terminated in July, 2021.
 - Regularization of 2020 Mr Mirat's bonus, taking into consideration the position expressed by Mr Mirat to waive the annual variable remuneration that may correspond to him in 2020. In 2021 a negative amount of 60 thousand euros was recorded in relation to this item.
 - Reflection of the amount corresponding to 2021 theoretical annual variable compensation (bonus) of Mr Carlos Nuñez and Mr Francisco Cuadrado, executive directors of the Company, in the compliance of the management objectives whilst they are presidents of PRISA Media and Santillana, respectively. An expense amounting EUR 313 thousand was recorded for this item in 2021.
 - Medium-term Incentive Plan 2020-2023, linked to the creation of value of Santillana: The Directors Compensation Policy for 2021, 2022 and 2023 (as approved at the Annual Shareholders Meeting held on June 29, 2021) provided for medium-term incentives linked to value creation in Santillana during the term commencing on September 1, 2020

and ending on December 31, 2023, whose beneficiaries included, among others, the executive director Mr. Francisco Cuadrado. Although Mr. Manuel Mirat was also a beneficiary of this Incentive Plan, he waived all rights in that regard when his contract with the Company was terminated in July, 2021. In 2021 an expense of EUR 247 thousand was recorded for this item.

As already indicated in the information corresponding to 2022, this plan, of which Mr. Francisco Cuadrado, Executive Chairman of Santillana, is now a beneficiary, has been modified by the Board on May 24, 2022, in order to specify the cases in which it can be understood that there has been a revaluation of Santillana and to extend its duration until 2025 (initially it was until 2023).

- v. *"Compensation systems based on shares"*: In 2021, an expense of EUR 322 thousand was recorded for the "PRISA Incentive Plan 2018-2020", in relation to the then CEO of Prisa, Mr. Mirat.
- vi. *"Severance Compensation"* includes accounting expenses resulting from the termination of Mr. Mirat's contract with the company (compensation for termination of contract equal to 18 month's salary; compensation for the termination of Mr. Mirat's previous contract with the Company; additional compensation equivalent to two years' unemployment benefits; and three month's compensation in lieu of notice, as stipulated in Mr. Mirat's contract).
- vii. *"Others"* includes health and life/accident insurance for the former executive director Mr. Manuel Mirat and the current executive directors Mr Carlos Nuñez and Mr Francisco Cuadrado. Likewise included is compensation for Mr. Mirat's post-termination non-competition covenant and the amount paid him for unused vacation days during 2021.
- viii. No other credits, advances or loans occurred, nor were pension obligations incurred, in respect of the Board of Directors during 2021.

Information regarding conflict of interest situations of directors-

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

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

Director	Activity	Person related to the Director	Activity
Joseph Oughourlian	See note below (*)	-	-
Shk. Dr. Khalid bin Thani bin Abdullah Al-Thani	Chairman of Dar Al Sharq Printing Publishing & Distribution Co.	-	-

Director	Activity	Person related to the Director	Activity
Javier Santiso Guimaras	CEO and General Partner of Mundi Ventures, a Venture Capital firm focused on technology-based companies. <i>See note below (**)</i>	-	-
Rosauro Varo Rodriguez	0.05% interest in the share capital of Telefónica, SA, owner of the TV platform MOVISTAR+.	-	-

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

(**) Mundi Ventures has investments in 70 technology companies, which are listed on the website www.mundiventures.com.

The companies in the PRISA Group are not included in this list. As already indicated in the Annual Corporate Governance Report of the Company, as of December 31, 2022, the directors Francisco Cuadrado, Carlos Nuñez, Rosauro Varo, Manuel Polanco Moreno, Miguel Barroso (representant of the director Amber Capital UK LLP), Teresa Quirós and Maria José Marín Rey Stolle, were members of management bodies of certain companies in the PRISA Group or indirectly participated by PRISA.

(23) GUARANTEE COMMITMENTS TO THIRD PARTIES

At December 31, 2022, PRISA had furnished personal guarantees (including counter-guarantees) amounting to EUR 4,875 thousand.

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

(24) FUTURE COMMITMENTS

The Group's main future commitment is the contract signed with Axion for the use of radio frequencies, which expires in June 2031 for EUR 53 million. The remaining commitments are mainly contracts with technology service providers, the largest being the contract signed with Indra in 2023 for a three-year period and an approximate amount of EUR 12 million.

At December 31, 2022, the Group had payment obligations and collection rights for a net amount payable of approximately EUR 88,654 thousand. This amount does not include the

payment commitments derived from the contract leases, which are detailed in note 11b. The net amounts payable in relation to these obligations fall due as follows:

Year	Thousands of euros
2023	22,680
2024	19,529
2025	18,473
2026	9,040
2027	9,322
2028 and subsequent years	9,610
	88,654

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

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

Past-due payments to creditors-

The information required by the third additional provision of Law 15/2010, of July 5 (amended by the second final provision of Law 31/2014, of 3 December) and Law 18/2022 of September 28 approved in accordance with the resolution of ICAC (Spanish Accounting and Audit Institute) of January 29, 2016, in relation to the average period of payment to suppliers in commercial operations, is as follows regarding to Spanish companies:

	12/31/2022	12/31/2021
	Days	
Average period of payment to suppliers	71	63
Ratio of settled transactions	73	70
Ratio of transactions pending payment	51	34
	%	
Ratio of operations paid in a period of less than 60 days	45%	-
Ratio of invoices paid in less than 60 days	70%	-
	Amount (thousands of euros)	
Total payments made	235,562	249,452
Total payments made within a period of less than 60 days	105,670	-
Total pending payments	24,566	61,908
	Number	
Total number of invoices paid	86,170	-
Total number of invoices paid in less than 60 days	60,378	-

To calculate the average period of payment to suppliers, the payments made in each period for commercial operations corresponding to the delivery of goods or service provisions are taken

into account, as well as the amounts for these operations pending settlement at the end of each year that are included under “*Trade payables*” of the attached consolidated balance sheet, referring only to the Spanish entities included in the consolidated group.

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

The maximum legal period of payment applicable in 2022 and 2021 under Law 3/2004, of December 29 and its modification by the Law 15/2010 of July 5, for combating late payment in commercial transactions, is by default 60 days. The average period of payment to the Group's suppliers exceeds the statutory maximum period partially on account of agreements arrived at with suppliers to defer payments or, where relevant, to initiate expenditure.

In 2022 there has been an increase in the average period of payment to suppliers caused, in part, by the agreements reached with suppliers related to the Refinancing of the Group's debt in April 2022. The ratio of transactions pending payment has increased in relation to 2021, fundamentally, by negotiation with technological suppliers to extend the expiration of invoices.

During the next financial year, the Directors will take the appropriate measures to reduce, as far as possible, the average period of payment to suppliers to the levels permitted by Law, except in those cases in which there are specific agreements with suppliers that establish a longer term.

(25) ONGOING LITIGATIONS AND CLAIMS

A) CNMC

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

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

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

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

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

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

The process is currently pending voting and decision.

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

B) Other litigations

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

(26) EVENTS AFTER THE BALANCE SHEET DATE

In January 2023, the Board of Directors of PRISA unanimously agreed to issue subordinated bonds mandatorily convertible into newly issued ordinary shares of the company, with preemptive subscription rights of PRISA shareholders. This issue takes place through a public offer for subscription of a nominal amount up to a total of EUR 130 million, through the issue and putting into circulation of up to a total of 351,350 convertible bonds with a face value of EUR 370 each.

The maturity date of these convertible bonds and conversion into new shares will be on the fifth anniversary of the issue date (February 2028). However, holders of these convertible bonds will be entitled to request the early conversion of the number of convertible bonds that they deem necessary into new Company shares, at their discretion, in the set conversion periods.

A price of EUR 0.37 per new share has been set for the conversion of the convertible bonds. This is a fixed conversion price until their maturity date, which will be subject to the adjustments that are customary for issuing this type of instrument 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 shares, the conversion price is adjusted so that such transactions or resolutions affect the Company's shareholders and the holders of the convertible bonds equally.

The convertible bonds will bear interest at a fixed annual rate of 1.00% (which cannot be capitalised) and payable upon conversion into ordinary shares.

In February 2023, convertible bonds amounting to a total of EUR 130 million were subscribed, meaning 351,350 convertible bonds have been issued. Insofar as a fixed conversion price has been established (see above), without prejudice to the adjustment mechanisms which are customary in this type of transaction, the maximum number of new shares to be issued in connection with the voluntary or mandatory conversion of the convertible bonds on the basis of this conversion price is 351,350,000 new shares, which represents 47.44% of the Company's current share capital and 32.17% of the Company's share capital following the conversion of convertible bonds into new shares (again considering the current share capital).

The convertible bonds are expected to be admitted to trading on the Spanish regulated fixed income market (AIAF).

The issue is an instrument to reduce PRISA's syndicated financial debt, which is linked to a variable interest rate and which was refinanced in April 2022. This has enabled the Company to raise the funds necessary, mainly, and in accordance with the financing agreements entered into, to partially pay off early the tranche of the PRISA's syndicated financial debt that constitutes its largest interest financial expense, i.e. the Junior debt tranche, which is benchmarked at Euribor+8% (including cash and capitalisable cost), which as at December 31, 2022 totalled EUR 192,013 thousand (*see note 11 b*). In February, 2023 the Group had cancelled EUR 110 million of Junior debt.

The issue of this bond mandatorily convertible into shares has been treated and recorded in 2023 as a compound financial instrument, because it includes both liability and equity components. The Group recognises, measures and presents the liability and equity components created by a single financial instrument separately on its balance sheet.

The Group distributes the value of its instruments in accordance with the following criteria which, barring error, will not be subsequently reviewed:

- a. The liability component is recognised by measuring the fair value of a similar liability that does not have an associated equity component.
- b. The equity component is measured at the difference between the initial amount and the amount assigned to the liability component.
- c. The transaction costs are distributed in the same proportion.

Following this, the liability component has been calculated as the present value of the cash coupons payable, considering that the mandatory conversion will take place at the end of the

bond's life, without considering early conversions, insofar as early conversions are out of the Company's control. As a result, a financial liability of approximately EUR 4 million has been recorded. The difference between the amount of this liability and the face value of the coupons will be recorded and posted in the income statement during the life of the aforementioned instrument using the effective interest method.

An equity component has been recorded because a residual share in a company's assets is evident, after deducting all of its liabilities, since the bond is mandatorily convertible into a fixed number of shares and does not include any contractual obligation to hand over cash or any other financial asset other than the payment of the aforementioned coupons. Therefore, as a result of recording the transaction at the fair value of the equity instruments being issued, an equity instrument amounting to approximately EUR 126 million has been accounted, resulting from the difference between the cash received for the issue of the convertible bond and the liability described in the previous paragraph, thereby increasing the net consolidated equity by this amount. The conversion price of the convertible bonds does not substantially differ from the listed value of the PRISA shares during the subscription period of the convertible bond.

The transaction costs have mainly been recorded as a decrease in the consolidated net profit, since almost all of the convertible bond has been recorded as an equity instrument.

Moreover, the early, partial cancellation of the aforementioned Junior debt will result in a financial expense of approximately EUR 6 million being recorded in 2023. This amount is due to the difference between the nominal amount of the cancelled debt and its initial fair value at the time of the Refinancing, which at the time was pending being posted in the consolidated income statement during this refinancing period, and which caused a financial income in April 2022, as described in notes 11. b) and 15.

On February 15, 2023 all the conditions precedent to which such transaction agreement entered into between Corporativo Coral, S.A. de C.V., Sociedad Española de Radiodifusión, S.L.U. ("SER") and the financial group Crédito Real was subject were finally fulfilled. All the parties have withdrawn the arbitral procedure before the International Chamber of Commerce in Paris. Therefore, all litigations regarding the shareholders' agreement of Sistema Radiópolis, S.A. de C.V. referred to under the ongoing litigation and claims within the previous consolidated Financial Statements have been finally resolved.

(27) EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

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

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2022	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
EDUCATION					
<i>Full Consolidation</i>					
Activa Educa, S.A. (Guatemala)	26 Avenida 2-20 zona 14 . Guatemala – Guatemala	Publishing	Santillana Educación Pacífico, S.L	97.203%	
Avalia Qualidade Educacional Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	Santillana Sistemas Educativos, S.L.U.	2.797%	
Distribuidora y Editora Richmond, S.A.S.	Edificio Punto 99, Carrera 11ª N°98-50 Oficina 501. Bogotá. Colombia	Publishing	Santillana Latam, S.L.U	99.99%	
Ediciones Santillana Inc. (Puerto Rico)	1506 Roosevelt Avenue. Guaynabo. Puerto Rico	Publishing	Grupo Santillana Educación Global, S.L.U.	1 acción	
Ediciones Santillana, S.A. (Argentina)	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	Santillana Sistemas Educativos, S.L.U	98.44%	
Ediciones Santillana, S.A. (Uruguay)	Juan Manuel Blanes 1132 Montevideo Uruguay	Publishing	Grupo Santillana Educación Global, S.L.U.	1.53%	
Editora Altea Ltda.	Avenida Papa João Paulo I, nº 2258, Galpão 1 Papa, Sala 02 São Paulo. Brasil	Publishing	Santillana Educación Pacífico, S.L.	0.03%	
Editora Moderna Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	Santillana Latam, S.L.U	100%	
Editora Pitanguá Ltda.	Avenida Papa João Paulo I, nº 2258, Galpão 1 Papa, Sala 01, São Paulo. Brasil	Publishing	Santillana Sistemas Educativos, S.L.U.	95.00%	
Editorial Nuevo México, S.A. de C.V.	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	Grupo Santillana Educación Global, S.L.U.	5.00%	
Editorial Santillana, S.A. (Guatemala)	26 Avenida 2-20 zona 14 . Guatemala - Guatemala	Publishing	Santillana Sistemas Educativos, S.L.U.	100%	
Editorial Santillana, S.A. (Honduras)	Colonia los Profesionales Boulevard Suyapa, Metropolis Torre 20501, Tegucigalpa Honduras	Publishing	Editora Moderna Ltda.	100%	
Editorial Santillana, S.A. (Rep. Dominicana)	Juan Sánchez Ramírez, 9. Gazcue. Santo Domingo. República Dominicana	Publishing	Santillana Latam, S.L.U	99.999%	
Editorial Santillana, S.A. (Venezuela)	Avenida Rómulo Gallegos. Edificio Zulia 1º. Caracas. Venezuela	Publishing	Editorial Nuevo México, S.A. de C.V. (México)	0.001%	
Editorial Santillana, S.A. de C.V. (México)	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	Santillana Sistemas Educativos, S.L.U.	99.991%	
Editorial Santillana, S.A. de C.V. (El Salvador)	3a. Calle Poniente Y 87 Avenida Norte, No. 311, colonia Escalon San Salvador	Publishing	Grupo Santillana Educación Global, S.L.U.	0.009%	
Editorial Santillana, S.A.S (Colombia)	Edificio Punto 99, Carrera 11ª N°98-50 Oficina 501. Bogotá. Colombia	Publishing	Santillana Sistemas Educativos, S.L.U.	99.00%	
Educa Inventia, S.A. de C.V. (México)	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	Grupo Santillana Educación Global, S.L.U.	1.00%	
Educativa Ediciones, S.A.S. (Colombia)	Avenida El Dorado No. 90 – 10 Bogotá, Colombia	Publishing	Santillana Latam, S.L.U	99.952%	
Educativa, S.A. (Chile)	Avenida Andrés Bello 2299 Oficina 1001 Providencia. Santiago Chile	Publishing	Grupo Santillana Educación Global, S.L.U.	0.040%	
Educativa, S.A.C. (Perú)	Avenida Primavera 2160 Santiago de Surco - Lima	Publishing	Ediciones Santillana Inc. (Puerto Rico)	0.008%	
Educativa, S.A.S. (Colombia)	Avenida El Dorado No. 90 – 10 Bogotá, Colombia	Publishing	Santillana Latam, S.L.U	100%	
Grupo Santillana Educación Global, S.L.U.	Gran Vía, 32. Madrid	Publishing	Santillana Latam, S.L.U	100%	
Improve Education Services, S.A.S. (Colombia)	Cr 11 No. 98 50 Of 504, Bogotá	Publishing	Editorial Nuevo México, S.A. de C.V.	1 acción	
Improve Learning, S.A.S. (Colombia)	Cr 11 No. 98 50 Of 504, Bogotá	Publishing	Santillana Sistemas Educativos, S.L.U.	99.95%	
			Grupo Santillana Educación Global, S.L.U.	0.05%	
			Santillana Sistemas Educativos, S.L.U	94.64%	
			Distribuidora y Editora Richmond, S.A.S	3.31%	
			Grupo Santillana Educación Global, S.L.U.	2.05%	
			Santillana Latam, S.L.U	99.99%	
			Editorial Santillana S.A. de C.V. México	1 acción	
			Santillana Sistemas Educativos, S.L.U.	100%	
			Santillana Educación Pacífico, S.L	93.52%	
			Santillana Sistemas Educativos, S.L.U.	6.48%	
			Santillana Educación Pacífico, S.L	99.998%	
			Santillana Sistemas Educativos, S.L.U.	0.002%	
			Santillana Educación Pacífico, S.L	87.12%	
			Santillana Sistemas Educativos, S.L.U.	12.88%	
			Prisa Activos Educativos, S.A.U	100%	2/91
			Distribuidora y Editora Richmond, S.A.S.Educativa	50.00%	
			Distribuidora y Editora Richmond, S.A.S.Educativa	50.00%	
			Distribuidora y Editora Richmond, S.A.S.Educativa	50.00%	

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

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2022

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2022	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
Kapelusz Editora, S.A. (Argentina)	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	Santillana Educación Pacífico, S.L Santillana Sistemas Educativos, S.L.U.	99.902% 0.098%	
Pleno Internacional, SPA	Avenida Andres Bello N° 2299 Oficina 1001 Providencia - Santiago	Advice and consulting, development and sale of software	Santillana Educación Chile, S.A.	70.00%	
Richmond Educação, Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	Editora Moderna, Ltda. Grupo Santillana Educación Global, S.L.U.	100% 1 acción	
Richmond Publishing, S.A. de C.V.	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	Santillana Sistemas Educativos, S.L.U. Santillana Educación Pacífico, S.L Santillana Educación México, S.A. de C.V.	87.472% 12.513% 0.015%	
Salamandra Editorial, Ltda.	Rua Urbano Santos 755, Sao Paulo. Brasil	Publishing	Editora Moderna, Ltda. Grupo Santillana Educación Global, S.L.U.	100% 1 acción	
Santillana de Ediciones, S.A. (Bolivia)	Av. Pedro Rivera N° 3095. Santa Cruz. Bolivia	Publishing	Santillana Sistemas Educativos, S.L.U. Santillana Educación Pacífico, S.L Grupo Santillana Educación Global, S.L.U.	99.70% 0.15% 0.15%	
Santillana del Pacífico, S.A. de Ediciones.	Avenida Andres Bello 2299 Oficina 1001-1002 Providencia. Santiago Chile	Publishing	Santillana Latam, S.L.U Grupo Santillana Educación Global, S.L.U.	100% 1 acción	
Santillana Editores, S.A. (Portugal)	Rua do Proletariado, n° 7 (Lote 1) - 2794-076 Carnaxide - Portugal	Publishing	Santillana Latam, S.L.U	100%	
Santillana Educacao, Ltda. (Brasil)	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	100% 1 acción	
Santillana Educación Chile, S.A.	Avenida Andrés Bello 2299 1001 - 1002 Providencia, Santiago de Chile	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	99.99% 0.01%	
Santillana Educación México, S.A. de C.V.	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	Richmond Publishing, S.A. de C.V. Santillana Educación Pacífico, S.L.	99.99% 1 acción	
Santillana Educación Pacífico, S.L.	Gran Vía, 32. Madrid	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	99.996% 0.004%	2/91
Santillana Latam, S.L.U.	Gran Vía, 32. Madrid	Publishing	Grupo Santillana Educación Global, S.L.U.	100%	2/91
Santillana Sistemas Educativos, S.L.U.	Gran Vía, 32. Madrid	Publishing	Grupo Santillana Educación Global, S.L.U.	100%	2/91
Santillana, S.A. (Costa Rica)	La Uruca. 200 m Oeste de Aviación Civil. San José. Costa Rica	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	99.992% 0.008%	
Santillana, S.A. (Ecuador)	Calle De las Higueras 118 y Julio Arellano. Quito. Ecuador	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	100% 1 acción	
Santillana, S.A. (Paraguay)	Avenida Venezuela. 276. Asunción. Paraguay	Publishing	Santillana Sistemas Educativos, S.L.U. Ediciones Santillana, S.A. (Argentina)	99.89% 0.11%	
Santillana, S.A. (Perú)	Avenida de Primavera 2160 Santiago de Surco -Lima	Publishing	Santillana Sistemas Educativos, S.L.U.	95.00%	
Solucoes Moderna Editora e Serviços Educacionais, Ltda. (Antes Editora Pitangua) LTDA)	Rua Padre Adelino, 758. Sala Avalia, Quarta Parada, - Sao Paulo. Brasil	Publishing	Santillana Latam, S.L.U. Grupo Santillana Educación Global, S.L.U.	100% 1 acción	

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

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2022	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
MEDIA					
<i>Full Consolidation</i>					
Lacoproductora, S.L.	Cardenal Cisneros, 74. Madrid	Production of feature films, short films, series, miniserries and television movies, as well as any other type of audiovisual works	Prisa Media, S.A.U	51.00%	
Mobvious Corp.	7742 N. Kendall Drive, 101 Miami Florida 33156-8550. EE.UU	Marketer's advertising in digital media.	Prisa Brand Solutions USA, Inc.	60.00%	
Podium Podcast, S.L.U.	Gran Vía, 32. Madrid	Provision of music services	Prisa Media, S.A.U	100%	2/91
Prisa Brand Solutions México, S.A. de C.V	Avenida Paseo de la Reforma 231. Piso 6 Colonia Cuauthemoc. Ciudad de México 06500	Marketer's advertising in digital media.	Prisa Brand Solutions USA, Inc. Prisa Media, S.A.U..	99.99% 0.01%	
Prisa Brand Solutions USA, Inc.	7742 N. Kendall Drive 101. Miami. Florida. 33156-8550. EE.UU.	Marketer of advertising in media.	Prisa Media, S.A.U.	100%	
Prisa Media, S.A.U.	Gran Vía, 32. Madrid	The allowance, or self-employed, of any kind of services, directly or indirectly, related broadcasting. Advice and provision of services to media companies in the field of advertising, programming, administration, marketing and technical issues, computer and commercial and any other related activity. Production, operation and management-account or self-employed, by whatever means, of all kinds of programs and radio and audiovisual products.	Promotora de Informaciones, S.A.	100%	2/91
<i>Equity Method</i>					
Wemass Media Audience Safe Solutions, S.L.	Calle Juan Ignacio Luca de Tena, nº7.	Hiring advertising in the media. Design, organization, management and marketing of all kinds of cultural, sports, promotional and leisure activities and events.	Prisa Media, S.A.U.	33.00%	
MEDIA- RADIO					
Radio in Spain					
<i>Full Consolidation</i>					
Antena 3 de Radio de León, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	99.56%	2/91
Compañía Aragonesa de Radiodifusión, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	97.03%	2/91
Ediciones LM, S.L.	Plaza de Cervantes, 6. Ciudad Real	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	50.00%	
Iniciativas Radiofónicas de Castilla La Mancha, S.A.	Carreteros, 1. Toledo	Operation of radio broadcasting stations	Ediciones LM, S.L. Sociedad Española de Radiodifusión, S.L.U.	40.00% 50.00%	
Ondas Galicia, S.A.	San Pedro de Mezonzo, 3. Santiago de Compostela	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	51.14%	
Prisa Radio, S.A.U.	Gran Vía, 32. Madrid	Provision of business radio services	Prisa Media, S.A.U	100%	2/91
Propulsora Montañesa, S. A.	Pasaje de Peña. Nº 2. Interior. 39008. Santander	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	99.94%	2/91
Radio Club Canarias, S.A.	Plaza Santa Cruz de la Sierra 2. Santa Cruz de Tenerife	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	95.00%	2/91
Radio Lleida, S.L.	Calle Vila Antonia. Nº 5. Lleida	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	66.50%	
Radio Murcia, S.A.	Radio Murcia, 4. Murcia	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	83.33%	
Radio Zaragoza, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	Compañía Aragonesa de Radiodifusión, S.A. Sociedad Española de Radiodifusión, S.L.U.	57.11% 20.77%	
Sociedad Española de Radiodifusión, S.L.U.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Prisa Radio, S.A.U	100%	2/91

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

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2022

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2022	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
Sociedad Independiente Comunicación Castilla La Mancha, S.A.	Avenida de la Estación, 5 Bajo. Albacete	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	74.77%	
Sonido e Imagen de Canarias, S.A.	Caldera de Bandama, 5. Arrecife. Lanzarote	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	50.00%	
Teleser, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U. Radio Zaragoza,S.A.	81.46% 0.65%	
<u>Equity Method</u>					
Radio Jaén, S.L.	Obispo Aguilar, 1. Jaén	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	35.99%	
International Radio					
<u>Full Consolidation</u>					
Blaya y Vega, S.A.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Multimedios GLP Chile , SpA. Comercializadora Iberoamericana Radio Chile, S.A.	99.98% 0.02%	
Caracol Estéreo, S.A.S	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.U. Prisa Radio, S.A.U.	77.04% 2 acciones	
Caracol, S.A.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.U. Prisa Radio, S.A.U.	77.05% 2 acciones	
Comercializadora de Eventos y Deportes, S.A.S.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Production and organization of shows and events	Sociedad Española de Radiodifusión, S.L.U.	100%	
Comercializadora Iberoamericana Radio Chile, S.A.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Production and sale of advertising, promotions and events	Grupo Latino de Radiodifusión Chile, SpA Sociedad Española de Radiodifusión, S.L.U.	99.90% 0.10%	
Compañía de Comunicaciones de Colombia,S.A.S	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Caracol, S.A. Promotora de Publicidad Radial, S.A.S. Sociedad Española de Radiodifusión, S.L.U. Caracol Estéreo, S.A.S. Ecos de la Montaña Cadena Radial Andina, S.A.	43.45% 19.27% 16.76% 11.13% 4.42%	
Compañía de Radios, S.A.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Sociedad Radiodifusora del Norte, SpA. Iberoamerican Radio Holdings Chile, S.A. Comercializadora Iberoamericana Radio Chile, S.A.	44.32% 40.88% 14.80%	
Consortio Radial de Panamá, S.A	Urbanización Obarrio, Calle 54 Edificio Caracol. Panamá	Consulting services and marketing of products and services	Sociedad Española de Radiodifusión, S.L.U.	100%	
Corporación Argentina de Radiodifusión, S.A.	Rivadavia 835. Ciudad de Buenos Aires. Argentina	Operation of radio broadcasting stations	GLR Services Inc. Sociedad Española de Radiodifusión, S.L.U.	76.20% 23.80%	
Ecos de la Montaña Cadena Radial Andina, S.A.	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.U. Prisa Radio, S.A.U.	76.80% 1 acción	
Emisora Mil Veinte, S.A.	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.U. Prisa Radio, S.A.U.	75.72% 1 acción	
Fast Net Comunicaciones, S.A.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Comercializadora Iberoamericana Radio Chile, S.A. Compañías de Radio,S.A.	99.86% 0.14%	
GLR Services Inc.	2100 Coral Way - Miami 33145 - Florida, EE.UU.	Provision of services to radio broadcasting companies	Sociedad Española de Radiodifusión, S.L.U.	100%	
Grupo Latino de Radiodifusión Chile, SpA (**)	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U. Caracol, S.A.	99.9986% 0.0014%	
Iberoamerican Radio Holdings Chile, S.A.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Comercializadora Iberoamericana Radio Chile, S.A Grupo Latino de Radiodifusión Chile, SpA	100% 1 acción	
Iberoamericana de Noticias Ltda.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of media and communication services	Grupo Latino de Radiodifusión Chile SpA. Comercializadora Iberoamericana Radio Chile, S.A.	99.9996% 0.0004%	
La Voz de Colombia, S.A.	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.U. Caracol, S.A.	75.64% 0.01%	

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

(**) Consolidated data

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2022	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
Multimedios GLP Chile SPA	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of media and communication services	Comercializadora Iberoamericana Radio Chile, S.A.	100%	
Promotora de Publicidad Radial, S.A.S	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.U. Prisa Radio, S.A.U.	77.04% 2 acciones	
Sociedad Radiodifusora del Norte, SpA. Societat de Comunicació i Publicitat, S.L.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Parc. de la Mola, 10 Torre Caldea, 6º Escalde. Engordany. Andorra	Operation of radio broadcasting stations Operation of radio broadcasting stations	Comercializadora Iberoamericana Radio Chile, S.A. Sociedad Española de Radiodifusión, S.L.U. Unión Radio del Pirineu, S.A.	100% 99.00% 1.00%	
<i>Equity Method</i>					
Cadena Radiodifusora Mexicana, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	Sistema Radiópolis, S.A. de C.V. Cadena Radiópolis, S.A. de C.V.	100% 353 acciones	
Cadena Radiópolis, S.A. de C.V.	Calzada de Tlalpan número 3000, Colonia Espartaco, Delegación Coyoacán, Código Postal 04870, Ciudad de México.	Providing all kinds of public telecommunications and broadcasting services	Sistema Radiópolis, S.A. de C.V. Cadena Radiodifusora Mexicana, S.A. de C.V.	99.90% 0.10%	
Caja Radiópolis, S.C	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Business management services	Servicios Radiópolis, S.A. de C.V. Radio Comerciales, S.A. de C.V. Xezz, S.A. de C.V.	67.00% 31.00% 2.00%	
Fondo Radiópolis, S.C.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Business management services	Servicios Radiópolis, S.A. de C.V. Radio Comerciales, S.A. de C.V. Xezz, S.A. de C.V.	67.00% 31.00% 2.00%	
Promotora Radial del Llano, LTDA	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial broadcasting services	Caracol, S.A. Promotora de Publicidad Radial, S.A.S	25.00% 25.00%	
QHubo Radio, S.A.S	CL 57 No 17 - 48 Bogotá, Colombia	Operation of the business of broadcasting and advertising	Caracol, S.A.	50.00%	
Radio Comerciales, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. México	Exploitation of broadcasting stations	Sistema Radiópolis, S.A. de C.V. Cadena Radiópolis, S.A. de C.V.	99.97% 0.03%	
Radio Melodía, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. México	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V. Cadena Radiópolis, S.A de CV	99.00% 1.00%	
Radio Tapatía, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. México	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V. Cadena Radiópolis, S.A de CV	99.00% 1.00%	
Radiotelevisora de Mexicali, S.A. de C.V.	Avenida Reforma 1270. Mexicali Baja California. México	Operation of radio broadcasting stations	Sistema Radiópolis, S.A. de C.V. Cadena Radiópolis, S.A. de C.V.	100% 11 acciones	
Servicios Radiópolis, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	Sistema Radiópolis, S.A. de C.V. Radio Comerciales, S.A. de C.V.	99.998% 0.002%	
Servicios Xezz, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	Xezz, S.A. de C.V. Radio Comerciales, S.A. de C.V.	99.99% 0.01%	
Sistema Radiópolis, S.A. de C.V. (**)	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	50.00%	
Unión Radio del Pirineu, S.A. Xezz, S.A. de C.V.	Carrer Prat del Creu, 32. Andorra Rubén Darío n° 158. Guadalajara. México	Operation of radio broadcasting stations Operation of radio broadcasting stations	Prisa Radio, S.A.U. Cadena Radiodifusora Mexicana, S.A. de C.V. Cadena Radiópolis, S.A de C.V.	33.00% 99.00% 1.00%	
MEDIA - PRESS					
<i>Full Consolidation</i>					
As Chile SPA	Eliodoro Yáñez 1783, Providencia. Santiago. Chile	Publication and operation of As newspaper in Chile.	Diario As, S.L.	100%	
Diario AS Colombia, SAS	Cl 98, n° 1871 OF401. Bogotá D.C.	Publication and operation of As newspaper in Colombia.	Diario As, S.L.	100%	
Diario As USA, Inc.	2100 Coral Way Suite 603. 33145 Miami, Florida	Publication and operation of As newspaper in USA.	Diario As, S.L.	100%	
Diario As, S.L.	Valentín Beato, 44. Madrid	Publication and operation of As newspaper.	Grupo de Medios Impresos y Digitales, S.L	75.00%	2/91
Diario Cinco Días, S.A	Miguel Yuste, 42. Madrid	Publication and operation of Cinco Días newspaper.	Grupo de Medios Impresos y Digitales, S.L	100%	2/91
Diario El País Argentina, S.A.	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Operation of El País newspaper in Argentina.	Diario El País, S.L. Diario El País México, S.A. de C.V.	95.65% 4.35%	

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

(**) Consolidated data

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2022

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2022	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
El País Brasil Agencia de Noticias E Publicidade, Ltda - Em liquidação.	Rua Ferreira de Araújo. 221-Conjunto 31, Pinheiros. CEP 05428-000. Sao Paulo. Brasil	Operation of El País newspaper in Brazil.	Diario El País, S.L. Ediciones El País, S.L.	99.99% 0.01%	
Diario El País México, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. México D.F. México	Operation of El País newspaper in Mexico.	Diario El País, S.L. Promotora de Informaciones, S.A.	98.39% 1.61%	
Diario El País, S.L.	Miguel Yuste, 40. Madrid	Publication and operation of El País newspaper.	Prisa Media, S.A.U	100%	2/91
Ediciones El País, S.L.	Miguel Yuste, 40. Madrid	Publication, operation and sale of El País newspaper.	Diario El País, S.L. Prisa Media, S.A.U	99.994% 0.006%	2/91
Espacio Digital Editorial, S.L.	Gran Vía, 32. Madrid	Edition and exploitation of Huffinton Post digital for Spain.	Prisa Media, S.A.U	100%	2/91
Factoría Prisa Noticias, S.L.	Valentín Beato, 44. Madrid	Administrative, technological and legal services and the distribution of written and digital media.	Prisa Media, S.A.U	100%	2/91
Grupo de Medios Impresos y Digitales, S.L.	Gran Vía, 32. Madrid	Ownership of shares of publishing companies.	Prisa Media, S.A.U	100%	2/91
Noticias AS México S.A. de C.V.	Rio Lerma 196 BIS TORRE B 503, Ciudad de México DF	Publication and operation of As newspaper in Mexico.	Diario As, S.L. Prisa Media, S.A.U	99.00% 1.00%	
<i>Equity Method</i>					
As Spotlight Digital, S.L.	C/ Valentín Beato, 44. Madrid	Access to gambling websites on the internet, provision of marketing services and activities related to internet advertising.	Diario As, S.L.	50.00%	
Kioskoymás, Sociedad Gestora de la Plataforma Tecnológica, S.L.	Juan Ignacio Luca de Tena, 7. Madrid	Publication and operation of newspapers, magazines in digital format.	Prisa Media, S.A.U	50.00%	
Le Monde Libre Societé Comandité Simple	17, Place de la Madeleine. París	Holding of shares in publishing companies.	Prisa Media, S.A.U	20.00%	

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

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2022

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2022	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
<u>OTHERS</u>					
<i>Full Consolidation</i>					
Prisa Activos Educativos, S.A.U	Gran Vía, 32. Madrid	The realization of the activities inherent to the publishing business in its broadest sense and, in particular, editing marketing and distribution of all kinds of publications and the provision of editorial, education, leisure services and entertainment.	Promotora de Informaciones, S.A.	100%	2/91
Prisa Gestión Financiera, S.L.U.	Gran Vía, 32. Madrid	Management and exploitation of information and social communication media whatever their technical support. The action in the capital and monetary market.	Promotora de Informaciones, S.A.	100%	2/91
Prisa Participadas, S.L.	Gran Vía, 32. Madrid	Management and exploitation of audiovisual and printed mass media, participation in companies and businesses, and providing all kinds of services.	Promotora de Informaciones, S.A.	100%	2/91
Productora Audiovisual de Badajoz, S.A. (En liquidación)	Gran Vía, 32. Madrid	Local television services	Prisa Participadas, S.L.	61.45%	
Productora Extremeña de Televisión, S.A. (En liquidación)	Gran Vía, 32. Madrid	Local television services	Prisa Participadas, S.L.	70.00%	
Promotora de Actividades América 2010 - México, S.A. de C.V. U (En liquidación)	Avenida Paseo de la Reforma 300. Piso 9. Col. Juárez. 06600. México. D.F. México	Development, coordination and management of projects of all kinds, national and international, related to the commemoration of the bicentenary of the independence of the American Nations	Promotora de Actividades América 2010, S.L. Prisa Participadas, S.L.	99.998% 1 acción	
Promotora de Actividades América 2010, S.L. (En liquidación)	Gran Vía, 32. Madrid	Production and organization of activities and projects related to the commemoration of the bicentenary of the independence of the American Nations.	Promotora de Informaciones, S.A.	100%	2/91
Promotora de Actividades Audiovisuales de Colombia, Ltda.	Calle 80, 10 23 . Bogotá. Colombia	Production and distribution of audiovisual	Prisa Participadas, S.L. Promotora de Informaciones, S.A.	99.00% 1.00%	
Vertex, SGPS, S.A.	Rua Mario Castelhana, nº 40, Queluz de Baixo. Portugal	Holding of shares in companies.	Promotora de Informaciones, S.A.	100.00%	
<i>Equity Method</i>					
Canal Club de Distribución de Ocio y Cultura, S.A.	Calle Hermosilla, 112. Madrid	Catalogue sales.	Promotora de informaciones,S.A.	25.00%	

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

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

APPENDIX II

INVESTEE	December 2022							
	TOTAL ASSETS	CURRENTS ASSETS	NON CURRENT ASSETS	CURRENT LIABILITIES	NON CURRENT LIABILITIES	EQUITY	OPERATING INCOME	NET PROFIT
<i>(Thousands of euros)</i>								
MEDIA								
Wemass Media Audience Safe Solutions, S.L.	11,026	134	10,892	10,635	0	391	25,511	243
MEDIA- RADIO								
Radio in Spain								
Radio Jaén, S.L.	1,212	689	523	310	0	902	974	(244)
International Radio								
Cadena Radiodifusora Mexicana, S.A. de C.V.	31,390	24,298	7,092	24,919	3,638	2,833	33,172	1,332
Cadena Radiópolis, S.A. de C.V.	5,762	1,804	3,958	220	48	5,494	358	(314)
Caja Radiópolis, S.C	(0)	(0)	0	(1)	0	1	0	(1)
Fondo Radiópolis, S.C.	(1)	(1)	0	(1)	0	(0)	0	(1)
Promotora Radial del Llano, LTDA	60	51	9	5	0	55	58	5
Q'Hubo Radio, S.A.S	44	44	0	211	0	(167)	169	3
Radio Comerciales, S.A. de C.V.	2,746	421	2,325	852	578	1,316	355	50
Radio Melodía, S.A. de C.V.	1,194	550	644	238	296	660	969	(65)
Radio Tapatía, S.A. de C.V.	1,634	784	850	405	382	847	1,093	9
Radiotelevisora de Mexicali, S.A. de C.V.	1,060	594	466	676	126	258	542	37
Servicios Radiópolis, S.A. de C.V.	2,410	2,348	62	1,888	226	296	2,265	149
Servicios Xezz, S.A. de C.V.	189	174	15	28	0	161	0	(17)
Sistema Radiópolis, S.A. de C.V.	53,581	27,078	26,503	13,933	3,942	35,706	33,975	3,986
Unión Radio del Pirineu, S.A.	353	340	13	121	0	232	279	(23)
Xezz, S.A. de C.V.	433	192	241	210	102	121	299	5
As Spotlight Digital, S.L.	311	311	0	592	800	(1,081)	92	(860)
Kioskoymás, Sociedad Gestora de la Plataforma Tecnológica, S.L.	1,415	1,400	15	1,156	0	259	1,204	495
Le Monde Libre (1)	152,202	3	152,199	180,222	0	(28,020)	0	(2,176)
OTHERS								
Canal Club de Distribución de Ocio y Cultura, S.A.	123	123	0	3	0	120	67	67

(1) Figures as of 12/31/2021

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

Consolidated Directors' Report for 2022

1. BUSINESS PERFORMANCE

The Group's businesses continue to move forward with their strategic roadmap, presented in the Capital Markets Day of March 2022, with a focus on digital transformation, acceleration of subscription models and development of new digital formats, within a framework of continuous efficiency improvement plans.

By the end 2022, the Education business reaches 2.6 million subscriptions in its education systems. In the Media business, there is an average of 231 million monthly unique browsers, an average of 45 million monthly audio content downloads and 80 million of total listening hours. Regarding El País, accounts for 266,000 total subscribers.

PRISA's social mission, as a business group focused on two essential sectors such as Education and Media, takes full meaning with the events that are taking place in recent years (the COVID-19 pandemic, the war in Ukraine, etc). Reliable and accurate information and access to better education play a more significant role than ever before. Therefore, in these crisis situations, the Group has given the highest priority to the continuity of its activities, reaffirming its social commitment. In support of Spanish and Latin American society, PRISA continues to guarantee access to: comprehensive, accurate and truthful information; quality entertainment; and, of course, a wide range of educational services.

In 2022, the start of the war in Ukraine has contributed to a gradual worsening of the macro-economic conditions, with higher inflation rates and interests and lower growth expectations for the global economy. In this environment, the summary of the Group's results, compared to 2021, is as follows:

- Operating income amounted to EUR 850.2 million (+14.7% vs 2021; +9.7% in local currency). The Education business shows a significant improvement, mainly driven by the private business due to the expansion of the subscription models based on educational systems, the extraordinary institutional sale in Argentina and the recovery of traditional didactic sales after 2021 was still affected by the pandemic. The public business is in line with 2021 due to higher sales in Mexico and Brazil, which offset the cancellation of the institutional sale in the Dominican Republic. The Media business shows an improvement in advertising revenues and growth in the digital paywall subscription model of El País.
- Operating expenses (excluding depreciation and amortization charge, goodwill impairment and impairment and losses on fixed assets) amounted to EUR 712.6 million (+5.1% vs. 2021; +0.6% in local currency). Excluding the effect of lower severance payments, expenses grew +10.8% (+6.0% in local currency), mainly due to higher variable expenses (in line with the increase in revenues), the impact of inflation and the raise in the cost of goods sold, energy resources and distribution processes linked to the macro-economic circumstances, previously mentioned. The efficiency measures that the Group continues to apply, partially offset the impact of the increase in expenses, allowing the Group to increase margins.
- EBITDA increased significantly compared to 2021, reaching EUR 137.6 million (EUR +74.5 million vs 2021; EUR +67.6 million in local currency). Excluding severance

payments, EBITDA grew +38.2% in relation to 2021 (+31.4% in constant currency). The Group uses EBITDA as a benchmark to monitor the performance of its businesses and to set its operational and strategic targets, therefore, this "alternative performance measure" is important for the Group and is used by other companies in the sector. EBITDA is defined as profit from operations plus assets depreciation and amortization charge, impairment of goodwill and impairment of assets.

The following tables detail the reconciliation between EBITDA and the Group's result from operations for each of the segments of 2022 and 2021 (in millions of euros):

	12.31.2022			
	Education	Media	Others	PRISA Group
PROFIT FROM OPERATIONS	51.1	20.3	(8.0)	63.4
Depreciations and amortisation charge	43.4	26.1	1.5	71.0
Impairment of goodwill	0.0	0.0	0.0	0.0
Impairment of assets	1.9	1.4	(0.1)	3.2
EBITDA	96.4	47.8	(6.6)	137.6

	12.31.2021			
	Education	Media	Others	PRISA Group
PROFIT FROM OPERATIONS	26.1	(28.9)	(16.9)	(19.7)
Depreciations and amortisation charge	39.9	37.7	0.7	78.3
Impairment of goodwill	0.0	0.0	0.0	0.0
Impairment of assets	3.3	1.1	0.1	4.5
EBITDA	69.3	9.9	(16.1)	63.1

Exchange rates have had an impact on the performance of the Group's results, mainly due to appreciation in Brazilian real, Mexican peso and US dollar: +EUR 37.4 million in income and +EUR 6.9 million in EBITDA. In this sense, PRISA defines the impact of exchange rates as the difference between the financial figure converted at the exchange rate of the current year and the same financial figure converted at the exchange rate of the previous year. The Group monitors both operating income and profit from operations excluding the aforementioned exchange rate effect for comparability purposes and to measure management by isolating the effect of currency fluctuations in the various countries. This "alternative performance measure" is therefore important in order to be able to measure and compare the Group's performance in isolation of the exchange rate effect, which distorts comparability between years.

The following table shows the exchange rate effect on operating income and EBITDA for the Education and Media business and for the PRISA Group in 2022 and 2021 (in millions of euros):

	2022	Exchange rate effect	2022 excluding exchange rate effect	2021	Var. excluding Exchange rate effect	Var. (%) excluding exchange rate effect
Education (*)						
Operating income	447.4	37.6	409.8	358.8	51.0	14.2
EBITDA	96.4	6.8	89.6	69.3	20.3	29.3
Media						
Operating income	403.8	(0.2)	404.0	383.3	20.7	5.4
EBITDA	47.8	0.1	47.7	9.9	37.8	381.8
PRISA Group						
Operating income	850.2	37.4	812.8	741.2	71.7	9.7
EBITDA	137.6	6.9	130.7	63.1	67.6	107.2

(*) Excluding the exchange rate effect of Venezuela.

Education business continues to develop with a focus on expansion of subscription models based on education systems. In 2022, the number of subscriptions rose by 33% to 2,626 thousand subscriptions, and learning systems sales grew in line (+43.6%). Private didactic sales also grew significantly compared to 2021 (+43.1%), due to the recovery after the impact of the pandemic at the beginning of 2021 in southern countries, the improvement in northern campaign countries and also due to the extraordinary institutional sale in Argentina. Regarding public sales, sales are roughly in line with 2021 in euros due to the increase in Brazil and Mexico offset the cancellation of the institutional sale in the Dominican Republic.

- Operating revenues stood at EUR 447.4 million in 2022, a growth of 24.7% compared to 2021 (+14.2% in local currency). Growth is driven by private sales (+43.4% due to the expansion of learning systems and the recovery of didactic sales, as well as the, already mentioned, significant institutional sale in Argentina). Public sales are roughly in line with 2021, in euros (-1.2%) due to Brazil and Mexico sales which offset the cancellation of the institutional sale in the Dominican Republic.
- Turning to operating expenses (excluding depreciation and amortization charges, goodwill impairment and impairment and losses on fixed assets), these amounted to EUR 351.1 million in 2022, above 2021 (+21.2% in euros, and +10.6% in local currency). The increase is both due to the increase in variable costs (in line with higher revenues) and the raise in the cost of goods sold, distribution and inflation. Efficiency measures partially offset the increase in expenses.
- EBITDA stood at EUR 96.4 million in 2022, with a growth of +39.1% compared to 2021 (+29.3% in local currency).
- The impact of exchange rates was EUR +37.6 million in operating income and EUR +6.8 million in EBITDA.

Media business continues to focus on brand leadership in the Spanish-speaking market, on digital transformation and growth of subscribers in El País. In 2022, audio downloads saw a

monthly average of 45 million (up by +35%) and hours of streaming listening (TLH) stood at 80 million (an increase of +19%). Besides, Prisa Media achieves 231 million monthly average unique browsers. On the other hand, El País digital subscription model accounts for 227,000 subscribers in December 2022. Regarding the operating income, 2022 shows growth driven by the recovery in radio advertising and the development in El País subscription model.

- Operating revenues stood at EUR 403.8 million in 2022, a growth of 5.3% compared to 2021 due to the recovery of advertising revenues, which grew by +4%. Also, growth is driven by El País' digital subscription model raise (+37% in revenues).
- Turning to operating expenses (excluding depreciation and amortization charges, goodwill impairment and impairment and losses on fixed assets), these amounted to EUR 356.0 million in 2022, with a fall of -4.7% compared to 2021 (+3.0% excluding severance expenses). The descend in severance expenses (linked to the restructuring plan of 2021) and the efficiency measures offset the increase in variable costs (in line with higher revenues), the impact of inflation and the increase in costs related to the macro-economic circumstances.
- EBITDA stood at EUR 47.8 million in 2022, compared to EUR 9.9 million in 2021, an improvement of EUR +37.9 million, mainly due to the market advertising recovery and cost savings. Excluding severance expenses, EBITDA accounts for EUR 52.1 million, a +24.3% improvement compared to 2021.

The Group's net bank debt increased by EUR 100.3 million during 2022 and amounted to EUR 856.4 million at December 31, 2022, due to the Group's cash needs during the year 2022, including the acquisition of 20% stake of Prisa Radio and the refinancing costs amounting to EUR 30 million and EUR 16 million, respectively. This debt indicator is an "alternative measure of performance" and includes non-current and current bank borrowings, excluding present value in financial instruments/loan arrangements costs, diminished by current financial assets, cash and cash equivalents and is important for the analysis of the Group's financial position.

The following table shows the composition of this indicator at December 31, 2022 and at December 31, 2021:

	Million of euros	
	12/31/22	12/31/21
Non-current bank borrowings	980.8	934.3
Current bank borrowings	30.8	14.9
Present value/refinancing costs (*)	35.8	(22.4)
Current financial assets (**)	(1.5)	(2.0)
Cash and cash equivalents	(189.5)	(168.7)
NET BANK DEBT	856.4	756.1

(*) See note 11.b) of the attached consolidated notes.

(**) Excludes finance lease receivable associated with IFRS 16 in 2021 (EUR 0.4 million).

The Group has taken steps to maximize its liquidity, with an available cash at the end of December amounting to EUR 179.5 million and EUR 25 million of available unused credit facilities and other credit lines.

2. FORESEEABLE DEVELOPMENT: BUSINESS DEVELOPMENT PROSPECTS: KEY FACTORS AND TRENDS

The Group's outlook is to continue on its strategic roadmap, with a priority focus on generating added value through digital transformation and the commitment to subscription models, in order to maximize the results of its businesses in the future, strengthen the balance sheet structure, generate cash flow and reduce debt.

Recent years have been marked by a general climate of almost constant volatility, uncertainty, complexity and ambiguity. This makes it difficult to predict future business performance, especially in the medium and long term. This environment of complexity has been greatly aggravated as a result of different events that are having a great impact at a global level: COVID-19 pandemic, war in Ukraine, disruptions in the supply chain, significant increase in inflation rates, increase in the price of energy resources, or rise in interest rates, to name some of the most relevant.

According to the latest edition of the World Bank's "Global Economic Prospects" (January 2023), global growth is slowing sharply due to high inflation, rising interest rates, reduced investment, and disruptions caused by Russia's invasion of Ukraine. This slowdown in the world economy could turn into a prolonged period of low growth and high inflation (stagflation).

In general, both the Education business and the Media business tend to develop in a way that is very much subject to the macroeconomic environment. For example, in terms of costs, raw materials, energy resources or distribution, they are being affected as a result of rising inflation and environmental disruptions in the supply chain.

In addition, in the case of the Media, the behavior of the advertising market is particularly affected. PRISA's activities and investments in Spain and Latin America are exposed to the development of the different macroeconomic parameters of each country, including the development of currency exchange rates.

On this matter, the war in Ukraine with its macro-economic impact is lowering growth in the economies, delaying the effects of recovery from the COVID-19 pandemic. According to the IMF for the year 2023 (figures from the October 2022 report), GDP expected growth for advanced economies will be +1.1% (vs +2.4% in 2022). For Spain, the IMF expects a +1.2% growth (+4.3% in 2022). The main countries in which PRISA operates in Latin America will also experience a slowdown in its 2023 growth according to IMF: Brazil will grow +1.0% (+2.8% in 2022), Mexico +1.2% (+2.1% in 2022), Colombia +2.2% (+7.6% in 2022), Peru +2.6% (+2.7% in 2022), Argentina +2.0% (+4.0% in 2022) and Chile will fall by -1.0% (+2.0% in 2022). For the whole of Latin America, it is expected a +1.7% growth for 2023 (+3.5% in 2022).

In line with the development of economic indicators in Latin America, the Group's results have also been affected by exchange rate volatility. In 2022, most of the currencies of Latin American countries have appreciated.

In this environment, as it has been doing in recent decades, the Group will continue to work to adapt to the new reality of its business by defining and implementing the initiatives that may

be necessary: strict control of costs and investments, development of new sources of income, transformation and flexibility of business models, etc.

Another factor that affects the future development of PRISA's business is the advertising cycle. 36.4% of the Group's operating income in 2022 will come from advertising. The Media businesses, which are largely dependent on advertising revenues, have a high percentage of fixed costs, so that significant variations in advertising revenues have a significant impact on results, leading to an improvement or worsening of margins and the Group's cash position.

In this regard, during 2021 the advertising market partially recovered from the drastic drop of advertising investment in 2020 due to the COVID-19 pandemic, and recovery continues in 2022, although somehow affected by the macro-economic consequences of the war in Ukraine, especially in Europe. However, the Group's advertising revenues has grown +3.8% compared to the previous year.

i2P's December 2022 report indicates that the total advertising market in Spain grows by +2.5% for the whole of the year 2022 (+2.8% expected growth for 2023), whereas the market in which is PRISA's media is present grows by +3.2% (+2.1% expected in 2023). The Group's advertising revenues in Spain have grown +1.6% (gross advertising data) in 2022 compared to 2021.

In Latin America, the advertising market also recovered throughout 2021 from the impact of the pandemic. The incidence of the war in Ukraine is not affecting so significantly to date the advertising evolution in the countries in which the Group operates in Latin America. Thus, so far in 2022, the following growths are estimated for the market: +20% in Colombia (according to Asomédios December 2022) and +11% in Chile (according to Asociación de Agencias de Medios, November 2022). PRISA's growth in both countries is as follows: +22% in Colombia and +9% in Chile in 2022 compared to 2021 (gross advertising data, in local currency).

According to the strategic roadmap on which the Group has been working in recent years, Media businesses will continue to develop and reduce their dependence on the performance of the offline advertising market and traditional formats. It will place more and more focus not only on the traditional advertiser, but also on the content consumer and new digital formats. It is worth mentioning the commitment to digital transformation and the development of subscription models. Significant events such as the launch of El País's digital subscription paywall model, that already reaches 227 thousand digital subscribers, or the development of the value proposition around the concept of audio, highlight the importance of this trend.

In addition, PRISA has the Education business, not so dependent on the economic cycle, which as of December 2022 represents 52.6% of the Group's operating income. Although the Education business has so far proven to be more resilient to crisis, the COVID-19 pandemic had a negative impact, especially on the development of traditional educational sales campaigns. Nevertheless, the pandemic has also implied an opportunity to accelerate the digital transformation towards the subscription models due to the increase of use of educational online platforms, that have thrust its usage precisely during this stage when a face-to-face teaching model was not possible.

During 2022, the reopening of schools has allowed a more efficient commercial campaign and with increasing demand for digital models, which implied a recovery in Santillana's income. The subscription models (educational systems) based on a hybrid teaching methodology (online

and offline, face-to-face and distance, paper and digital, school and home, etc.), have continued to grow in 2022, which confirms the importance of the digital transformation strategy at Santillana. On the other hand, the macro-economic situation is affecting the cost of goods sold and the distribution expenses, which is partially offset with cost control measures mainly in non-commercial expenses.

In any of the development scenarios, the strategic roadmap for the Education business will focus on maintaining its leadership position and maximizing growth leveraged on subscription models, with a commitment to these increasingly hybrid formats and methodologies, with a growing weight of the digital component.

Therefore, an important part of the Group's strategy and its business is based on digital development: from continuously developing the value proposition (increasingly digital) to business models more focused on monetization in the digital sphere (subscription models and new digital formats), to, for example, the implementation of technological platforms adapted to the reality of the businesses, or the development of management and use of user data.

Digital audiences of the Group continue to show significant figures. Prisa Media reached a total of 231 million unique browsers on monthly average per year in 2022, almost 7 million registered users (+17% compared to 2021), and 45 million audio downloads (+35% compared to 2021); besides, 227 thousand digital subscribers have been registered in El País at the end of the year. Santillana's educational digital ecosystem continues its expansion and enriching its offer, adapting to the reopening of schools, maintaining levels of usage of the educational platform, above the registers before the pandemic. In this regard, the pandemic has contributed to intensifying the use of technologies for the consumption of information, education or entertainment, favoring the growth of the Group's digital audiences.

The Group's strategy for the coming years will also continue to be committed to digital development in two of its business units: Media and Education.

3. MAIN RISKS ASSOCIATED TO THE BUSINESS

The businesses of Group subsidiaries and, therefore, their operation and earnings are subject to risks that may be grouped into the following categories:

- Risks relating to the financial and equity situation.
- Strategic and operational risks.
- ESG risks.
- Criminal compliance risks.
- Reputational risks.

In the Corporate Governance Report (*see Section E of that report*) are detailed specific actions and bodies used to identify, value and manage these risks.

3.1. Risks relating to the financial and equity situation.

1. *Financing risk due to the high level of debt of PRISA, that significantly limits their financial capacity.*

The Group's financial obligations are set out in note 11.b) "*Financial liabilities*" in the attached consolidated notes of the year 2022.

As of December 31, 2022, the Group's net bank debt level stood at EUR 856.4 million, which could pose a number of risks to the Group as:

- It increases the Group's vulnerability to the macroeconomic environment and market developments, especially in those businesses with greater exposure to economic cycles;
- It requires allocating a significant portion of cash flows from operations to meet interest payment and debt principal repayment obligations, reducing the ability to allocate these flows to meet working capital needs, as well as to finance investments and future operations;
- It limits the Group's financial, strategic and operational flexibility, as well as the ability to adapt to changes in markets; and
- It places the Group at a disadvantage relative to less indebted competitors.

In February 2022, the Board of Directors of PRISA unanimously approved the signing of a lock-up agreement incorporating a term sheet with the basic conditions for the modification of the Group's syndicated financial debt. On April 19, 2022, the 2022 Refinancing came into force, once the agreements reached with all of its creditors were made public. The basic terms of the Refinancing consisted, inter alia, of extending the maturity of the financial debt to 2026 and 2027, splitting the syndicated loan into two distinct tranches, refinancing the existing Super Senior Debt and relaxing the contractual debt covenants. The agreed Refinancing thus make the Group's financial debt more flexible and provide a financial structure allowing the Group to comply with its financial commitments, ensuring the Group's stability in the short and medium term.

In this regard, and as indicated in note 26 of PRISA's consolidated notes, in February 2023 the Group has amortized debt of the Junior tranche for an amount of EUR 110 million, with the funds obtained from the issue of a bond mandatorily convertible into shares, which reduces the Group's level of leverage.

The credit rating assigned to the Company may be reviewed, suspended or removed at any time by one or more of the credit rating agencies. A downgrade of the Company's credit rating could adversely affect the terms of any future refinancing of the Group's financial debt, as well as limit the Group's access to financial markets, investors and certain lenders.

2. *Risk of an early maturity of the financial debt if certain contractual clauses are breached.*

The agreements associated with the Refinancing of the PRISA Group stipulate requirements and commitments to comply with certain leverage and financial ratios (covenants). The new financial contracts set out compliance with certain financial ratios for the PRISA Group, which

began to be applied on June 30, 2022 and failure to comply with them would result in early maturity of the bank debt.

The determination of these covenants has been made in consideration of market conditions and in accordance with PRISA's business expectations at the time of negotiation of the Refinancing. However, these conditions and expectations may be modified and affected by the complexity of the markets due to, among other issues, the globalisation of the markets.

The Refinancing agreement also includes causes for early termination as is customary in this kind of agreement, and includes provisions on cross-default, which could cause, if the breach exceeds certain amounts, the early maturity and resolution of the aforementioned contracts.

3. *Exposure to variable interest risk.*

The Group is exposed to interest rate fluctuations insofar as a significant portion of the cost of the Group's borrowings is linked to floating interest rates (mainly Euribor) that are periodically updated.

At December 31, 2022 97.67% of the Group's bank borrowings were tied to floating interest rates.

In this respect, although the Group continues to evaluate the contracting of derivative products to limit the impact of potential rises in the Euribor, 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 sense, at the end 2022 the Company has contracted an interest rate hedge arranged of a nominal amount of EUR 150 million which caps the three-month Euribor at 2.25%. In addition, in January 2023 a new interest rate hedge has been contracted, in this case, on a nominal of EUR 150 million and a cap of 2.25% (three-month Euribor). If Euribor was below said percentages, such coverages would not be applicable.

4. *Risk of Company equity imbalance.*

PRISA, in its capacity as parent company of the Group carries out its activities through a group of subsidiaries, joint ventures and associated companies, so that, at present, a substantial part of its income comes from the distribution of dividends from its subsidiaries and their consideration as such for accounting purposes. During the 2022 financial year 46.3% of the Company's total income in that period came from the distribution of dividends from its subsidiaries.

An adverse development of the PRISA Group's business for any reason could have a negative impact on the dividend income received by the Company. In addition, a significant part of the Group's companies is located in Latin America and therefore the aforementioned dividends are subject, inter alia, to exchange rate risk and devaluation of the foreign currencies of the countries in which the Group operates. Furthermore, the Refinancing has entailed a reorganisation of the debt in terms of borrowers, which has meant that the entire financial expense associated with the refinanced debt is now recorded in the Company. In this respect, the interest rate of this debt is benchmarked to a variable interest rate, Euribor. There is also a risk that PRISA, as the parent company of a group of subsidiaries, may record possible impairment losses on the carrying

amount of its investments when the value in use of the investments is lower than their carrying amount.

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

Therefore, in the event that the Company incurs losses in the future or that such losses accumulate in subsequent years and the net assets are reduced to less than 2/3 of the share capital (set at EUR 74,065,019.30 at December 31, 2022), a new situation of equity imbalance could arise, in accordance with the provisions of the Capital Companies Act. At December 31, 2022 the net equity of PRISA (as a sole company) amounts to EUR 283 million.

Notwithstanding the foregoing, and although this does not affect a possible equity imbalance according to the aforementioned Capital Companies Act (measured based on the net equity of individual companies), 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 and conversion differences, which has caused the consolidated Group to record a negative net equity of EUR 532,160 thousand as at December 31, 2022.

5. *Risk of exchange rates.*

The Group is exposed to fluctuations in exchange rates mainly due to financial investments made in stakes in Latin American companies, as well as revenue and profits from said investments. In 2022, 61.3% of the Group's operating revenues came from countries with a functional currency other than the euro.

A devaluation of the foreign currencies of the countries in which the Group operates against the euro would have an adverse impact on the repatriation of the euro cash of the Group's foreign companies, e.g. via dividends. In this respect, an unfavorable development of the exchange rate effect as a result of an increase in exchange rates against the currencies of the main countries in which the Group has a presence would lead to a negative impact on the consolidated income statement and the Group's cash flow.

At present, the Group does not have any significant exchange rate derivatives. Without prejudice to the foregoing, the Group follows the practice of arranging, on the basis of its forecasts and budgets which are analysed on a monthly basis, hedging contracts for exchange rate risk (exchange rate insurance, forwards, structured products and currency options mainly) depending on the risks and opportunities identified in this respect in the markets in order to reduce the volatility of the operations and results of the Group's companies operating abroad.

Furthermore, possible adverse developments in the economies of the Latin American countries in which the Group is present could lead to hyperinflationary situations, with the consequent negative impact on exchange rates.

6. *Credit and liquidity risk due to, in other aspects, to the high fixed costs in the advertising sector and the seasonality in the businesses of the Group.*

The adverse macroeconomic situation in recent years, mainly due to extraordinary events such as the COVID-19 health crisis in 2020 and 2021 or the war in Ukraine have had a negative impact on the Group's cash generation capacity, with an increase in liquidity tensions in the economy, as well as a contraction of the credit market.

In this respect, advertising-dependent businesses, in addition to being highly dependent on the economic cycle, rely heavily on advertising have a high percentage of fixed costs, and any decline in advertising revenues has major implications for margins and the cash position, making it difficult to implement additional measures to improve Group operating efficiency. At December 31, 2022 advertising revenues represent 36.4% of the Group's operating revenues.

As for the seasonality of business, it is worth noting that, in Media, advertising is mainly concentrated in the last quarter of the year, with the first quarter being a period with lower advertising revenues. In the case of the Education area, the last quarter is also the one with the highest volume of income, coinciding with the beginning of the Southern Campaigns and taking into account that the largest part of Brazil's public sale is invoiced in the referred quarter. However, the second quarter of the year is usually of little relative weight in the total for the year.

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

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

To mitigate this risk the Group has a Super Senior debt ("Super Senior Term & Revolving Facilities Agreement") to meet operational needs for a maximum amount of up to EUR 240 million, that is fully drawn as of December 31, 2022. Likewise, the rest of subsidiaries of the Group have at December 31, 2022 undrawn credit facilities and other credit lines amounting to EUR 25 million (*see note 11.b of the consolidated notes*). In addition, as of December 31, 2022, the Group had a cash available of EUR 179.5 million. The Group has also implemented specific plans for the improvement and efficient management of liquidity to address these tensions.

7. *Risk of write down of intangible assets, goodwill and tax credits.*

On December 31, 2022 the group had recognised in its consolidated balance sheet intangible assets amounting to EUR 105 million (10.7% of total assets), goodwill amounting to EUR 117 million (11.9% of total assets) and EUR 117,566 thousand (13.9% of total assets) and deferred tax assets of EUR 55 million (5.6% of total assets).

In the analysis of the determination of the recoverable amount (in accordance with current accounting regulations) and thus in the valuation of intangible assets and goodwill, as well as in estimating the recovery of tax credits, estimates are used, made as of the date determined on the basis of the best information available at that date. However, it is possible that future events may make it necessary to change these estimates downwards (i.e., a deterioration in them global macroeconomic situation), which would result in the recognition in the income statement of accounting losses due to the effect of these new negative estimates on the valuation of intangible assets, goodwill and tax credits recognised.

In relation to tax credits, there is a risk of changes or divergences in the interpretation of tax rules in Spain or other jurisdictions in which the Group operates, that could affect the recoverability of these tax credits, together with the Group's ability to generate taxable profits in the period in which such tax credits remain deductible.

3.2. Strategic and operational risks

8. Risk related to economical and geopolitical macroeconomic.

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

In 2022 61.5% of the Group's operating revenues came from international markets. While America (Latin America+USA) is a significant geographic market for the Group, Spain continues to maintain a relevant weight, representing 38.5% of the Group's operating revenues.

Any adverse change affecting the Spanish and Latin American economy (such as the tensions and military developments around Ukraine, the trade tensions of recent years between the United States and China, Brexit and rise of populism, among others) could affect the spending of the Group's customers, present or future, on the Group's products and services and therefore also affect the Group directly. PRISA operations and investments may also be affected by different risks that are typical to investments in countries with emerging economies or with unstable backdrops, such as currency devaluation, capital controls, inflation, expropriations or nationalisations, tax changes or changes in policies and regulations.

9. Risk of higher commodity costs and inflation in the current environment.

The spread of COVID-19 since early 2020, declared a "pandemic" by the World Health Organization (WHO) in March 2020, affected the global economy and economic activity and conditions in the countries where the Group operates (such as, adverse effects on unemployment levels, supply interruptions, decrease in economic activity, etc.). Although during 2021 and 2022, the adverse impact of the COVID-19 health crisis has been reduced due to, among other things, the effectiveness and progressive roll-out of the vaccines, this positive development is not occurring equally across all countries in which the Group operates, and there is still uncertainty related to the health crisis.

Furthermore, in the first half of 2022, the onset of the Russia-Ukraine conflict and the uncertainties surrounding it have contributed to a further gradual deterioration of the macroeconomic environment, leading, among other things, to significant market disruptions, instability and volatility, as well as an increase in inflation and tensions over Russian gas supply cuts that have worsened the global outlook, and uncertainty over the development of the conflict, with an adverse impact in GDP.

Although the Group has no direct exposure to Russia, the tensions surrounding the Russia-Ukraine conflict could adversely affect the Group, through factors such as inflation, the volatility of energy prices or the increase in the cost of raw materials and other industrial costs. While the PRISA Group generally attempts to pass on operating cost increases and inflation to customers, there is no guarantee that the Company will be able to do so due to competitive pressures and other factors.

10. *Risk of digital transformation, changing trends and emergence of new players and competence in Education and Media businesses.*

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

In the Education business the Group competes with both traditional players and new, more digital operators focused on education systems offering alternative content and services and smaller businesses (educational start-ups, online portals, etc.). In addition, there is a growing trend towards open access to educational content (usually via online sites), a proliferating market for second-hand materials and an increasing number of schools not using books and developing new content within the scope of curricular autonomy at school level. This set of trends, in this competitive environment, puts downward pressure on the prices of educational content and services in the Group's main markets.

In the Media business, overall revenues (advertising, circulation and other) continue to be negatively impacted by the growth of alternative means of content distribution. The user has changed access to content consumption: significantly increases consumption through digital media and, at the same time, incorporates the offer of the new digital operators into what the traditional media have to offer. The proliferation of these alternative means of content distribution has significantly expanded the options available to consumers, resulting in audience fragmentation, as well as an increase in the inventory of digital advertising space available to advertisers, which affects and is expected to continue to affect the Group's Media businesses.

11. *Risk of concentration of customers in the public sector (Education).*

The Education segment main customers in the public education market are governments and public bodies in the various jurisdictions in which it operates.

Consequently, in the event that the economic situation in these countries deteriorates, regulatory or public policy changes occur or existing contractual relationships are not renewed,

without the Group being able to replace them with others on materially similar terms, there could be a material adverse impact.

12. *Risk of deterioration of the advertising market of the Media business.*

A significant part of PRISA Group's operating revenues come from the advertising market, in its Media business. In the 2022 financial year advertising revenues from the Group's Media division accounted for 36.4% of the Group's operating revenues.

Generally speaking, spending by advertisers tends to be cyclical and reflects the general economic situation and outlook. Therefore, in the event of a worsening of macroeconomic magnitudes in the countries in which the Group operates, the advertising invest prospects of the advertisers could be negatively affected.

The Company cannot predict the advertising market's trend in the short, medium and long term, and given the large, fixed cost component associated with businesses with a high weighting of advertising revenues, a fall in advertising revenues would have a direct impact on the margins and results of Media business, with the consequent negative impact on the Group.

13. *Risk related to Group's dependence on IT systems (cybersecurity).*

The businesses in which the Group operates are heavily reliant on information technology ("IT") both in terms of "back office" (systems that businesses use to operate their businesses: Enterprise Resource Planning (ERP), content management, advertising, broadcasting, etc.), as well as in the front office and the solutions that the Group's businesses offer the market as part of their value proposition: from the websites and apps of digital properties in the area of Media, to the technological platform and educational systems in the area of Education.

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

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

14. *Risk for the proliferation of sectoral regulation.*

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

In particular, the Group's radio business is subject to the obligation to hold concessions or licences depending on the country in which the Group operates to undertake this activity. These concessions and licences are obtained directly by the Group or through third parties by entering into licence lease agreements. There is therefore a risk that existing licences may not be renewed due to various factors (some of which may be beyond the Group's control), that they may be modified or revoked, as well as that upon termination of existing licence leases the relevant third parties may not wish to renew them with the Group or may renew them on less favourable terms.

In addition, the Group's Education business is subject to the education policies approved by the governments of the countries in which operates. In this respect, the Education business could be affected by legislative changes arising, for example, from the succession of governments, changes in contracting procedures with public administrations or the need to obtain prior administrative authorisations regarding its content. Curricular changes require the Group to modify its educational content, which in turn requires additional investments, and there is a risk that the return on these investments may be lower than expected.

15. Regulation risk to extensive antitrust and merger control regulations.

PRISA businesses are subject to many regulations in terms of fair competition, control of economic mergers or anti-monopolistic legislation at a global or local level.

In this regard, the Group is exposed to the risk of potential non-compliance with applicable antitrust or merger control regulations, which in turn exposes the Group to the risk that the competition authorities and agencies of the countries in which the Group operates may initiate disciplinary proceedings against the Group. This could eventually lead to the imposition of economic sanctions on the Group and damage its reputation in the markets in which it operates.

16. Litigations and third parties claim risks.

PRISA Group companies are exposed to claims from third parties, as well as to administrative, judicial and arbitration proceedings arising as a result of undertaking their activities and business, the scope, content or outcome of which cannot be predicted. Moreover, when running its activities and businesses, the Group is exposed to potential liabilities and claims in the area of employment relations. PRISA is also exposed to liability for the content in its publications and programmes.

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

17. Intellectual property risk.

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

third parties, without the Company's authorisation, may attempt to copy or otherwise obtain and misuse content, services or technology developed by the Group.

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

18. Risk related to the increase in royalties for the use of third party intellectual property rights.

In order to use third-party intellectual property rights, the Group has non-exclusive paid-for permission from management companies servicing the owners of these rights.

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

19. Data protection risk.

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

The growing digital activity of the Group's businesses entails a particular risk related to the IT management of personal data, which could result in security breaches of varying scope and severity occurring.

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

3.3. ESG risks

See section 5 of the Consolidated Directors' Report of 2022.

3.4. Criminal compliance risks

See section 5 of the Consolidated Directors' Report of 2022.

3.5. Reputational risks

See section 5 of the Consolidated Directors' Report of 2022.

4. CORPORATE GOVERNANCE

In compliance with commercial law, the Annual Corporate Governance Report (ACGR), which details all corporate governance aspects at Prisa, forms part of this management report, and was authorized for issue by the Board of Directors. The ACGR is available at www.prisa.com.

The Annual General Meeting and Board of Directors are the Company's most senior governance bodies, and their operation and decision-making process are described in detail in the ACGR.

Without prejudice to the above, some of the key aspects of Prisa's corporate governance are set forth below, as well as the important changes that have occurred during the 2022 financial year:

i. Board of Directors and Board Committees:

- At the Ordinary Shareholders' Meeting held in June 2022, the following agreements were adopted:
 - Re-election of Mr. Francisco Cuadrado Pérez and Ms Teresa Quirós Álvarez, as directors of PRISA, with the category of executive and independent, respectively.
 - Cessation of Mr. Roberto Alcántara Rojas (former proprietary director), upon approval of the proposal submitted by the shareholder Global Alconaba, S.L., as an item not included in the agenda.
- At the Extraordinary Shareholders' Meeting held in September 2022 it was resolved the appointment of Mr. Andrés Varela Entrecanales as a proprietary director representing the shareholder Global Alconaba, S.L.
- In February 2022, PRISA Board of Directors has agreed to set up a Sustainability Commission.

At December 31, 2022, Prisa's Board of Directors had 14 members (2 Executive Directors, 6 proprietary directors and 6 independent directors), with different academic profiles and respectable track records (profiles and bios available at: www.prisa.com).

The Board of Directors has a non-executive chairman and vice-chairman, as well as a coordinating director who is independent. The chairman of the board is responsible for organizing the board and promoting and developing the good governance of the company as provided for in the Board Regulations.

ii. Senior Management

During 2022 the following changes have taken place in the senior management group:

- The former CFO Mr. David Mesonero, was replaced by Mrs. Pilar Gil Miguel (until then Chief of Staff of the Presidency and Director of Investor Relations), who is now the CFO.

- Three managers who were previously within the organization have been promoted with new responsibilities and have joined Senior Management group: Ms. Cristina Zoilo (Head of Communication), Ms. Rosa Junquera (Chief Sustainability Officer) and Ms. Marta Bretos (Head of People and Talent).
- In addition, Mr. Jorge Rivera (former Head of Communication and Institutional Relations) has been appointed as Head of Corporate and Institutional Relations.

After the corporate reorganization, the Senior Management is made up of the following executives: Executive Chairman of Santillana, Executive Chairman of Prisa Media, Secretary of PRISA Board of Directors, PRISA CFO, Head of Corporate and Institutional Relations, Head of Communication, Chief Sustainability Officer, Head of People and Talent and Head of Internal Audit.

As per the Company's Board of Directors Regulations and pursuant to the Corporate Enterprises Act, the Board have non-delegable powers to determine certain general strategies and policies of the Company and make certain decisions (including the strategic or business plan; management objectives and annual budgets; investment and financial policy; tax strategy; risk management and control policy; oversight of the internal control and information systems; approval of financial reporting; dividends policy; treasury share policy; corporate governance and sustainability policies; the appointment and dismissal of board members and certain directors; investments or operations of all types which due to their high amount or special characteristics, are of a strategic nature or involve special tax risk for the Company; approval of the incorporation of or acquisition of equity stakes in special purpose vehicles or institutions domiciled in tax havens; agreements concerning mergers, spin-offs and any material decisions that could affect the Company's status as a listed company; approval of related-party transactions; annual evaluation of the Board of Directors' performance, etc.).

The heads and Executive Chairmen of the two Group businesses (Santillana and PRISA Media) are responsible for overseeing the management of those businesses and leading senior managers within the scope of the business units with whose management they have been entrusted.

The Board of Directors of Prisa has a Delegated Committee which has been granted all the powers and competencies of the Board that can be delegated, in accordance with the Law and with the limitations established in the Regulations of the Board of Directors.

Senior managers are appointed by the Board and they report directly to the Board.

Each of the commissions of the Board (Delegated Committee, Audit, Risk and Compliance Committee; Nominations, Compensation and Corporate Governance Committee and Sustainability Commission) has functions in their respective areas. The composition and functions of these committees are described in the ACGR.

5. NON-FINANCIAL INFORMATION STATEMENT

5.1. ABOUT THIS REPORT

The purpose of this Non-Financial Information Statement (hereinafter NFIS) is to reflect PRISA Group's annual performance in environmental, social, corporate governance, personnel and human rights matters of relevance to the company. It highlights the contribution to sustainable development and the main actions and projects undertaken, while giving continuity to the reports prepared in previous years. It also reflects PRISA's contribution to the United Nations 2030 Agenda, describing the activities and impact associated with the seven Sustainable Development Goals (SDGs) of priority for the Group.

All these commitments are included in PRISA's first 2022-2025 Sustainability Master Plan, approved by its Board of Directors in October 2022, which sets out the company's roadmap for environment, society and governance (ESG). It is the result of the important steps the Group has taken in the year to integrate sustainability and social, environmental and governance criteria into company strategy, following the creation of the Sustainability Committee – the Board body that supervises their implementation – and the Group's Sustainability Department, both led by women.

PRISA's Sustainability Policy (approved by the Board of Directors in December 2018 and revised in 2020 and February 2022) establishes a general reference framework to guarantee responsible behaviour with the main stakeholders. Its objective is to achieve the Group's sustainable development and promote social interest, fostering a culture of ethics and compliance, accompanying the development of the social environments in which it operates and using the resources necessary for its activity in a sustainable manner with the idea of creating shared value with all its stakeholders. The document is available on the PRISA Group's corporate website (www.prisa.com).

This report gathers the data and information of the business units of PRISA Group (Prisa Media and Santillana) in the 23 countries in which it operates. It shows the activities and actions carried out by PRISA companies in those countries, with exceptions identified throughout the report and in different tables. Most of the data reported is aggregated (at Group level) or broken down (by business units), depending on the nature of the information, to make it easier for readers to understand.

This NFIS has been prepared in compliance with the requirements set out in Law 11/2018 of December 28 on non-financial reporting and diversity. It is based on, among other aspects, a new materiality analysis carried out in July 2022, which reflects the expectations of the different interest groups, and on the Group's updated non-financial risk map.

As the NFIS is included in the PRISA Consolidated Management Report as an additional chapter, information required in the Non-Financial Information Statement will be incorporated by reference to other sections of the wider Management Report. For this purpose, reference may be made to the Annual Corporate Governance Report attached as an appendix to the Consolidated Management Report and to the PRISA Group's Consolidated Notes to the Financial Statements for 2022, both of which are published and accessible on PRISA's corporate

website in the Shareholders and Investors section. The PRISA Group also publishes an annual Sustainability Report, which complements this NFIS.

The procedure for producing the Group's NFIS is based on standardised report for all business areas, which includes the data corresponding to the performance indicators referred to above.

The final table of contents and correlation with the indicators of Law 11/2018, Global Compact Principles and SDGs identifies those aspects that are material and non-material, given its activity, based on the PRISA Group's materiality study and the analysis carried out on the company's non-financial risks.

The Group has also presented the information referred to in this GRI table of contents for the period of January 1, 2022, to December 31, 2022 using the GRI Standards as a reference.

5.2. PRISA, A GLOBAL LEADER IN EDUCATION AND INFORMATION

PRISA is one of the main education and media groups in the Spanish-speaking world and a benchmark in the creation and distribution of cultural, educational, news and entertainment content in the Spanish and Portuguese language markets and in the growing Spanish-speaking market in the United States.

Through its business units, with brands such as El País, Santillana, Moderna, Compartir, UNO, Ser, Los40, WRadio, Radio Caracol and AS, the Group is present in 23 countries, positioning itself as a global multimedia group in the education, information and entertainment businesses, with a potential market of more than 700 million people.



Operating in two sectors with a great social impact, as are education and communication, PRISA is aware of the responsibility of its mission to contribute to people's development and the progress of society in the countries in which it is present.

This social commitment is backed by the company's values:

- Independence, rigor and pluralism in carrying out their work as reporters, educators and communicators.
- Defence of progress, freedom, democracy and equal rights and opportunities.
- Creativity and innovation in business development.
- Response to the demands and concerns of society and stakeholders.

- Responsible, efficient and sustainable management, generating value for the shareholder and for society.
- The Group puts people at the centre of everything it does, promoting talent management.

PRISA's business model and business and sustainability strategy are imbued with this drive to be transformative and to generate a positive impact.

5.2.1. BUSINESS MODEL: MARKETS, SECTORS, BUSINESS ENVIRONMENT, ORGANISATION AND STRUCTURE

The PRISA Group is organised in two business units: Santillana (education) and Prisa Media (information and entertainment), as indicated in note 17 of the Notes to the consolidated statement.

Santillana brings together the production of educational content and services, and Prisa Media has all the company's news media. They each encompass a series of brands that bring the Group's offer to millions of people. The PRISA Group has a corporate centre (PRISA), which sets the Group's strategy and ensures our businesses are in alignment with it.

The Group has carried out its activities through its business units in a complex macroeconomic environment (as described in note 1 of the consolidated management report), which has been aggravated by different events with great global repercussions: the COVID-19 pandemic, war in Ukraine, disruptions in the supply chain, increased inflation rates, more expensive energy resources and rising interest rates, among others.

According to data from 2022, 38.5% of its operating income was generated in Spain and 61.5% internationally, the latter representing a proportionate increase over 2021.

PRISA Group operating income by geographical origin	2022	2021
Spain	38.5%	43.1%
International	61.5%	56.9%
PRISA Group operating income	2022	2021
Main countries (Spain, Brazil, Mexico, Colombia, Argentina and Chile)	88.1%	88.7%

PRISA Group operating income by business unit	2022	2021
Education (Santillana)	52.6%	48.3%
Media (Prisa Media)	47.4%	51.7%

International income as a proportion of the Group's total income has increased compared to 2021. Six countries account for 88% of the Group's income in 2022: Spain, Brazil, Mexico, Colombia, Argentina and Chile.

Business performance and the factors and trends affecting the business model are described in Notes 1 and 2, respectively, to the consolidated management report.

We describe below, for each Business Unit, its markets and sectors, business models, business environment and organisational structure, and its goals and strategies.

Santillana

Through brands such as Santillana, Compartir, UNOi, Moderna, Norma and Richmond Solution, the company creates and distributes educational content and services in Spanish, Portuguese and English, for all levels of education, for 3 to 18-year-olds (with special focus on K-12 sector (primary and secondary education), adapted to the regulations and educational models of the 20 countries where it operates (Portugal and 19 countries in Latin America). Since the end of 2020, Santillana is not already present in Spain, except for its corporate centre)

Brazil and Mexico account for 59.4% of the Group's total operating income in 2022.

Operating income Santillana	2022	2021
Main countries (Brazil and Mexico)	59.4%	60.6%

The business model is focused on the sale of educational content and services in the private and public education market. The private market accounts for 70% of Santillana's business in 2022 and the public market 30%.

Santillana's value proposition for the private market is an offer of educational solutions through two business models: the didactic model; and the subscription model based on educational systems.

The didactic model is the traditional business focus, based on the sale of textbooks where normally, the customers are the public schools, the purchase decision is made by the teachers and/or the school principals or owners, the buyer of the product is the parent of the pupil, and the end user is the pupil. In 2022, this model accounted for 26% of Santillana's business.

The business units prioritises its focus on the subscription model, based on educational systems using the Santillana educational technology platform, which is scalable globally, and which includes in its offer a comprehensive service aimed at schools, teachers and pupils, combining technology, training and advice.

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

Main Santillana indicators	2022	2021
Total subscriptions (millions)	2.6	2.0
Schools (no.)	8,923	6,868
Learning System users (millions)	3.7	2.8

Santillana's value proposition for the public market focuses on offering solutions for the programmes of public invitations to tender and bid announced regularly by some governments in Latin America.

All of this has made Santillana the leading educational content and services company in the Spanish and Portuguese languages field. In 2022, around 28 million students used Santillana educational content, with 2.6 million student subscriptions for study through comprehensive, flexible and disciplinary learning systems, representing a 33% increase on 2021.

Santillana is structured by country and has a corporate centre to coordinate and guide the strategy of the entire Business Unit.

Prisa Media

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

With brands such as El País, AS, Cinco Días, Cadena Ser, Los40, Cadena Dial, Radio Caracol, WRadio and Podium Podcast, among others, Prisa Media is present in 12 countries directly or through franchises, being the leading media company in the Spanish-speaking world and the largest radio group in Spanish.

By geographical area, in 2022, 80.6% of its operating income was from Spain and the remaining 19.4% was international.

Operating income Prisa Media	2022	2021
Spain	80.6%	82.1%
International	19.4%	17.9%

The business model focuses on two main lines of activity: advertising (accounting for 76.7% of revenues), and circulation, both digital and print (13.3% of total revenues).

These lines of activity are complemented by the organising and management of events and the distribution of promotions, as well as the identification of new alternative ways of generating income that are becoming more concrete as the digital transformation accelerates. In 2022, the Prisa Media consolidation perimeter incorporated Lacoproductora, which is fully integrated into its Video structure for the creation, marketing, and production of audio-visual products.

In December 2022, El País had more than 266,000 total subscribers, Radio had an aggregate audience of nearly 23 million listeners across all its brands, and in audio there were 45 million downloads and 80 million hours of streaming on average per month during the year. The aggregate online audience of all Prisa Media's digital media was 231 million unique browsers from around the world.

Main indicators	2022	2021
Total, no. of El País subscribers	266,107	176,760
Daily average of radio listeners (millions)	23	22
Monthly average of audio downloads (millions)	45	34
Monthly average TLH (Total Listening Hours) (millions)	80	67
Monthly average of unique browsers (millions)	231	251

5.2.2. BUSINESS STRATEGY

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

Santillana focuses on business growth driven by expansion in the markets operated and by the continued development of subscription models based on educational systems, always preserving the quality of education, and putting the educational community in general and the student body in particular at the epicentre of the company's activity. To this end, it sets itself four key objectives:

1. Maintain the position as one of the leaders in our sector expanding into new growth segments.
2. Continue to lead the digital transformation and the development of hybrid education solutions (online and offline) as part of education systems under subscription models. Always with a focus on improving the learning experience in a holistic way.
3. Enhance a quality offer of complementary educational products and services that contribute to improving the quality of the learning process.
4. Continue to focus on cutting-edge technology as the driving force behind the future educational technology proposition. Placing Big Data applied to pedagogy as a strategic asset to better understand the use of the educational platform and optimise the user experience.

In short, commit to student-centered education that empowers teachers to improve education, providing service and support to schools and families, with innovation and creativity at the heart of learning.

All of this while promoting and disseminating an agenda of social and environmental responsibility among the millions of users (children, young people, teachers, etc.) who benefit from Santillana's educational proposals. This will contribute to creating better life opportunities for future generations, an irrevocable commitment of Santillana as an educational company.

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

PRISA's strategic roadmap in the Media area focuses on accelerating digital transformation, reinforcing the leadership of the brands, and maintaining them as a benchmark in quality information and entertainment. This roadmap is embodied in the following key strategic objectives:

1. Provide entertainment and guarantee quality information to society by generating an objective, contrasted, diverse, critical, and inclusive vision of the reality of events.
2. Continue to reinforce the leading position of Prisa Media's brands and digital properties by expanding their impact and (global) reach to further increase market share.
3. Expand digital audiences in Spain and Latin America.
4. Accelerate the digital transformation from offline models to user-oriented and user-focused multimedia digital models.
5. Strengthen the commercial strategy with diversification of commercial proposals and continue to promote the different monetisation channels.

5.2.3. SUSTAINABILITY STRATEGY

Sustainability Master Plan

The PRISA Group has maintained a firm commitment to sustainable development for many years. In 2018, it approved its Sustainability Policy, which was modified and updated in 2022 (available on the corporate website www.prisa.com) and in November its first Sustainability Master Plan (SMP), for 2022-2025, was issued.

The 2022-2025 Sustainability Master Plan responds to the need to structure PRISA's ambition, demonstrate its commitment and highlight the impact of its businesses in the area of ESG. It was prepared as a result of the mandate of the Board of Directors and its Sustainability Committee, which assumes the commitment to ensure its correct implementation, and of the executive presidents of both business units and the Group's Sustainability Department. It also helps Group to be prepared to respond to the new European regulations on reporting and due diligence of business sustainability.

This plan marks the Group's roadmap in terms of sustainability for the coming years, connecting its strategic lines, objectives, and actions with the business to help provide more value and enhance its growth opportunities.

The SMP is aligned with three major commitments: continuing to generate a positive impact on people through PRISA's content and services, so that they become aware of the great social and environmental challenges we face as a society; responsible management of talent, the supply chain, and the environment; and, lastly, governance committed to transparency, ethics and compliance. and the integration of sustainability into the Group's financial strategy, taking into account social and environmental factors in investment and financing decisions.

Three pillars with which PRISA aspires to promote the transition towards sustainable development as a driving agent of social and climate transformation, with a real and positive impact on people.

3 major commitments	Impact on students, schools, audience, and society	Driving global sustainability through education and information
	Responsible management	Committing to change from within
		Acting to reduce our environmental impact and managing talent and the supply chain responsibly
Committed governance	Governance with transparency	

2022/2025 Master Plan	Responsible management	17 priorities	27 strategic lines	69 objectives	76 shares
	Impact on students, schools, audience, and society				
	Committed governance				

In order to improve communication of the Group's projects and milestones related to sustainability and the progress of its master plan to employees and other stakeholders, the Prisa IMPACTA concept was created in November to use different channels to raise awareness and spread information about these actions.

Enhancing PRISA's sustainability strategy and connecting it with the company's business strategy has also raised the Group's presence in ESG indices and ratings, such as MSCI, Sustainalytics, FTSE4Good and ESG Climate Risk (Moody's), although the Group's financial performance continues to condition any potential improvements in ratings.

In December 2022, the company was in the top quartile of the media and entertainment sector in the S&P Global Corporate Sustainability Assessment and improved its rating by more than 13 points compared to 2021 (60 vs. 47) in the Bloomberg ESG Transparency Index.

As regards Diversity and Equality, this year the Group was incorporated into the IBEX Gender Equality Index. This means PRISA now forms part of this index, as women are present both on its Board and in senior management positions, at rates of more than 25% and 15% respectively. Note that refinancing of the Group took place in 2022 and that, for the first time, an improvement of margins linked to ESG criteria was established in it.

The financial sustainability of the businesses and sustainability linked to social, environmental, and governance aspects make up the company's roadmap.

5.2.3.2. Dialogue and communication with stakeholders

PRISA Group stakeholders		Usual communication channels	
Shareholders and investors	Core shareholders, institutional investors, minority shareholders, analysts	Shareholders' meetings, National Securities Market Commission (CNMV), corporate website, Investor Relations Department and Shareholders' Office (meetings with shareholders and investors, <i>conference call</i> of results, electronic mailboxes, telephone and other communication channels).	External complaints channel
Users	Readers, listeners, educational community, pupils, etc.	Events, forums, websites, <i>newsletters</i> , social media, interviews, contests, surveys, reader's ombudsman, mailboxes, customer service, educational portals, promotional material, etc.	
	Customers, advertisers, advertising agencies, education sector	Commercial network, events, forums, websites, telephone, <i>newsletters</i> , promotional material, meetings with advertisers and agencies, etc.	
Employees		<i>Newsletters</i> , intranet, blog, internal communications, trade union committees, internal complaints channel, suggestion box, results meetings, etc.	
Company	General public, NGOs, associations, foundations, cultural and educational institutions	Collaboration agreements, discussion forums, fairs and events, etc.	
Opinion leaders		Press releases, websites, e-mail, phone, interviews, meetings, social media, etc.	
Regulators, administration and authorities		CNMV website, institutional relations, tenders, events, etc.	
Suppliers / Partners		Corporate website, telephone, direct contact, congresses, meetings, e-mail, etc.	

5.2.3.3. Materiality

In 2022, PRISA carried out a new materiality analysis to identify important issues on which the company should focus.

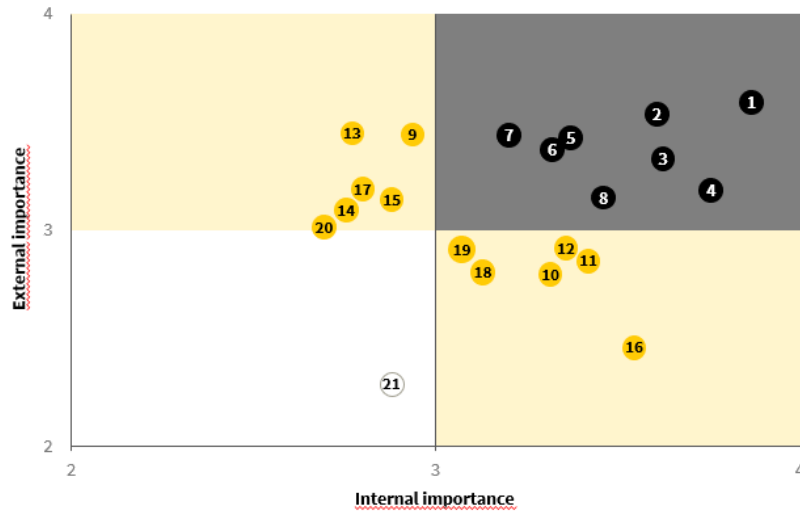
For this, an external analysis was carried out to look at, among other aspects, trends in sustainability, regulatory requirements and a study of the education and communication sector. To prepare the consultation, the external stakeholders most relevant to the corporate strategy and at sector level were selected, including readers, shareholders, analysts, suppliers, social entities, schools, and directors.

Internally, interviews were held with the management teams of the business units and with senior management, and a survey was carried out on all Group employees, as well as the rest of the external interest groups.

More than 2,000 responses from stakeholders were considered in the analysis, which identified 21 material issues for PRISA. These have been validated and approved by the Sustainability Committee and finally approved by the Board of Directors.

The process of prioritising these issues resulted in a materiality matrix that indicates eight critical or highly relevant issues, which provided the basis for preparing the 2022-2025 Sustainability Master Plan and PRISA's Non-Financial Information Statement.

Materiality matrix 2022



Material issues

Very significant issues	Significant issues	Other significant issues
<ul style="list-style-type: none"> 1. Integrity, independence, and freedom of expression 2. Quality, inclusive, and equitable education 3. Responsible governance 4. Compliance, integrity, and ethics 5. Talent management and development 6. Diversity and equality in the workplace 7. Transparency and communication with stakeholders 8. Responsible content 	<ul style="list-style-type: none"> 9. Awareness of social issues and respect for the environment 10. Responsible advertising 11. Protection of privacy and data security 12. Digital transformation in products and innovation 13. Fight against climate change 14. Accessibility of its information, entertainment and education contents 15. Promotion of work-life balance and flexible working arrangements 16. Financial performance 17. Promotion of social impact 18. Responsible value chain 19. Customer engagement 20. Managing impact in other environmental aspects 	<ul style="list-style-type: none"> 21. Employee health and well-being

5.2.3.4. Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) were approved by the United Nations in 2015 as a universal call to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity.

Agenda 2030 is more ambitious than previous proposals and recognises the essential role of companies as actors for its fulfilment.

The Group is committed to the Sustainable Development Goals (SDGs) and collaborates in disseminating and applying Agenda 2030 in the business sector.

With this Master Plan of almost 80 actions, PRISA makes a bigger contribution to achieving seven Sustainable Development Goals (SDGs) considered of priority for its activity: quality education (SDG 4); gender equality (SDG 5); decent work and economic growth (SDG 8); reduction of inequalities (SDG 10); responsible consumption and production (SDG 12); climate action (SDG 13); and peace, justice, and strong institutions (SDG 16). Plus, the cross-cutting SDG of partnerships for achieving the goals (SDG 17).

5.3. COMMITTED GOVERNANCE

PRISA's governing bodies exercise vigilance and leadership regarding the Group's commitment to sustainability. Thus, decision-making at the highest level promotes the business project by seeking the best balance between economic benefit, social contribution, and environmental protection to guarantee the interests of investors, shareholders and the rest of the PRISA Group's stakeholders, now and in the future.

5.3.1. GOVERNANCE BODIES

5.3.1.1. Sustainability Committee

The Sustainability Committee was constituted in 2022 as one of the important steps taken by PRISA during year to integrate sustainability and ESG (environmental, social, and corporate governance) criteria into the company's strategy.

In February 2022, the Board modified the Regulations of the Board of Directors and the Sustainability Policy, to regulate the composition, operation, and powers of the new Sustainability Committee, as well as to reorganise the responsibilities of other committees in matters of sustainability. In line with the good governance recommendations of the CNMV, this modification results in economic, social and environmental issues being included in the Board's functions, and various responsibilities for decision-making on these ESG aspects being assigned to its different committees.

The Sustainability Master Plan launched by PRISA in 2022 was the result of the mandate of the Board of Directors and its Sustainability Committee, which assumes the commitment to ensure its correct implementation, and of the executive presidents of both business units and the Group's Sustainability Department.

5.3.1.2. Policy on selecting directors and diversity.

The PRISA Board of Directors is made up of 14 directors, all of whom are highly qualified and honourable professionals, with skills and competencies in different areas and sectors of interest to the Group, and from different countries, in application of the principles set out in the Diversity Policy for the composition of the Board of Directors and the selection of directors and in the Board of Directors Regulations. The board members have different academic backgrounds and outstanding professional careers (see profile and biographical note at www.prisa.com).

The principles and objectives of the Diversity Policy in the composition of the Board of Directors and the selection of directors of the Company can be summarised as follows:

- Diversity in the composition of the Board in its broadest sense (knowledge, experience, background, age and gender), with special emphasis on gender diversity, in relation to which: (i) the Company will be encouraged to have a significant number of female senior managers and (ii) the objective is that by the end of 2022 and thereafter, the number of female directors will represent at least 40% of the total number of members of the Board of Directors, but no less than 30% earlier.
- Appropriate balance in the Board as a whole, enriching decision-making and bringing pluralistic viewpoints to the debate on matters within its competence.

In January 2023, the PRISA Appointments, Remuneration and Corporate Governance Committee (CNRGC) carried out the annual verification of compliance with the Diversity Policy in the composition of the Board of Directors and the selection of directors, concluding that the composition of the PRISA Board of Directors is reasonably diverse in terms of knowledge, experience, origin and age of the directors, with a positive balance overall, and that the number of members and the structure is appropriate to the needs of the company.

The above-mentioned Policy promotes the application of diversity criteria that refer not only to gender. The Appointments, Remuneration and Corporate Governance Committee has verified that, during 2022, the principles, objectives and procedures set out in the Diversity Policy have been taken into account in the composition of the Board of Directors and the selection of directors, with the exception of the target of a minimum female presence of 40% on the Board by the end of the year.

The presence of women on the Board remained stable in 2022, so that at the end of 2022 there was no change compared to year-end 2021 (5 female directors, representing 35.7% of the total members of the Board of Directors).

The evolution, in recent years, has been as follows:

Number of women on the Board				% of total Board Members			
2022	2021	2020	2019	2022	2021	2020	2019
5	5	2	3	35,71%	35,71%	16,66%	23,08%

However, it is to be noted that on February 28, 2023, PRISA's Board of Directors appointed Pilar Gil Miguel as executive director, so that, as of that date, the Board has 6 women members, representing 42.86% of the total number of members.

In any event, although the mentioned target of 40% was not reached at the year-end 2022, the five PRISA female directors had a notable presence on the Company's bodies:

- Beatriz de Clermont-Tonnerre is coordinating director, chair of the Appointments, Compensation and Corporate Governance Committee, and a member of the Delegate Committee and of the Sustainability Committee.
- Teresa Quirós chairs the Audit, Risks and Compliance Committee and forms part of the Sustainability Committee.
- María Teresa Ballester chairs the Sustainability Committee and forms part of the Audit, Risks and Compliance Committee.
- Carmen Fernández de Alarcón is a member of the Audit, Risks and Compliance Committee, the Appointments, Remuneration and Corporate Governance Committee and the Sustainability Committee; and
- Pepita Marín Rey-Stolle is a member of the Delegate Committee and of the Audit, Risks and Compliance Committee.

The Board and the Appointments, Remuneration and Corporate Governance Committee have promoted a very significant female presence in the composition of the different committees of the Board: 100% in the Audit, Risk and Compliance Committee; 80% in the Sustainability Committee; 50% in the Appointments, Remuneration and Corporate Governance Committee and 25% in the Delegate Committee (which, following the incorporation of Pilar Gil in February 2023, has increased to 33.33%). In addition, all the committees (except the Delegate Committee, which, by mandate of the Regulations of the Board of Directors, must be chaired by the Chair of the Board) are chaired by women, and the functions of coordinating director are also assumed by a woman. These figures denote the commitment of the Board of Directors to gender diversity.

It should also be noted that, in February 2022, the Board of Directors agreed to set up a Sustainability Committee (made up mostly of women), and it has also reorganised the composition of the Audit, Risk and Compliance Committee (made up entirely of women).

The Annual Corporate Governance Report details the results of the analysis carried out by the Appointments, Remuneration and Corporate Governance Committee and explains how in 2022 the opportunity to incorporate more women on the Board did not arise. In 2022, no selection process was launched to incorporate new female directors, so there was no opportunity to increase the female presence on the Board during this year.

It has not been easy to make progress in this respect because this depends on multiple factors that are not always under the Board of Directors' control. Men must be replaced by women on the Board in an orderly, gradual manner, at the moment when a renewal of the Board is applicable. In this regard, it must be taken into account that the diversity policies and objectives must be implemented within the framework determined by the composition of the Board at a given moment.

It is to be noted that each time the Board of Directors has made a decision regarding its structure or composition in 2022, it has done so with the support and prior advice of the Appointments, Remuneration and Corporate Governance Committee, taking into account the Board's matrix of responsibilities and carrying out an analysis of the Board's needs and required responsibilities. Both the Board of Directors and the Appointments, Remuneration and Corporate Governance Committee endeavour to avoid discrimination in the selection or re-election of directors and executives, and to ensure that, for the purposes of corporate interest, merit prevails as the main criterion, always striving to have the best professionals, while applying measures to promote gender diversity.

Attention is also called to the actions carried out to reinforce the presence of women in top management positions in the organisation. The Company's group of senior managers (at the end of 2022 and currently) comprises 5 women and 4 men. Therefore, the female presence in this group is 55.55%.

For the reasons given above regarding gender diversity, a constant effort has been made to achieve high levels of female representation in the Company's management bodies.

The Appointments, Remuneration and Corporate Governance Committee and the Board have highlighted the need to continue making progress on gender diversity and will promote the presence of qualified women both on the Board of Directors and its Committees as well as in management and positions of responsibility in the Company.

5.3.2. RISK MANAGEMENT

5.3.2.1. Scope of application

PRISA's Risk Control and Management Policy, in force since November 2020 and approved at the beginning of 2023, establishes the reference framework for the control and management of the risks associated with its activity. Its exclusive objective is to establish the basic principles for control and management of both the financial and non-financial risks faced by the Company and the Group.

The Policy is embodied in a risk control and management system, designed to identify, evaluate and manage the financial and non-financial risks that the Company faces, including, among financial or economic risks, contingent liabilities and other off-balance sheet risks, with the ultimate goal of providing reasonable security in the achievement of the PRISA Group's objectives.

This Policy is applicable to all the companies that make up the Group, as well as to investee companies that are not part of the Group over which the Company has effective control.

5.3.2.2 Risk control and management systems

The Group has a Risk Management System, supported by appropriate definition and assignment of functions and responsibilities at different levels and a series of control and management methodologies, tools and procedures. Through this Risk Management System, the Group identifies, monitors and analyses risks; and it defines and, where appropriate, executes, on a case-by-case basis, the necessary measures to mitigate the risks when they materialise.

PRISA has a global risk map, as well as specific non-financial risk maps, including ESG risks, and the risks associated with the criminal compliance model, which are generally reviewed annually. These are used to identify and assess the risks of the activities of the businesses and of the Group.

The Internal Audit Department aggregates and standardises the risks identified by each business unit in order to draw up the Group and business risk maps. The Risk Control Department consolidates the action plans and the teams responsible for them, as identified for each risk by the business unit. Thus, it integrates risk management into the business strategy, and promotes achievement of strategic objectives focused on the creation and protection of value for the Group. All of this allows the company to draw conclusions about the impact/probability of each risk in the estimated scenario.

This Risk Management System operates by business unit, consolidating this management at the corporate level through a comprehensive management model, among other specific tools, focused on ad hoc analyses of the different risks, depending on their development and the assessment made of them and their circumstances over time. Risks are pinpointed by the CEOs of the business units and the Group, identifying the parties responsible for managing each risk and setting action plans and controls.

In this respect, the business units contribute to the proper functioning of the risk control and management systems and, in particular, aim to identify, manage and adequately quantify the risks affecting them, together with the associated action plans. Consequently, they also actively participate in defining the risk strategy and in risk management decisions, ensuring that the systems in place adequately mitigate risks within the framework of the policy defined by the Board of Directors and the Audit, Risk and Compliance Committee.

Within the framework of the comprehensive management model, the risk maps, together with their action plans and the conclusions on the impact/probability of each risk in the estimated scenario, are reported to the Audit, Risk and Compliance Committee. The Committee also supervises and regularly assesses the Group's risk control and management systems, as well as proposing to the Board of Directors a level of risk considered acceptable, in view of the risk aversion, risk tolerance or risk appetite in each specific case.

PRISA also has an Internal Control over Financial Reporting System (ICFR), based on the COSO 2013 methodological framework. It has a Crime Prevention and Detection Model in Spain for criminal risk management and it develops regulatory compliance models in the main countries in which it operates (Brazil, Mexico, Argentina and Colombia). Compliance models cover environmental, labour relations and corruption and bribery risks for each business activity.

Relevant risks monitored.

The activities of the Group businesses and, therefore, also appropriate execution of its strategic roadmap, are subject to risks that can be grouped into the following categories:

- a. Risks relating to the financial condition and equity situation¹.
- b. Strategic and operational risks².
- c. ESG risks.
- d. Criminal compliance risks.
- e. Reputational risks.

Reputational risks are risks associated with a potential negative impact on the Group and its results, as a consequence of behaviour that does not meet the expectations of the market and the various stakeholders, including conduct related to corruption and lack of integrity as defined in the Group's Anti-Corruption Policy. Non-financial risks are classified according to categories aligned with the areas described in Law 11/2018 on non-financial information and diversity.

Criminal compliance risks are risks associated with the committing of crimes defined in the Penal Code as chargeable against a legal person. Some business activities exist in which a crime could be committed by one of the Group's employees. In this context, to minimise such risks, which include corruption, bribery, money laundering, workplace harassment, violation of privacy, compliance models are established and regularly reviewed for their continuous improvement.

The ESG risks are summarised below, and each chapter of the report provides further information on the indicators for monitoring and evaluating such risks. The table at the end of this report shows how the information is linked to the GRI Standards indicators.

ESG risks identified			
Category	Definition	Main risks	Indicators
Environmental management	Includes risks associated with the Group activity's exposure to climate change	Of sustainable and responsible supply of raw materials.	% of paper purchased from sustainable sources
		Related to emissions to the atmosphere	Scope 1, 2 and 3 emissions
		Of waste generation and circular economy	Paper from renewable or recycled sources
Governance, corporate and personnel management	Includes risks associated with lack of transparency, non-compliance with good practices, and corporate governance recommendations and standards, and risks related to talent and diversity	In the capacity for attracting and retaining talent	Involuntary turnover rate
		In promoting equality	% of workforce covered by equality plans
		Work-life balance	% of employees covered by work disconnection

¹ Details of the risks related to the financial condition and equity situation can be found in note 3 of the *consolidated management report*.

² Details of strategic and operational risks can be found in note 3 of the *consolidated management report*.

ESG risks identified			
Category	Definition	Main risks	Indicators
			policies
Company	Includes cybersecurity and privacy risks, and risk of impact on consumers, users, listeners and readers	Of affecting consumers	No. of claims and complaints received
		Of cybersecurity and privacy of information (own staff, consumers and supply chain).	Risk events of leakage of private information
Supply chain	Refers to the risk of ties to third parties	Of ties to third parties without a standard-approval process	% of payments to suppliers not approved and not subscribed to the Code of Ethics for Suppliers

The company is working on an update of the Non-Financial Risk Map that will be approved by the Sustainability Committee during the year 2023.

5.3.3. PROTECTION OF PRIVACY AND DATA SECURITY

Personal data is a valuable asset, so it is essential to have cybersecurity measures to contain attacks that attempt to obtain this information, avoiding security breaches.

Since the General Data Protection Regulation (GDPR) came into force in 2018, PRISA has worked intensively to improve and develop its personal data and consumer rights control and assurance processes against potential uses that may be made of them. This regulatory development has also had an impact on Group companies in Latin America, which have been reviewing their procedures for compliance with local data protection regulations.

The Data Protection Officer (DPO) is responsible for receiving and managing, in the first instance, claims and inquiries from users and people whose personal data is processed by the Group's companies. They can do so via the mailbox dpo@prisa.com or by writing to a postal address provided for the purpose. Prisa Media has a specific email box: privacidad@prisa.com.

In 2022, the Prisa Media business unit received 9 complaints from users and 3 from the Spanish Data Protection Agency (5 in 2021), related to the exercise of data protection rights or the processing of personal data. All of the above claims have been appropriately managed. Santillana did not receive any claims related to privacy.

As part of PRISA Group's commitment to privacy management, correct processing of personal data and improving information security protection, the Group has been carrying out the following actions:

- The Group's Privacy Policy was defined with the purpose of Management declaring its highest commitment to personal data protection, guaranteeing regulatory compliance, and contributing to the development of an ethical culture and integrity in the businesses.

- Santillana drew up the Corporate Regulations for the Protection of Personal Data to provide a standard of principles and obligations in the protection of personal data common to all companies in the countries in which operates.
- Since 2019, PRISA Group has had a Security Master Plan in place with the objective of generating continuous improvement in the level of maturity of cybersecurity risk management in all of the Group's operations. The level of maturity is measured using the ISO/IEC 27002:2013 control standard.
- The Security Master Plan covered the years 2020-2022 and included an inventory of around 50 initiatives for improving the management of cybersecurity, which have been implemented over these years.
- One of the pillars of this Security Master Plan has been to provide the Group with a Body of Security Regulations, which is currently composed of 1 Policy, 17 Rules and 14 Standards, Guides, Procedures and Recommendations.
- During this period, periodic evaluations of the level of maturity of the plan were carried out: June 2019 (initial evaluation); December 2019; December 2020; December 2021; December 2022 (final evaluation, external auditor). The result of the final evaluation carried out in December 2022 reflects an improvement of 104.49% in the level of maturity of security management in the PRISA Group (measured according to the criteria defined in the ISO/IEC 27002:2013 framework).

In December 2022 the process of renewing the Security Master Plan began, with the idea of extending it to the period 2023-2025. As an initial step, the Logical Security Office service was renewed, using a new supplier. A start was also made on the review process of initiatives included within the plan and their adaptation to the latest version of the reference standard, ISO/IEC 27002:2022.

5.3.4. COMPLIANCE AND BUSINESS ETHICS

The PRISA Group is committed to compliance with the law and with its Code of Ethics, in all the markets and territories where it operates. The objectives of the legal compliance model, based on the Code of Ethics, include promoting ethical behaviour in employees when carrying out the company's activity.

PRISA's Code of Ethics³ includes the set of ethical principles and rules of conduct that Group companies and their employees must apply. The general ethical principles refer to respect for human rights and public freedoms, professional development, equal opportunities, non-discrimination, and respect for people, health, and safety at work and environmental protection.

The Code of Ethics is published in Spanish and English on the PRISA corporate website (www.prisa.com) and forms part of the welcome pack given to all new employees.

In 2022, to promote an ethical corporate culture, with the key support of HR, work was carried out on a responsible leadership project as a technical tool for changing behaviour through training and raising awareness. A decalogue was defined with the characteristics of PRISA leaders so that, leading by example, they can help to promote an ethical culture. The project has been approved by the Appointments, Remuneration and Corporate Governance Committee.

³ It is referred to in paragraph F.1.2 of the *Annual Corporate Governance Report*.

The Code of Ethics and various policies that are developed from it constitute an essential element of the *compliance* model and establish the guidelines on how the Group and its members should act in different contexts. In 2022, the Zero Standard for making rules was created. It sets the criteria for the production and approval of rules, using a common nomenclature and setting deadlines for updating. Numerous policies and procedures have been revised and updated, including, of relevance to this section, the Anti-Corruption Policy, the Competition Policy and the Gift Policy. A new Data Protection Policy and a Code of Ethics and Conduct applicable to the company's suppliers have also been approved. In terms of conflicts of interest, the Rules of Procedure of the Board of Directors, the company's Code of Ethics and the Internal Regulations of Conduct in matters relating to stock markets establish the general principles of action to be observed when appropriate.

In 2022, the new "PRISANET" intranet was launched for the Company, Prisa Media and all its subsidiaries in Spain. All the rules applicable to its employees are published in it. To facilitate access to them, a distinction is made between general and specific rules. The first of these should be known by all employees.

The *Chief Compliance Officer* (CCO), as the head of the regulatory compliance function in the Group, with autonomous powers of initiative and control, assumes the functions of the criminal prevention body provided for in the Penal Code and, among other functions, is responsible for ensuring and promoting the ethical behaviour of the Group's employees and for identifying, managing and mitigating compliance risks⁴. The CCO reports directly to the Audit, Risks and Compliance Committee.

In 2022, the compliance units of the parent companies of the Group's businesses were changed to a single-person function with a *Chief Compliance Officer*. This change was also made in PRISA in 2021 in order to strengthen the compliance function and to increase coordination of common compliance objectives between PRISA and its subsidiaries.

The most significant business unit subsidiaries (Brazil, Mexico, Colombia, Argentina, and Chile) have established collegial body compliance units or have designated a compliance officer. PRISA has a whistle-blowing channel⁵, accessible on the corporate website (www.prisa.com), on the intranet, and via a post office box in Madrid, through which any person, anonymously and confidentially, can report any irregularity or breach of both external and internal regulations.

The complaints handling procedure specifies how to communicate irregularities, guarantees that there will be no retaliation against whistleblowers who report alleged non-compliance or irregularities in good faith, describes the process of investigation, resolution, the application of sanctions (if applicable) and the communication, where appropriate, of decisions taken. The whistleblowing channel is managed by the CCO.

⁴ Described in paragraph F.1.2 of the Annual Corporate Governance Report

⁵ Described in paragraph F.1.2 of the Annual Corporate Governance Report

PRISA employees can send queries related to the Code of Ethics and other internal regulatory, ethics and compliance matters to the compliance mailbox (cumplimiento@prisa.com) managed by the CCO. Similar mailboxes associated with each business's Compliance Unit (CU) redirect to the Group's compliance mailbox. A procedure similar to that for complaints received through the whistleblower channel is followed when processing complaints received through these mailboxes.

In 2022, 37 complaints were received, 13 more than managed in 2021 (24). Of these, 11 were justified, 2 are under investigation (from which no significant consequences are expected) and 24 were unfounded. In cases where complaints were founded, the disciplinary measures provided for in the corresponding legislation were applied, and controls were generally reviewed and strengthened to mitigate future risks.

It should be noted that no complaints or significant sanctions were made against PRISA in 2022 for non-compliance with the legislation or regulations in any of the markets where it operates.

5.3.4.1. Fight against corruption and bribery

The Code of Ethics contains the basic principles for internal control and prevention of corruption, governing aspects such as transparency, truthfulness and reliability of information and control of records, bribery and anti-corruption measures, prevention of money laundering and payment irregularities. The Code of Ethics online course, available to the entire workforce, promotes application of these principles and the necessary collaboration of all PRISA employees in preventing all forms of crime and inappropriate behaviour. On December 31, 2022, 2,800 employees out of a total of 7,222 had completed the course.

The 2021 Compliance Policy states PRISA's commitment to the function of regulatory compliance, which means not only complying strictly with applicable laws and internal regulations, but also promoting a culture of ethics and corporate integrity in the daily activity. It also reinforces its commitment to the company's purpose and the values, principles and standards of conduct promulgated in the Code of Ethics.

The Anti-Corruption Policy, reviewed and updated in July 2022, establishes PRISA's commitment to the fight against corruption in all its forms, in all its areas of action and in all the countries in which it operates. In September 2022, the procedure for the prevention of money laundering, applicable to all companies in the Group, was updated and approved to strengthen the measures to prevent the laundering of money from criminal or illegal activities.

The Investment and Financing Policy defines the applicable framework for the analysis, approval and control of investment or divestment projects and coverage of the financial, control and financial risk management needs of the businesses.

The Gifts Policy, updated and approved in July 2022 by the PRISA Board of Directors, gives guidance to employees and management bodies on making the right decisions regarding the acceptance and offering of gifts, services, or other hospitality, within the framework of the Group's commercial relations.

The Competition Policy, also updated and approved by the Board of Directors in July 2022, establishes PRISA's commitment to promoting free competition, avoiding conduct that constitutes or may constitute collusion, abuse, or restriction of free competition. Its compliance applies to companies, staff, and managers of the Group.

With the aim of using employee training and awareness raising to minimise the risks of corruption and bribery, an anti-corruption course was launched in 2022. It is available to all employees on the PRISA Campus training platform, which can be accessed through the intranet. As of December 31, 2022, 3,563 employees out of a total of 7,222 had completed the course..

The Crime Prevention and Detection Model is another of the pillars on which the compliance model is built, in line with the general organisational and management requirements set out in sections 2 and 5 of article 31 bis of the Spanish Criminal Code for Spanish subsidiaries. This model is subject to a continuous process of verification and updating to ensure its effectiveness and the correct functioning of the controls it establishes. Specifically to detect and prevent corruption and bribery, it is essential to have a matrix of crime risks and controls.

PRISA has another series of policies and procedures as additional measures for preventing bribery and fighting corruption. These include the procedure on how to act with public administrations, the procedure on granting restrictive powers of attorney, and the policy on travel and entertainment expenses.

In application of the protocol for action in cases of corruption, bribery or money laundering, the Whistleblower Channel and the compliance mailboxes are made available to employees and third parties.

The key indicator in PRISA for assessing the risk of corruption, in all its forms in both the public and private sectors, is the number of complaints received and substantiated each year via the Whistleblower Channel. Of the complaints received and investigated in 2022, six were related to cases of corruption. Three were founded: two cases of employee fraud for a non-material amount and a third related to a regulatory breach. In all three cases, various measures were taken to strengthen controls, and the disciplinary regime corresponding to the country's legislation was applied.

5.3.5. RESPECT FOR HUMAN RIGHTS

Respect for human rights is included in article 4 of the Group's Code of Ethics. In this article, PRISA commits to respecting and protecting human rights and civil liberties, building democracy and freedom of expression, preserving the natural environment, and contributing to the development and well-being of the communities with which it interacts. It also expresses its total rejection of child labour and forced or compulsory labour, and its commitment to respect freedom of association and collective bargaining.

In application of this commitment, Compliance applies its Crime Prevention and Detection Model to ensure the ethical behaviour of its employees, and monitors, disseminates and provides training in the Code of Ethics. The general purchasing conditions and the supplier approval procedure stipulate respect for human rights as a requirement for suppliers.

In October 2022, the Board of Directors approved the Suppliers' Code of Ethics and Conduct, with the aim of ensuring that suppliers respect and comply with its guidelines on applicable legislation, human rights, employment rights, business ethics, anti-corruption measures, the environment, and confidentiality and privacy. The Suppliers' Code of Ethics and Conduct is published on the corporate website in Spanish, English and Portuguese.

In the non-financial risk map, PRISA's indicator for monitoring respect for human rights is the number of complaints received and substantiated. Of the complaints received and managed in 2022, no complaint was classified in the Human Rights section. However, four complaints were made about alleged workplace or sexual harassment, which were not substantiated, and a fifth complaint, about inappropriate conduct in the work environment, was judged to be founded and the corresponding disciplinary regime was applied.

5.4. RESPONSIBLE MANAGEMENT

In carrying out its activity, the PRISA Group is aware of its potential social and environmental impact, and of its value chain's influential capacity. Consequently, PRISA works to protect the environment and to offer a work environment that is free of discrimination and secure and stimulating for the people in its teams, and it collaborates with its supply chain to protect human rights and promote the sustainability agenda.

5.4.1. OUR PEOPLE

5.4.1.1 Employment

At year-end 2022, there were 7,222 people in the PRISA workforce, an increase of 6% on the previous year. This growth is mainly due to the incorporation into the company's perimeter (since May) of LaCoproductora, a company that centralises all of Prisa Media's video content, and to the organic business growth in Colombia, Chile and Peru.

Total employees by BU	2022			2021		
	Men	Women	Total	Men	Women	Total
Santillana	1,541	1,854	3,395	1,489	1,793	3,282
Prisa Media	2,167	1,619	3,786	1,983	1,484	3,467
Corporate	15	26	41	19	28	47
Total	3,723	3,499	7,222	3,491	3,305	6,796

Total employees by BU and gender (%)	2022		2021	
	Men	Women	Men	Women
Santillana	45%	55%	45%	55%
Prisa Media	57%	43%	57%	43%
Corporate	37%	63%	40%	60%
Total	52%	48%	51%	49%

By gender, men represent 52% of the total workforce and women 48% (figures similar to those of 2021). The percentage increase in the number of male and female employees was practically the same as in the previous year: 7% and 6% respectively.

Total employees by professional category	2022		2021		21-22 annual variation (%)	
	Men	Women	Men	Women	Men	Women
Senior Management	169	102	166	106	2%	-4%
Middle management	541	403	558	429	-3%	-6%
Technical staff	2,274	2,325	2,026	2,081	12%	12%
Other staff	739	669	736	694	0.4%	-4%
Total	3,723	3,499	3,486	3,310	7%	6%

By professional category, women hold 42% of managerial and middle management positions, and men 58%.

Distribution of people by category, age and gender (yearly average)	2022							
	Age group 1 (< 30 years)		Age group 2 (30-50 years)		Age group 3 (> 50 years)		Total	
	Men	Women	Men	Women	Men	Women	Men	Women
Executives	100%	0%	62%	38%	61%	39%	62%	38%
Middle management	58%	42%	56%	44%	58%	42%	57%	43%
Qualified technical staff	48%	52%	48%	52%	56%	44%	49%	51%
Other	49%	51%	50%	50%	59%	41%	52%	48%
Total	49%	51%	50%	50%	58%	42%	51%	49%

At the same time, the composition of the workforce has been analysed by age, gender and business unit. Santillana has a higher proportion of women than men in all age groups, unlike in Prisa Media, where the proportion of men is higher.

Distribution of people by BU, age and gender (%)	Year 2022					
	Age group 1 (< 30 years)		Age group 2 (30-50 years)		Age group 3 (> 50 years)	
	Men	Women	Men	Women	Men	Women
Santillana	45%	55%	45%	55%	46%	54%
Prisa Media	52%	48%	55%	45%	65%	35%
Corporate	67%	33%	35%	65%	33%	67%
Total	49%	51%	50%	50%	58%	42%

Type of contract and working day

95% of PRISA's total staff have a permanent contract and 5% have a temporary contract (the same as in 2021). At year-end, 99% of the workforce was working full time, similar to 2021 when the percentage was at 98%.

Type of Contract/Working Day by BU	2022							
	Temporary		Permanent		Part-time		Full-time	
	Total	%	Total	%	Total	%	Total	%
Santillana	155	5%	3,240	95%	11	0%	3,384	100%
Prisa Media	222	6%	3,564	94%	88	2%	3,698	98%
Corporate	0	0%	41	100%	4	10%	37	90%
Total	377	5%	6,845	95%	103	1%	7,119	99%

Type of contract by age and gender	2022							
	Age group 1 (< 30 years)		Age group 2 (30-50 years)		Age group 3 (> 50 years)		Total	
	Men	Women	Men	Women	Men	Women	Men	Women
Temporary	47%	53%	49%	51%	53%	47%	49%	51%
Permanent	50%	50%	50%	50%	58%	42%	52%	48%
Total	49%	51%	50%	50%	58%	42%	52%	48%

Type of working day by age and gender	2022							
	Age group 1 (< 30 years)		Age group 2 (30-50 years)		Age group 3 (> 50 years)		Total	
	Men	Women	Men	Women	Men	Women	Men	Women
Part-time	60%	40%	34%	66%	50%	50%	40%	60%
Full-time	49%	51%	50%	50%	58%	42%	52%	48%
Total	49%	51%	50%	50%	58%	42%	52%	48%

Type of contract by category, with each category's % of the total	2022				2021			
	Permanent		Temporary		Permanent		Temporary	
	People	%	People	%	People	%	People	%
Manager	271	100%	0	0%	271	100%	1	0%
Middle manager	936	99%	8	1%	978	99%	9	1%
Qualified technical staff	4,314	94%	285	6%	3,960	96%	147	4%
Other staff	1,324	94%	84	6%	1,367	96%	63	4%
Total	6,845	95%	377	5%	6,576	97%	220	3%

Type of working day by category, with each category's % of the total	2022				2021			
	Full-time		Part-time		Full-time		Part-time	
	People	%	People	%	People	%	People	%
Manager	271	100%	0	0%	272	100%	0	0%
Middle manager	937	99%	7	1%	984	100%	3	0%
Qualified technical staff	4,512	98%	87	2%	4,015	98%	92	2%
Other staff	1,399	99%	9	1%	1,420	99%	10	1%
Total	7,119	99%	103	1%	6,691	98%	105	2%

Turnover rate

The voluntary turnover rate (measured as voluntary departures over average workforce in the year) is 11%, compared to 8% in 2021, while the involuntary turnover rate (dismissals) is 6%, compared to 10% in 2021 (measured as compensated departures over average workforce).

Voluntary turnover rate	2022			2021		
	Men	Women	Total	Men	Women	Total
Group turnover rate	10%	12%	11%	7%	9%	8%

Involuntary turnover rate	2022			2021		
	Men	Women	Total	Men	Women	Total
Group turnover rate	5%	7%	6%	10%	10%	10%

By gender, 46% of voluntary departures from the Group were men and 54% women (stable percentages compared to 2021). 68% were workers aged between 30 and 50 years.

Distribution of voluntary departures by age and gender as a percentage of total departures	2022			2021		
	Men	Women	Total	Men	Women	Total
Age group 1 (< 30 years)	10%	12%	22%	9%	14%	23%
Age group 2 (30-50 years)	30%	38%	68%	31%	36%	67%
Age group 3 (> 50 years)	6%	4%	10%	6%	4%	10%
Total	46%	54%	100%	46%	54%	100%

Distribution of voluntary departures by age group	2022		2021		21-22 annual variation
	Total	%	Total	%	
Age group 1 (< 30 years)	170	22%	126	23%	35%
Age group 2 (30-50 years)	517	68%	375	68%	38%
Age group 3 (> 50 years)	72	10%	54	10%	33%
Total	759	-	555	-	37%

Distribution of voluntary departures by professional category	2022		2021	
	Total	%	Total	%
Senior Management	12	2%	16	3%
Middle management	67	9%	48	9%
Technical staff	484	64%	344	62%
Other staff	189	25%	148	27%
Total	752	-	556	-

The percentages of voluntary departures by professional category remain similar to those reported in the previous year.

Redundancies measured as departures with severance payments in the Group were 45% men and 55% women, and 66% were employees aged between 30 and 50 years.

By professional category, these departures are distributed according to the proportion of workers in each category, the resulting distribution being similar to the general distribution of the workforce. 16% were executives and middle management, while 84% were other employees.

By geography, 18% occurred in Spain, compared to 23% in 2021.

Distribution of involuntary departures (dismissals) by age group	2022		2021		21-22 annual variation
	Total	%	Total	%	%
Age group 1 (< 30 years)	33	8%	48	7%	-31%
Age group 2 (30-50 years)	284	66%	422	62%	-33%
Age group 3 (> 50 years)	115	27%	206	31%	-44%
Total	432	-	676	-	-36%

Distribution of involuntary departures (dismissals) by professional category	2022			2021		
	Men	Women	Total	Men	Women	Total
Senior Management	11	9	20	29	10	39
Middle management	23	24	47	48	52	100
Technical staff	129	162	291	205	212	417
Other staff	31	43	74	58	63	121
Total	194	238	432	340	337	677

Distribution of involuntary departures (dismissals) by geography	2022		2021		21-22 annual variation
	Total	%	Total	%	%
Spain	76	18%	157	23%	-51%
Rest	356	82%	520	77%	-32%
Total	432	-	677	-	-36%

5.4.1.2. Social relations

There is freedom of association in all PRISA Group companies and social dialogue is fostered. The collective bargaining agreements currently in effect involve improvements in employment and working conditions in relation to the minimum rights required by legislation. In general, information, representation and consultation procedures for employees are contained and regulated in the different collective bargaining agreements and are structured through the labour representation bodies regulated in the same.

Overall, 63% of the Group's workers are subject to collective bargaining agreements, Prisa Media being the Business Unit with the highest coverage of 87%.

In 2022 there were no labour force adjustment plans (EREs), furlough schemes (ERTEs) or strikes within the Group. There have been no claims for breach of working conditions or rights applicable to the workforce.

In Santillana, the percentage is lower due to the geographic dispersion of its business and the lack of such strict application of this regulatory employment body in the countries in which it operates. This does not undermine the social dialogue existing in its companies, always under an applicable regulatory umbrella that guarantees social relations between a company and its workers.

Employees covered by a collective bargaining agreement	No. of employees covered by the collective bargaining agreement	% of employees covered
Corporate	31	76%
Santillana	1,211	34%
Prisa Media	3,276	87%
PRISA Group	4,518	63%

5.4.1.3. Work-life balance and flexible working arrangements

In Spain, the staff get company perks, life and accident insurance, cover for disability or invalidity and maternity or paternity bonuses. In general terms, companies in the Group do not distinguish between full-time and part-time, or permanent and temporary contracts, for accessing these company benefits.

The Group promotes disconnecting from work in all its companies. In Spain, a time at work control system is gradually being implemented to optimise the management of time worked, with a commitment to flexible working arrangements in a collaborative environment for the benefit of employees. Also in Spain, the Group has a digital disconnection policy for Santillana and a separate policy for Prisa Media.

In addition, this policy is being adapted for each medium as part of the process of renegotiating collective bargaining agreements.

In practice, all of the collective agreements applicable to the various companies in Spain have working hours below the maximum legal working hours (40 hours per week).

Furthermore, any exceptional overtime will be compensated with days off, in accordance with the provisions of some of the agreements in companies that carry out their activity in Spain.

The distribution of the working day, both in Spain and in Latin America (where the concept of the short intensive working day does not exist), includes flexible starting and finishing times, and working hours are adapted and there are intensive working hours at certain times of the year (summer, Christmas and Easter). These exceptional working hours are established by agreement between the different departments and/or the workers' legal representatives.

Through a whole range of employment conditions, the Group tries to improve the legal minimums and to offer flexible arrangements for the employee's working life, helping to attract talent and reduce the rate of absenteeism, which in 2022 stood at 1.92%.

Work absenteeism rate	2022			2021		
	Men	Women	Total	Men	Women	Total
Spain	2.77%	3.62%	3.15%	1.51%	2.58%	2.00%
Latam	0.67%	2.01%	1.35%	0.88%	1.65%	1.27%
Total	1.39%	2.48%	1.92%	1.07%	1.89%	1.47%

* Absenteeism rate: (Total no. of absenteeism hours / Total no. of planned hours worked) x 1,000.

The commitment to guarantee the work-life balance is applicable to all companies and to all employees who work in the PRISA Group. It is worth noting some of the measures applied in Santillana in Spain to facilitate the work-life balance:

- Up to a maximum of 10 additional days off for any person on the workforce to deal with any situation that so requires.
- Reduction of the working day without the requirement of being a carer. A reduction in the working day, by a minimum of one eighth and a maximum of half of the working day's duration, is allowed.
- Special voluntary leave of absence, with a guaranteed return to the same job position, for a minimum period of 2 months and a maximum of 12 months.
- Leave to carry out training activities related to the job performed.
- Paid leave to accompany minors, dependents and family members up to second degree on medical appointments.
- Recoverable and paid leave to deal with exceptional family situations.

Santillana has also signed a teleworking agreement with the Workers' Legal Representation to facilitate work-life balance by extending the allowed days of teleworking per week to two. In the case of Corporate Headquarters, the number of days with the option to telework is higher.

5.4.1.4. Talent management and development

The training given in the Group is managed each year according to the budgets approved in each company. Each business manages the budget and training actions, focusing on the groups which are considered strategic, areas which require development, or updating to meet new needs or legal/regulatory requirements.

PRISA has its own online training platform for its staff. Employees of the different Group companies have a wide range of training activities available to them on PRISA Campus. In Spain, through the Flexible Remuneration Plan, employees have the possibility of contracting training related to their work activity or to learning English and/or Portuguese. This type of training is not considered as remuneration in kind and is therefore exempt from taxation.

In Santillana and Prisa Media in Latam, the above resources are in addition to a full training package managed in the countries and the corporate headquarters, with a great effort being made in post-COVID year 2022 to train the workforce in order to improve their employability. The Work-Life Balance Plan for Santillana Spain includes the possibility for all workers to request 3 to 9 months' unpaid leave to take a training course related to their job.

During 2022, PRISA Group staff have completed 65,259 hours of training, an increase of 58% on 2021 (41,267 hours in 2021). 69% of the hours were imparted in Santillana and 31% in Prisa Media and Prisa Headquarters.

Hours of training	2022	2021
Santillana	45,111	31,170
Prisa Media	19,305	9,950
Corporate	843	147
Total	65,259	41,267

The ratio of training hours per employee at Group level is 9 hours, calculated as the number of hours during the year divided by the number of employees at the end of the year. In the case of Santillana, the ratio is 13 hours, compared to 5 hours/employee for Prisa Media and 21 for Corporate Headquarters.

	No. of training hours by job category and gender														
	Senior Management			Middle management			Qualified technical staff			Other staff			Total		
	M	W	Total	M	W	Total	M	W	Total	M	W	Total	M	W	Total
Corporate	146	198	344	75	161	236	138	121	259	0	4	4	359	484	843
Santillana	1,147	1,414	2,561	4,078	5,992	10,070	11,672	18,826	30,498	936	1,046	1,982	17,833	27,278	45,111
Media	393	377	770	1,491	557	2,048	2,122	3,326	5,448	4,999	6,040	11,039	9,005	10,300	19,305
Total	1,686	1,989	3,675	5,644	6,710	12,355	13,932	22,272	36,205	5,935	7,090	13,025	27,197	38,062	65,259

With regard to the distribution of training hours according to the responsibility of the people employed, 6% of the training hours have been invested in management staff (compared to 5% in 2021), 19% in middle management (compared to 24% in 2021) and 75% in other staff (compared to 80% in 2021).

As for the distribution of training hours by territory, 16% of training hours have been invested in Spain (17% in 2021) and the remaining 84% in the rest of the geographical areas where the Group operates (83% in 2021).

5.4.1.5. Diversity and equality

PRISA is a Group made up of a workforce with a great diversity of locations (23 countries) and nationalities (32 in 2022).

As commented in the "Quality Employment" section of this report, women represent 48% of the people working in PRISA (figures similar to those of 2021).

By professional category, women hold 42% of all managerial and middle management positions in the Group. By country, there is a majority female representation in Argentina, Brazil and Mexico.

Distribution of people by country	2022			2021		
	Men	Women	Total	Men	Women	Total
Argentina	74	174	248	75	182	257
Bolivia	20	9	29	18	13	31
Brazil	424	588	1,012	426	577	1,003
NCA (*)	77	61	138	74	63	137
Chile	244	166	410	221	166	387
Colombia	761	604	1,365	744	554	1,298
SCA (**)	43	48	91	40	42	82
Ecuador	69	52	121	66	44	110
Spain	1,467	1,183	2,650	1,296	1,084	2,380
Mexico	333	396	729	329	384	713
Puerto Rico	11	13	24	13	11	24
Paraguay	12	16	28	10	15	25
Peru	105	122	227	84	100	184
Portugal	4	5	9	4	5	9
Dom. Rep.	60	36	96	61	38	99
Uruguay	8	15	23	9	14	23
USA	6	5	11	16	8	24
Venezuela	5	6	11	5	5	10
TOTAL	3,723	3,499	7,222	3,491	3,305	6,796

* North Central America (includes Guatemala, Honduras and El Salvador)

**South Central America (including Costa Rica and Panama)

Diversity and non-discrimination are part of the corporate culture, and both are safeguarded by the company's Code of Ethics and Conduct and in its commitment to ensure fair and equal processes of recruitment, hiring and career development. This means that Group promotes equal opportunities in access to employment, training, and promotion for its employees, and prohibits discrimination based on their personal, physical or social status, whether for reasons of race, colour, nationality, social origins, age, sex, sexual orientation, civil status, ideology or religion.

With regard to gender equality, the collective bargaining agreements applicable to the various companies in Spain contain specific sections on equal treatment and opportunities for men and women, protocols for action in the event of harassment and other measures to drive equality in all areas.

The Group has a prevention and action protocol for dealing with situations of sexual, moral or employment harassment, designed to regulate fully all aspects directly related to any situation of harassment. The Whistleblower Channel is a tool for communicating potentially irregular conduct easily and confidentially.

In the Prisa Radio agreement there is a section headed "Prisa Radio Group's Equality Plan", which sets out measures to promote equal treatment and opportunities between men and women in terms of recruitment, promotion and career development, training, and work-life balance. The collective agreement for Ediciones El País also contains a section headed "Equality and Work-Life Balance Plan", which serves, among others, the goals of achieving a balanced representation of women in the business and access for women to management positions.

In 2020 Santillana signed the Equality Plan 2020-2024 applicable to its employees in Spain. Following the corporate changes brought about by the merger of the Media business units, work is underway to draw up equality plans, with good progress being made in the negotiation of collective bargaining agreements, job descriptions and the development of the diagnosis of the business units.

The Group also has a procedure for reporting and dealing with psychosocial harm to employees in the area of harassment. In addition, in 2021 Media España presented a protocol against sexual and workplace harassment to the Legal Representation of Workers, which applies to all companies.

The total average remuneration, considering all job categories, is EUR 31 thousand. The average for men is EUR 34 thousand (10% above the average) and for women EUR 27 thousand (11% below the average).

Average remuneration	Average remuneration	2022			2021	21-22 annual variation (%)
		Men	Women	TOTAL		
Category	Senior Management	146,705	98,217	128,455	121,830	5.4%
	Middle management	55,383	43,773	50,426	49,882	1.1%
	Technical staff	27,816	25,715	26,754	24,821	7.8%
	Other staff	11,873	12,862	12,343	12,304	0.3%
Age	Age group 1 (< 30 years)	13,984	14,971	14,485	11,627	2.6%
	Age group 2 (30-50 years)	31,703	27,022	29,360	27,828	5.5%
	Age group 3 (> 50 years)	50,693	38,209	45,419	44,333	2.4%
Sex	Men	N/A		34,054	32,889	3.5%
	Women	N/A		27,451	26,373	4.1%

In 2022, continuing with the criterion followed in 2021, the PRISA Group has measured pay inequality using the guide provided by the *Instituto de las Mujeres*.

Wage gap (euros)	2021			2022		
	Men	Women	Wage inequality	Men	Women	Wage inequality
Senior Management	139,712	94,683	3.23%	146,705	98,217	33.05%
Middle management	54,214	44,454	18.00%	55,383	43,773	20.96%
Technical staff	26,000	23,721	8.77%	27,816	25,715	7.55%
Other staff	11,814	12,858	-8.84%	11,873	12,862	-8.33%
Total Grup	32,889	26,373	19.81%	34,054	27,451	19.39%

The trend reflected in 2022 is similar to that in 2021. According to Eurostat, the pay gap between men and women in the EU has narrowed from 14.1% in 2019 to 12.9% in 2020 (latest published figures).

Regarding the inclusion of disabled people in employment, in Spain PRISA has partnership agreements with special employment centres for the provision of certain services (mainly cleaning), and other cooperation mechanisms under Spanish law (donations to special employment centres). In 2022 the Group hired 36 people with disabilities equal to or greater than 33% (26 people in 2021). 56% of them work in Spain, 22% in Brazil and 17% in Ecuador. By gender, 23 are men and 13 women.

	2022	2021
Spain	20	13
ROW	16	13
Total	36	26

5.4.1.6. Health and wellbeing

The Occupational Risk Prevention department in Spain, within the Human Resources area, is responsible for identifying psychosocial risk factors that may affect employee health. In Latin America, there are health and safety committees in several countries.

To promote the health and wellbeing of employees, Prisa Media in Spain has a corporate communication tool for the workforce, which is called *Comunica*. Throughout 2022 the *Comunica* tool's content has typically comprised recommendations on health prevention, news about the Group's activities, online training pills, conferences on emotional support and resilience, activities to promote work-life balance and digital disconnection, plus the dissemination of projects with a high level of employee participation.

	Total no. of accidents at work resulting in sick leave						
	2022			2021			21-22 annual variation (%)
	Men	Women	Total	Men	Women	Total	
Santillana	6	6	12	3	2	5	140%
Prisa Media	7	2	9	3	6	9	0%
Corporate	0	0	0	0	0	0	0%
Total	13	8	21	6	8	14	50%

In 2022, 21 occupational accidents were recorded across the Group (13 men and 8 women), 50% more than the total in 2021 (14). The key measurement indexes for health and safety are:

	2022		2021	
	Severity Index	Frequency index	Severity Index	Frequency index
Men	0.02	1.88	0.08	0.99
Women	0.02	1.21	0.07	1.19
Total	0.02	1.56	0.07	1.09

Severity Index: (No. days missed/No. hours worked) x 1,000

Frequency Index: (Total no. of accidents with leave/Total no. of hours worked) x 1,000,000

There have been no occupational diseases during the year 2022.

In the area of accessibility to work centres, the Group has adapted its facilities in accordance with the applicable regulations. There have been no accessibility disputes or complaint mechanisms for lack of accessibility at workplaces.

5.4.2. THE ENVIRONMENT

5.4.2.1. Environmental commitment

Despite the fact that the sector in which the Group operates (media/audio-visual and education) has a low environmental impact, in PRISA's Code of Ethics and its Sustainability Master Plan 2022-2025 the Group makes a clear commitment to proper environmental management, efficient use of natural resources and adequate protection of the environment in which it operates, in order to minimise negative environmental impacts.

Although it is true that the progressive transformation of the business model and its activity towards the generation of content and distribution on digital platforms mean that its environmental impact is reduced compared to other sectors, the Group actively promotes protection of the environment and awareness raising and dissemination of good environmental practices in the content it creates and distributes and in its daily management. In 2021, the company's Environmental Policy was approved, establishing the following principles:

- Protect the environment, with the commitment to reduce the carbon footprint, make sustainable use of resources and prevent and manage the waste generated by the PRISA Group's activity, complying with the standards established in the applicable environmental regulations.
- Contribute actively to raising awareness about the effects of climate change, promoting respect for nature and the protection of biodiversity, making use of the Group's digital audiences.
- Identify and continuously evaluate PRISA's environmental impacts in order to manage appropriately the risks caused, improve their mitigation or eradication, and promote the use of sustainable technology, transforming *legacy* businesses into digital businesses.

- Promote best practices in responsible management and incorporate environmental sustainability criteria in investment decision-making, as well as in the supply chain and in the execution of the Group's business.
- Disseminate these essential principles among all staff and stakeholders, while promoting the environmental commitment as a participatory task and a priority issue among the editorial topics; and sharing regularly and transparently the environmental results and actions carried out.

In 2022, the Group continued its work of dissemination and awareness raising among its employees, through the channels of "Comunica", in Prisa Media, and the "Santillana al día" daily bulletin, with topics such as "Children and the environment", "Control your digital footprint", "Responsible mobility" and "Chemicals and cleaning".

In 2022, the Group materialised its commitment to the environment with concrete actions:

- Inclusion of environmental and sustainability criteria in the approval of projects and award processes in corporate negotiations, especially in Spain and in process in Latin America.
- Reclassification of the calculation of scope 1 carbon footprint emissions to include emissions from the company's leasing vehicles, and of scope 3 to include vehicles not owned by PRISA Group, as well as the emissions generated by radio signal carriers, thus completing the data on emissions from transport and distribution of publications in Spain. The emissions generated in the printing of publications in Spain (News) are also included, and the Group has begun to measure the footprint generated by goods and services contracted from technology providers (which, due to the transformation of the business model, have an increasingly significant weight in the Group's operation).
- Since May, the EP, AS and 5D newspapers include a label to share with our readers that the product they are reading is "Printed on paper of sustainable origin".
- Since February, the size of the AS publication on paper has been reduced to optimise the consumption of materials which represents a c.6% of saving.
- Implementation of specific measures in both business units for waste prevention and waste recycling by certified companies.
- New Compartir, UNOi, Educa and Richmond education projects printed 100% on sugarcane paper – renewable, recyclable and biodegradable – in Santillana Colombia.
- In 2022, with the aim of raising awareness among students, teachers and schools about the life cycle of books and sustainability in education, Santillana has prepared an infographic for inclusion in educational materials as of the 2023 campaign.

In accordance with the roadmap established in the Sustainability Master Plan, in 2023, PRISA will begin an ambitious project focused on designing and implementing an environmental management system, aligned with the Environmental Policy and the Group's commitment to the fight against climate change. This project will provide an environmental diagnosis in all the countries where the company operates and will allow a roadmap towards climate neutrality to be made. The results of this work will be reported in the Non-Financial Information Statement for the next fiscal year.

5.4.2.2. Preventive measures

In addition to disseminating the Environmental Policy and raising environmental awareness internally and externally, the Group follows the precautionary principle. Thus, in addition to its policy in this area, it has guarantees in its insurance programme in different countries to cover potential accidental and sudden polluting impacts that could be generated by its operations.

Thus, in line with corporate policies, the Group selects and maintains commercial relations with suppliers that ensure and promote responsible and sustainable environmental management, both in the purchase of materials directly linked to the publishing business, such as paper, and in the other areas for which services are contracted in the Group's companies. In all countries where the Group operates, special attention is paid to managing the collection, reuse and recycling of waste, for which there are authorised managers.

In order to make further progress in preventive measures, the request for information on the degree of commitment of the various bidding companies in the negotiation specifications for the provision of services by third parties, as well as their operational management and relationship with the contribution to the United Nations 2030 Agenda, is maintained.

5.4.2.3. Circular economy and waste management

One of PRISA Group's main environmental objectives is to promote the circular economy and properly manage waste. Consequently, prevention, recycling and other forms of waste recovery and disposal are constantly promoted.

For example, it implements operational and awareness-raising measures aimed at the workforce to reduce waste generation and incorporates improvements in waste segregation to ensure its correct recovery.

The business units promote the appropriate management of the waste generated, in line with the Group's environmental management. Waste has been managed and subsequently destroyed with approved suppliers, in particular confidential documentation, selective waste such as wood or scrap and WEEE (waste electrical and electronic equipment).

At Prisa Media, office waste is recycled via third parties, such as the municipal service of Madrid City Council, and the supplier to which the printer leasing service is outsourced, which recovers the toner cartridges.

At Santillana, the waste generated in offices and warehouses in all countries is also managed via third parties. For example, in Brazil, a specialised company collects non-recyclable waste for treatment in an authorized landfill, and the recyclables are subsequently collected by a family cooperative in charge of their separation and sale. In Mexico, the company has contracted HP's MPS service (managed printing services), whereby the empty toner cartridges are collected and reprocessed to be used again by Santillana or other customers.

Paper and cardboard recycling

PRISA Group promotes recycling actions, mainly of paper and cardboard, which are the most consumed raw materials due to the type of business and activity carried out.

In Santillana, in 2022, 77.5 tons of paper and cardboard from its offices and warehouses were sent for recycling, and 1,346.8 tons of obsolete, surplus, or discontinued books were given to third parties for recycling or sustainable management. It is also important to note the company's effort to adjust print runs in order to reduce warehouse *stock* as much as possible.

In Brazil, reuse of wooden pallets, wooden lids, cardboard sheets and cardboard corners in the National Book and Teaching Materials Programme (PNLD) has reached 91%. In Colombia, the waste generated in the different areas is sorted as paper, cardboard and plastic and delivered to a company in charge of its final disposal, in compliance with the country's environmental measures.

In the Prisa Media offices, 77 tons of paper was recycled by contracting of 782 hours of work from the OMEN company, which employs people at risk of social exclusion to do the work, and 7.58 tons of paper was recycled through confidential destruction. 281 tons of paper from promotional copies was also recycled.

Recycling of other waste

In PRISA Group, most of the waste from electrical and electronic equipment (WEEE) following the replacement of computer equipment is recycled.

An example of the above are the 4 tons of recycled WEEE in Santillana Brasil or the 1.1 tons in Santillana México. The Group also recycled 3.42 tons of plastics.

At Prisa Media, following renovation of one of its data processing centres and computer equipment, an inventory of 2,700 hardware units was recycled, consisting of servers, computers, hard drives and Wi-Fi access points, among other devices.

5.4.2.5. Responsible consumption of resources

PRISA Group is aware of the importance of making conscious, responsible use of the natural resources and materials consumed by its activity, thus ensuring that any negative environmental impact is minimised. Thus, the Group focuses on reducing consumption as much as possible and promoting actions that encourage sustainable development.

An example is the progress made in recent years in the consumption of sustainably-sourced paper, with percentages close to 100% in Spain and Latin America.

Consumption of raw materials

In 2022, PRISA Group's paper consumption was 17% lower than in 2021 (59,444 tons). It should be noted that 99% is sustainably sourced and 82% is certified by international standards (FSC, PEFC, SFI).

Consumption of raw materials		2022	
		Total consumption (tons)	% of sustainable paper
Sustainably sourced paper (including recycled)	Not certified	8,659	18%
	Certified (FSC or equivalent) (PEFC, SFI)	40,210	82%
	Total consumption of sustainable paper and cardboard	48,869	
Paper of unknown source*	Paper and cardboard of unknown source	525	
Total consumption		49,393	99%

*We understand " Paper of unknown source " to refer to the consumption of paper for which we do not identify the manufacturer and, therefore, the traceability from its source. So, it is not possible to identify it as, or state it to be, sustainable or not.

At Prisa Media, 100% of the paper consumed for printing publications is sustainably sourced.

At Santillana, 99% of the paper and cardboard consumed to print products is sustainably sourced, and 77% has FSC or similar certification, which guarantees that it is sourced from sustainably managed forests.

The change with respect to 2021 is explained by, among other actions implemented, the lower volume of paper purchased by Brazil in 2022, the promotion of digitised processes (thus reducing the amount of printing in offices), and the reduction of the format of the AS sports newspaper, with a saving of 6%.

Water consumption

PRISA Group mainly consumes water for daily use in its offices and warehouses, as well as for the processes of cleaning its facilities. This water is obtained from the corresponding municipal public network. In no case does it have its own supply points.

By business unit, Santillana reduced its water consumption by 5%, while Prisa Media increased its consumption by 15%, mainly due to the return of employees to the offices following the end of the pandemic.

Total water consumption (m ³)	2022	2021	2021-2022 annual variation (%)
Santillana	31,778	33,469	-5%
Prisa Media	18,283	15,939	15%
Total	50,061	49,408	1%

Intensity of water consumption (m ³ / Number of employees at year-end)	Año 2022			Año 2021			% Variación 2021/22
	Total water (m ³)	Number of employees at year-end	Intensity of water consumption	Total water (m ³)	Number of employees at year-end	Intensity of water consumption	
Santillana	31,778	7,222	4.40	33,469	6,796	4.92	-10.65%
Prisa Media	18,283		2.53	15,939		2.35	7.94%
Total	50,061		6.93	49,408		7.27	-4.65%

Power consumption

Total energy consumption in 2022 was 12% lower than in 2021 (down from 33.4 GWh to 29.4 GWh). In addition to the efficiency measures implemented, this reduction is explained by the fact that, since January 2022, PRISA no longer owns printing plants, and by the measures the Group has applied to improve efficiency continuously:

- The design of the new Santillana offices in Colombia to contribute to energy savings, with motion sensors and LED lighting.
- Efficient lighting technology in the main installations in Spain and in some business units in Latin America (Prisa Media Mexico and Chile, and Santillana Peru, Argentina, Honduras and Brazil).
- Installation of timers in traffic areas and replacement of conventional lights with LED, as in the Santillana corporate headquarters in Madrid and in the new Santillana offices in Bogotá.
- Installation of more efficient air conditioning equipment in Santillana Argentina and transmitters in Radio Chile.
- Policy of switching off equipment and lighting in the branch during non-operational hours, accompanied by control routes and movement sensors to promote energy savings.
- Awareness-raising and energy efficiency campaigns.

PRISA Group's electricity consumption	2022				2021
	Non-renewable sources (GWh)	Renewable sources (GWh)	Use of renewable energy (%)	Total consumption (GWh)	Total consumption (GWh)
Santillana	2.6	1.3	32%	3.9	4.7
Prisa Media	3.2	22.4	88%	25.5	28.7
Total consumption	5.8	23.6	80%	29.4	33.4

Of all the progress made, the increase in the proportion of renewable energy consumed (12% higher than in 2021) stands out. Looking at the business units, the high proportion of renewable energy consumed by Prisa Media (88%) stands out.

This progress is the result of two measures taken: from July 1, 2021, purchase of 100% renewable energy with a Guarantee of Origin (GDO) certificate in Spain, plus self-generation. In June 2022, a second photovoltaic plant was started up in the Miguel Yuste headquarters building, resulting in the production, from the two plants, of 189.63 MWh of clean energy for self-consumption.

Some Latin American countries, such as Chile, Argentina, Colombia, Brazil and Costa Rica, have started to report their consumption percentage in relation to the generation mix published by their respective governments.

Use of renewable energy	2022	2021
	80%	68%

Fuel consumption

	2022		2021	
	Natural Gas (m3)	Diesel (liters)	Natural Gas (m3)	Diesel (liters)
Corporativo	0	6,606	-	-
Santillana	16,466	16,666	13,580	6,177
Prisa Media	155,796	67,787	244,684	120,744
Total Grup	172,261	91,059	258,264	126,921*

* Corrected data, in 2021 it was reported, due to a calculation error, 368,407 liters

In 2022, a significant reduction in the consumption of fossil fuels was achieved by replacing these sources of energy with renewably sourced energy, as explained in the previous section. In this way, the consumption of natural gas fell by 33% and diesel by 28% compared to 2021.

5.4.2.6. Fight against climate change

The Group is aware of the great challenge facing society, and especially the private business sector, in the fight against the climate emergency. It is therefore an essential part of the company's environmental strategy and objectives. Thus, with regard to minimising the impact of the Group's business activity, linked to the emission of greenhouse gases, the following measures have been established:

- Promoting actions to become more energy efficient and reduce fuel consumption, through the various measures explained above (including the promotion of renewable energies).
- Promoting sustainable mobility:
 - Initiating a plan for the gradual replacement of the fleet in Spain by vehicles with ECO technology (30% in 2022 vs. 27% in 2021).
 - Encouraging sustainable mobility by assisting in the acquisition of monthly public transport season tickets.
 - Installing charging stations for electric vehicles in the Miguel Yuste offices, which has avoided emission of 0.358 tons of CO₂.
- Digitalisation of the Group's businesses, leveraging the momentum of digital transformation and innovation. Within the framework of this process, recycling of desktop computers and decommissioning of servers has allowed a saving to be made of approximately 92 tons of CO₂/year⁶.
- Promotion of awareness-raising activities, projects and events that reinforce the public commitment of PRISA Group to contribute to the United Nations Agenda 2030 and to SDG 13 "Climate action".

Carbon footprint Scopes 1 and 2 (t CO ₂ eq)	2022	2021	% Variation 2021-22
Total Scope 1 emissions (t CO ₂ eq)	6,604	778	749%
Total Scope 2 emissions (t CO ₂ eq)	1,926	3,325	-42 %

In relation to the carbon footprint, Scope 1 emissions increased significantly in 2022 due to the reclassification of some emission sources that in 2021 were reported within Scope 3, such as fuel consumption (diesel and gasoline) of the Group's long-term car rentals. In 2022, this resulted in an increase of 6,002 t CO₂e in Scope 1 emissions.

The Scope 2 carbon footprint was reduced by 42% compared to 2021 as a result of switching to 100% renewable energy in Prisa Media Spain.

With regard to the calculation of the emissions of the value chain (Scope 3 emissions), in line with the objective of improving transparency and diligence with regard to the impact on the natural environment, in 2022 the following were included in the calculation:

⁶ 262 desktops to laptops = saving 44,268 kg CO₂e/year
 calculation: laptops (262 x 169 kg CO₂e/year = 44,268)
 52 servers shut down - saving 174,956 kg CO₂e/year
 calculation: 52 servers x 916 kg CO₂e/year = 47,632 kg CO₂e/year
 Total = 91,900 kg CO₂e/year
 The Carbon Footprint of Servers-GoClimate Blog

- Emissions generated by the carriers (Axion and Cellnex) of the radio signal in Spain. In 2022, it was verified that these suppliers consume 96.6% renewable energy.
- Transport and distribution (Boyaca) of press in Spain. In 2022, the scope 3 emissions data is included that corresponds to press transportation and distribution, as reported by the main provider in the provinces where it operates. This data is extrapolated to the rest of the provinces where other distributors operate in order to obtain total national data. The data reported in 2021 included transportation but not distribution.
- Subcontracting of distribution and transport in Santillana companies. The main countries started reporting emissions associated with this contracting.
- Reporting of emissions associated with technology providers started and will continue to be developed in the coming years as providers mature in their footprint reporting.
- Emissions generated in press publication printing plants.

Scope 3 carbon footprint 3(t CO ₂ eq)		2022	2021	Annual variation 2021 -2022 (%)
		Total emissions in 2022 (t CO ₂ eq)	Total emissions in 2021 (t CO ₂ eq)	
Flight emissions	Short distance flights	625	1,171	-47%
	Medium distance flights	1,430	193	641%
	Long distance flights	2,040	768	166%
Train travel emissions		265	40	562%
Car travel emissions	Diesel	4	289	-99%
	Petrol	11	2,697	-100%
Carrier emissions (Axion, Cellnex) (1)	Kwh	150	4,629	-97%
Emissions associated with press transportation and distribution (2)	Diesel	4,740	403	1076%
	Petrol	193	NA	0%
Emissions associated with technological services provided by third parties		351	NA	0%
Paper and cardboard (3)	Own	38,009	28,624	33%
	Paper consumption associated with printing services provided by third parties	4,524	NA	0%
Emissions associated with printing services provided by third parties (4)		1,883	NA	
Waste	Hazardous	0	NA	0%
	Non- hazardous	403	NA	0%
TOTAL Scope 3 emissions		54,628	38,814	41%

(1) Carrier Emissions corresponding to Prisa Media (Radio).

(2) Transportation and distribution. Emissions corresponding to Prisa Media (News distribution of publications) 4,282 tn CO₂ and other messaging emissions.

(3) Own paper and cardboard correspond to Prisa Media and Santillana. Third party paper only Santillana.

(4) Printing services. Emissions corresponding to Prisa Media (News)

Intensity of Scope 1, 2 and 3 emissions (t CO2 eq/Number of employees at the end of the year)	2022			2021			% Variation 2021/22
	Total emissions (t Co2 eq)	Total number of employees at year-end	Intensity of Scope 1 and 2 emissions	Total Scope 1 and 2 emissions (t Co2 eq)	Total number of employees at year-end	Intensity of Scope 1 and 2 emissions	
Scope 1	6,604	7,222	0.91	778	6,796	0.11	699.19%
Scope 2	1,926		0.27	3,325		0.49	-45.50%
Scope 3	52,325		7.25	38,814		5.71	26.86%

Lastly, in 2022, we continued to monitor the scope of the actions that the Group can directly manage on the impact on the environment and the energy it directly requires for its activity (Scopes 1 and 2).

As a consequence of the above-mentioned increase in Scope 1, the cost that the carbon footprint generates for the Group's business due to the direct emissions required for its activity has also increased.

t CO ₂ eq. / €1m invoiced ⁷	
2022	2021
10.04	5.54

5.4.2.7. Other aspects

Protection of biodiversity

Due to PRISA's type of business and based on the analysis carried out in the Non-Financial Risk Map, it has been determined that the business activity has low impact on biodiversity because this activity is carried out in urban areas or industrial estates where there is a low risk of affecting biodiversity.

Food waste

Companies providing catering services at group facilities are now working with responsible management procedures to reduce food waste.

An initiative has been implemented at Prisa Media's Miguel Yuste offices to reduce food waste in the catering centre for employees. The *Last minute* programme has prevented 127 kg of food from ending its useful life cycle as waste.

⁷ Method of calculation: t of CO₂ eq. consolidated for scopes 1 (natural gas and diesel) and 2 (electricity) / Annual consolidated turnover (million €)

5.4.2.8. Environmental taxonomy

The European environmental taxonomy of sustainable finance is a classification of economic activities that contributes to achieving the environmental objectives of the European Union and allows investors to know objectively if an activity is sustainable or not.

Currently, the regulatory implementation only requires reporting of climate change mitigation and adaptation to it.

The regulatory framework of the Taxonomy is currently defined by the following regulations:

- Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investments.
- Delegated Regulation (EU) 2021/2139, which establishes technical selection criteria for determining the conditions under which an economic activity is deemed to make a substantial contribution to climate change mitigation or adaptation and for determining whether that economic activity does not significantly detriment any of the other environmental objectives.
- Delegated Regulation (EU) 2021/2178, which specifies the content and presentation of information to be disclosed by companies regarding environmentally sustainable economic activities and specifying the methodology for complying with the disclosure obligation.

As this regulation still being implemented, there is some degree of uncertainty regarding the application and interpretation of certain aspects of it.

Eligibility

- The proportion of total turnover in eligible and non-eligible economic activities according to the Taxonomy.
- The proportion of investments in capital expenditures (CapEx) in eligible and non-eligible economic activities according to the Taxonomy.
- The proportion of operating expenses (OpEx) turnover in eligible and non-eligible economic activities according to the Taxonomy.

Alignment

Non-financial entities will disclose the proportion of their activities aligned for adaptation and mitigation objectives. Here it is important to remember what is understood by "eligible activity" and "aligned activity":

- Eligible activity (reported in this report): any activity that has potential to contribute substantially to one or more of the environmental objectives defined by the EU Taxonomy Regulation (Delegated Regulation (EU) 2021/2139) in its annexes I (mitigation) and II (adaptation).

- Aligned activity: eligible activities that meet the requisites of a substantial contribution to at least one of the six objectives defined in the Regulation, that comply with the principle of doing no significant harm to the other objectives, and that comply with the minimum social guarantees in line with OECD Guidelines and the UN's Guiding Principles.

Scope of the report

In 2021, the Group made an eligibility analysis of the activities carried out, in accordance with the provisions of current regulations.

In 2022, this eligibility exercise has been reviewed, leading to a revision of the criteria applied in 2021.

Regarding compliance with the alignment criteria, the PRISA Group will carry out, as part of its Strategic Sustainability Plan 22-25, an evaluation of the exposure of its activity to the physical climatic risks in appendix A of Royal Decree 2021/2139 in order to be able to determine, as applicable, the alignment of the activities considered eligible.

Scope of the Taxonomy

As part of its continuous improvement exercise, in 2022 PRISA once again compared its main activities with the catalogue of activities published by the EU Taxonomy regulations.

Following the analysis made, based on the breakdown at accounting and management level of income and expenses for each of the three indicators considered key, a new eligible activity was identified that can contribute substantially to adaptation to climate change:

- 13.3 Cinema, video and television programme activities, sound recording and music publishing.
- 8.3. Radio and television scheduling and broadcasting activities.

Results

The analysis carried out is based on the accounting and management breakdown of the income, CapEX and OpEX items. The Group's consolidated information was used. The identification of items was based on corporate management control criteria.

Percentage of eligibility of the volume of business

This indicator shows the relative importance of the net business volume arising from products or services associated with economic activities contemplated by the Taxonomy over total net Income.

BUSINESS VOLUME (Net turnover)				Substantial contribution criteria		Do No Significant Harm (DNSH) criteria									
Codes	Economic activities (EUR thousands)	Absolute turnover (EUR thousands)	Share of turnover (%)	Climate change mitigation (%)	Climate change adaptation (%)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum guarantees (Y/N)	Taxonomy-compliant share of turnover (%)	Category (facilitating activity) (F)	Category (transition activity) (T)
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY															
A.1. Environmentally sustainable activities (that are taxonomy-compliant)															
Turnover from environmentally sustainable activities (that are taxonomy-compliant) (A.1)		244,930	28.9%	0%	100.0%	-	-	-	-	-	-	100.0%	-	-	-
8.3 Radio and television scheduling and broadcasting activities		240,638	28.4%	0%	100.0%	-	-	-	-	-	-	98.2%	-	-	-
13.3 Cinema, video and television programme activities, sound recording and music publishing		4,293	0.5%	0%	100.0%	-	-	-	-	-	-	1.8%	-	-	-
A.2. Activities eligible according to the taxonomy, but not environmentally sustainable (that are not taxonomy-compliant)															
Turnover from activities eligible according to the taxonomy, but not environmentally sustainable (that are not taxonomy-compliant) (A.2)		-													
Total (A.1 + A.2)		244,930	28.9%												
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY															
Turnover from activities not eligible according to the taxonomy (B)		601,289	71.1%												
Written press		153,854	18.2%												
Educational book publishing, online platform		447,435	52.9%												
Total (A + B)		846,219.4	100%												

CapEX eligibility percentage

Defines the proportion of CapEX (investments in fixed assets) that corresponds to assets or processes associated with economic activities covered by the Taxonomy.

CapEX				Substantial contribution criteria		Do No Significant Harm (DNSH) criteria									
Codes	Economic activities (EUR thousands)	Absolute CapEX (EUR thousands)	Share of CapEX (%)	Climate change mitigation (%)	Climate change adaptation (%)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum guarantees (Y/N)	Taxonomy-compliant share of turnover (%)	Category (facilitating activity) (F)	Category (transition activity) (T)
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY															
A.1. Environmentally sustainable activities (that are taxonomy-compliant)															
CapEX of environmentally sustainable activities (that are taxonomy-compliant) (A.1)		6,781	13.4%	0%	100%								100%	-	-
8.3 Radio and television scheduling and broadcasting activities		6,746	13.3%	0%	100%								99.5%	-	-
13.3 Cinema, video and television programme activities, sound recording and music publishing		35	0.1%	0%	100%								0.5%	-	-
A.2. Activities eligible according to the taxonomy, but not environmentally sustainable (that are not taxonomy-compliant)															
CapEX of activities eligible according to the taxonomy, but not environmentally sustainable (that are not taxonomy-compliant) (A.2)															
Total (A.1 + A.2)		6,781	13.4%	-											
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY															
Written press		4,333	8.5%												
Educational book publishing, online platform		39,585	78.1%												
CapEX activities not eligible according to the taxonomy (B)		43,918	86.6%												
Total (A + B)		50,699	100%												

OpEX eligibility percentage

Defines the proportion of OpEX (operating expenses) that corresponds to assets or processes associated with economic activities covered by the Taxonomy.

OpEX				Substantial contribution criteria		Do No Significant Harm (DNSH) criteria									
Codes	Economic activities (EUR thousands)	Absolute OpEX (EUR thousands)	Share of OpEX (%)	Climate change mitigation (%)	Climate change adaptation (%)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum guarantees (Y/N)	Taxonomy-compliant share of turnover (%)	Category (transition activity) (T)	Category (facilitating activity) (F)
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY															
A.1. Environmentally sustainable activities (that are taxonomy-compliant)															
OpEX of environmentally sustainable activities (that are taxonomy-compliant) (A.1)		203,102	28.9%	0.0%	100.0%								100.0%	-	-
8.3 Radio and television scheduling and broadcasting activities		198,724	28.3%	0.0%	100.0%								97.8%	-	-
13.3 Cinema, video and television programme activities, sound recording and music publishing		4,378	0.6%	0.0%	100.0%								2.2%	-	-
A.2. Activities eligible according to the taxonomy, but not environmentally sustainable (that are not taxonomy-compliant)															
OpEX of activities eligible according to the taxonomy, but not environmentally sustainable (that are not taxonomy-compliant) (A.2)															
Total (A.1 + A.2)		203,102	28.9%												
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY															
Written press		148,267	21.1%												
Educational book publishing, online platform		350,959	50.0%												
OpEX activities not eligible according to the taxonomy (B)		499,225	71.1%												
Total (A + B)		702,327	100%												

5.4.3. OUR VALUE CHAIN

The PRISA Group is aware that, in order to achieve true sustainability, it must manage and work towards a responsible value chain, with practices, policies and procedures that are in line with the environmental and social impact of the management of this matter by its suppliers.

In October 2022, PRISA's Board of Directors approved the Suppliers' Code of Ethics and Conduct, which indicates the behaviour expected of the Group's suppliers on matters of legislation, human rights, employment rights, business ethics, anti-corruption measures, environmental protection, and confidentiality and privacy.

All negotiation specifications include a reference to the obligation for suppliers to know and accept the Code, and the contracts signed with awarded suppliers have a clause expressly included requiring them to assume and comply with the strictest principles of responsibility, transparency and business ethics, and to declare that they are fully aware of the provisions of the Code of Conduct and Ethics for Suppliers currently in force and published on the Group's website www.prisa.es.

PRISA has a supplier approval procedure that establishes the guidelines on knowing, evaluating, and validating certain supplier capacities and conditions, prior a commercial relationship with any PRISA Group company being established and formalised.

The purpose of these guidelines is to implement a homogeneous, standardised, systematised, transparent and objective procedure for the identification, approval, and periodic evaluation of the suppliers with which the Group works, ensuring that the procedure to maintain them or include them in PRISA's value chain has conditions with full guarantees and the minimisation of any risks that could impact the Group's reputation.

In accordance with the standards established by PRISA, and aligned with the principles of the Global Compact, suppliers must respond to the request they receive from the Purchasing Department by providing information on their sustainability position in the following fields:

- Financial, tax and employment
- Human rights
- Environmental and quality management
- Occupational health and safety
- Compliance with current legislation in each country where it operates.

Those that correctly comply with the above procedure and keep the information updated are considered approved suppliers for the Group.

In 2022, 73% of the PRISA's Group suppliers have been approved in terms of environmental practices, employment practices, human rights and social aspects, the rate was similar to that of the previous year.

Due to the progressive migration of our businesses to digital formats, the demand for technological, energy and professional services is increasing, reducing the need for paper and printing. Therefore, the risks associated with waste management are decreasing and are continually monitored in the course of activity, so it is not planned to carry out an audit of the current supplier base in the medium term.

The company has set itself the objective of continuing its commitment to developing and generating a positive impact on its suppliers, promoting a local value chain, in line with the United Nations' Agenda 2030 and, in particular, with SDG 8 on decent work and economic growth.

In this respect, the objective is to maintain a consolidated allocation in each business grouping, over the next three years of more than 80% of the payments to be made to suppliers with a tax residence where the purchase and delivery of the product or service takes place.

Thus, in 2022, payments to suppliers for the entire PRISA Group amounted to 569 million euros, 91% of which were made to local suppliers (EUR 517 million). By Business Unit, Santillana and Prisa Media account for 91% and 90% respectively of their spending with local suppliers.

Payment to suppliers (EUR millions)	2022			2021			Local suppliers 2021-2022 annual variation	Total suppliers 2021-2022 annual variation
	Payments to local suppliers	Total payments to suppliers	% of payments to local suppliers	Payments to local suppliers	Total payments to suppliers	% of payments to local suppliers		
Corporate	11	13	87%	9	11	88%	20%	20%
Santillana	282	310	91%	241	265	91%	17%	17%
Prisa Media	223	247	90%	231	248	93%	-4%	-1%
Radio	115	119	97%	116	124	93%	0%	-4%
News	108	128	84%	116	124	93%	-7%	3%
Total	517	569	91%	482	523	92%	7%	9%

The average payment period to suppliers has been 71 days (63 days in 2021) in 2022.

5.5. SOCIAL IMPACT

PRISA is a leader in the creation and distribution of cultural, educational, informational and entertainment content for Spanish and Portuguese language markets. It aspires to use its leadership to generate a positive social impact. PRISA works towards social progress by contributing to the economy in the regions where it operates, through public participation, commitment to the Sustainable Development Goals, support for non-profit entities, and by responding to the demands of its users, readers, and listeners.

5.5.1. SHARED VALUE

5.5.1.1. Impact of the Group's activity on employment and local development

PRISA's direct impact on society is reflected in the value generated and distributed in 2022. The Group's direct contribution is a consequence of its business activity. Thus, it details its income and the expenses incurred, including payments to staff, associated with the contribution of value in the generation of employment.

EUR thousand	2022	2021
Economic value generated	861,738	754,085
Operating income	850,189	741,168
Interest income	5,562	11,513
Profit or loss under the equity method	5,986	1,404
Economic value distributed	860,772	743,198
Cost of materials used	410,215	360,208
Staff costs	297,882	307,945
Finance costs	132,226	60,444
Payment of taxes on profits	15,494	13,219
Dividends	4,955	1,381
Economic value retained	966	10,887

In 2022, the Group generated value of EUR 861,738 thousand and contributed distributed value of EUR 860,772 thousand, representing an increase of 14.3% on the value generated and 15.8% on the value distributed in 2021. Personnel expenses accounted for 34.6% of the total economic value distributed. This represents a high impact in terms of employment. PRISA is a dynamic group with a significant international presence, mobilising a diverse and multicultural workforce. It has 7,222 employees, most of them recruited locally where the Group operates. Therefore, it is an activating agent for employment and for social and economic development and growth in the different communities.

Prisa Media, with 3,786 employees, boosts the employment markets mainly in Spain, Colombia, Mexico and Chile, through the radio and press activity of its brands, and promotes the employability of university students through educational cooperation agreements with universities in their regions.

In Spain, it also collaborates with the FCT Job Training Centres, helping students from intermediate and higher-level training courses to improve their professional profile. It also collaborates with the Human Age Foundation for social and employment inclusion of people with disabilities. Currently, a scholarship is available in Barcelona aimed at helping to close the gap between the world of work and people with disabilities.

In Colombia, the Caracol broadcaster, together with the NGO Ayuda En Acción and Externado University, offers the 2022 *regional journalism scholarship*, "*there is a future, we leave our mark*", an initiative that stimulates regional journalism and offers one of the winners a journalism internship at their local broadcasting station.

Santillana, through its activity, boosts the economy in the educational sector in the regions where it operates and also boosts business in other sectors. In addition to the direct employment generated (3,395 employees), its main activity has a positive impact on creating indirect employment in the graphic industry and in printers, sales channels (bookshops/*e-commerce*), in the logistics and distribution sector and in the digital industry (platforms), and on the employability of other freelance professionals, such as authors, designers, editors, proofreaders, illustrators, etc.

The educational forums and events that Santillana organises to educate the educational community on new methodological, technological or socio-emotional trends also contribute to revitalising the industries associated with this type of activity, such as the marketing and restaurant sectors.

Santillana also promotes the development of local employment through initiatives like the company's programme of apprenticeships and internship in different areas of the company in Brazil. Currently, there are 11 apprentices and 8 interns. Its SFB educational system promotes student entrepreneurship through the Start SFB contest, which rewards innovative business projects, aided by mentors and an online project development platform.

In Ecuador, Santillana participates actively, through the Ministry of Employment, in the employability of people with disabilities, and it promotes "University Internships" and access to their first job for young people between 18 and 26 years of age. Mexico participates in job fairs organised by universities, and in government and private job exchanges. It also has talent seedbeds and supports micro-entrepreneurs in the distribution and sale of educational materials in the agreed-exchange-rate market.

5.5.1.2. Impact of the Group's activity on local populations and the territory

The impact on employment is complemented by the positive impact, beyond that of purely informative and educational content, that the activity of PRISA and its business units has on local populations. Numerous forums and events strengthen links and communication with *stakeholders*, especially with local audiences and educational communities, offering meeting spaces, information, training and knowledge on numerous topics.

In Santillana, 2022 saw the following notable advances in the promotion of sustainable development: Sustainable Development Goals incorporated across new educational content as of 2023; teacher training initiatives in this area; social projects impacting minorities and students in vulnerable situations; actions aimed at reducing our environmental footprint; and a greater institutional commitment to local and regional ESG entities in Latin America.

The Education business unit's commitment to sustainability is also channelled through the Santillana Foundation, which in 2022 continued to play a very relevant role in countries such as Brazil and Argentina in fostering debate and promoting inclusive and equal education.

Through its brands, Prisa Media works hard to raise awareness about social and environmental challenges, in its news content and in spaces dedicated to reflection and airing expert opinion. Initiatives like *Future Planet*, *Future America*, *Materia* and *Retina*, the social and climate pages and the gender correspondent of El País newspaper, the good governance section of Cinco Días newspaper and Cadena SER radio's news and programmes, are just some of the many windows engaging the public with current events from a sustainability perspective.

But it also mobilises people through the numerous forums and events held with collaborating or sponsoring entities, in a clear contribution to SDG 17, partnerships for the goals.


The future of work, geopolitical and economic trends, social and climate challenges, urban mobility, depopulated Spain, energy and digital transformation, sustainable finance and well-being are some of the main topics with an ESG element that are addressed, in addition to the commitment to humanitarian aid, equality and diversity.


In Colombia, the CARACOL-Radio W Foundation was created in November 2022, with the corporate purpose of encouraging, supporting, promoting, and developing activities, programmes and projects related to culture, social development, environmental protection, science and technology, business development, human rights and institutional strengthening.


5.5.1.3. PRISA Group's contribution to the SDGs


PRISA is firmly committed to sustainable development and to the United Nations' Agenda 2030.


PRISA's 2022-2025 Sustainability Master Plan (SMP) has seven priority Sustainable Development Goals (SDGs) for its activity: quality education (SDG 4); gender equality (SDG 5); decent work and economic growth (SDG 8); reduction of inequalities (SDG 10); responsible consumption and production (SDG 12); climate action (SDG 13); and peace, justice and strong institutions (SDG 16). Plus the cross-cutting SDG of partnerships for achieving the goals (SDG 17). In 2022, the Group developed multiple initiatives specifically aimed at contributing to the seven strategic objectives and SDG 17.


<p>SDG 4, Quality education</p>	
<p>Undoubtedly, one of the most significant SDGs, towards which PRISA's Santillana business unit makes a decisive contribution. Its commitment is to offer life opportunities through education, leading the transformation and the improvement of education centres in Latin America, offering students, teachers and schools a quality education that is inclusive and equal. The company stands as an ally of schools in meeting the challenge of educating on sustainable development. To this end, it contributes to teacher training, with specific courses on ESG, and to raising awareness in students, with contents that reflect the diversity of society and stimulate reflection on the great global challenges (social and environmental) in Agenda 2030.</p> <p>One of the SMP's key objectives is precisely to incorporate sustainable development in 100% of Santillana's new educational projects by 2025, already to reach 45% in 2023, with content on sustainability and the SDGs for students and teachers. Projects like <i>Amazement of Sharing</i>, for preschool and primary school pupils in Mexico, includes learning phases inspired by the SDGs to be worked on from an early age. In Colombia, <i>Actively Digital</i>, <i>Chrysalis</i> and <i>Set 21 Robotics</i> get students of different educational levels involved in constructing solutions to the problems and challenges posed by the different SDGs.</p> <p>Fostering reading is another area in which Santillana disseminates and raises awareness about sustainability, with more than 2,000 books for use in working on the SDGs. <i>Digital What-I-Read</i> includes activities to get students in touch with Agenda 2030 in a practical way.</p> <p>Also in 2022, an online mini-training course on SDGs was offered to 100% of the teachers registered on the <i>Training Paths</i> platform, reaching 6,152 people.</p>	


SDG 4, Quality education	
<p>In addition to raising awareness among students and teachers through content, Santillana's social action strategy seeks to respond to United Nations Target 4.5, which proposes to "eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations". The #VoyaSer programme, run in Peru and Guatemala, helps indigenous girls in vulnerable situations to complete secondary education and train in digital and social skills that help them in their personal and professional development. This initiative, developed in partnership with the Entreculturas Foundation and the Fe y Alegría education movement, was one of the good practices finalist in the Global Sustainability Week Awards in Spain.</p> <p>The Santillana Foundation also carries out actions to promote dialogue and reflection to promote a more equal, diverse and inclusive education. In 2022 alone, the activities and publications in Brazil reached close to 200,000 people. In Argentina, it has continued to contribute to the educational debate, with publications such as <i>50 teachers who are transforming Latin America</i>, and highlighting good practices with the VIVALectura Award.</p> <p>Prisa Media's impact on SDG4 in 2022 has been in the form of forums such as <i>El País with your future</i>, an educational meeting place focused on the world of work and professional development that gives career guidance to young people in their last year of secondary school and vocational training school. A total of 23 experts in artificial intelligence (AI), robotics, blockchain and cybersecurity explained their work to 975 students.</p> <p>Since 1986, PRISA has been involved with the UAM-El País School of Journalism, a non-profit foundation controlled in equal shares by the Autónoma University of Madrid and El País. Its main activity is the Master's degree in journalism, which had 69 students in 2022.</p> <p>In Colombia, W Radio took part again last year in the <i>Vamos Pa'lante</i> (Go Ahead) campaign, run by Los Andes University and five other universities in the country, to grant scholarships to support undergraduate students at risk of dropping out from their studies for economic reasons. In 2022, grants were given to 1,128 students.</p>	


SDG 5, Gender equality	
<p>In Santillana, awareness about equal opportunities and gender non-discrimination is raised through projects such as #VoyaSer, aimed specifically at girls, in a bid to stimulate female talent, providing tools for empowerment and personal and academic growth.</p> <p>The Sustainability Master Plan includes the creation of editorial guidelines to reinforce gender parity in the images and illustrations in educational content and so reflect the social reality of female representation.</p>	



SDG 5, Gender equality	
<p>Prisa Media, through the Cadena Dial radio station, continued with the campaign <i>Equal in Diversity. Really Free</i> in favour of a diverse society, with equal rights and opportunities. In 2022, it focused its actions on giving visibility to diverse gender identities and sexual orientations. Local radio is also very active on social and gender issues, with initiatives such as <i>Dialogues for equality</i> on Radio Bilbao. On ADN Chile, the podcast <i>Women in sport</i> makes known the stories of the country's leading women athletes, the disciplines in which they stand out, and their views of the future to inspire new generations.</p> <p>El País newspaper has had as gender correspondent since 2018, a pioneer in Spain and one of the first to cover this topic in the world, whose reporting focuses on defending women's rights and combatting gender violence. In November, the gender correspondent, Isabel Valdés, received the <i>Meninas 2022</i> award given by the Government Delegation in Madrid.</p> <p>Other forums, such as <i>Female Talent</i>, organised by El País, have provided an opportunity to reflect on leadership for social transformation and how to close the gender gap at the top of organisations.</p>	


SDG 8, Decent work and economic growth	
<p>In carrying out its activity, the Group stimulates local employment throughout its geographic sphere of influence in Spain and Latin America.</p> <p>Prisa Media held important economic and employment forums, such as the well-known <i>El país with your future</i> and <i>Work of the future and the future of work</i>, organised by Retina, on the need to train future generations to put innovation at the service of personal and social well-being.</p> <p>The <i>Cinco Días Awards for Business Innovation</i>, in their fifteenth edition, have become a key event in the business world, recognising the most innovative projects in the business sector, including a specific "more responsible initiative" category. Los <i>The Radio San Sebastián Excellence Awards</i> also recognise people, companies and institutions in Gipuzkoa with an outstanding record, some of them in the field of social impact.</p> <p>Cadena SER Euskadi, in its <i>Meetings, SDGs and the keys to sustainable development</i> series, dedicates a space to learning about what companies and other groups are contributing towards complying with Agenda 2030.</p>	


SDG 10, Reduced inequalities	
<p>Santillana develops different educational projects to promote the inclusion of students, regardless of their different abilities, gender, race or ethnicity. In addition to the #VoyaSer programme, aimed at indigenous girls in vulnerable situations, the Santillana Foundation in Brazil has created a podcast that addresses the need to move towards democratic education that combats ethnic and racial inequalities.</p> <p>In language teaching, a new digital reading programme, <i>Richmond iRead</i>, has been created for primary and secondary levels to help students with dyslexia improve their learning.</p> <p>The company is working on the project <i>Santillana Inclusive</i>, to be ready in 2023, which will implement effectively the principles of inclusiveness in schools. It includes curricular materials adapted to students of different abilities or functional diversity, and psycho-pedagogical guidance and advice to schools.</p> <p>At Prisa Media, initiatives have been carried out such as Radio SER's <i>Depopulated Spain</i>, a travelling event that every year visits at least 10 Spanish municipalities affected by depopulation, seeking to give them a voice and learn about success stories and different models of living.</p>	


SDG 12, Responsible consumption and production	
<p>Making society aware of responsible consumption is key to advancing sustainable development. Closely related to SDG13, Climate Action, Prisa Media does an extraordinary job of radio and press reporting, and in different forums for reflection. The <i>Global Cities</i> series, organized by El País, has addressed issues such as urban mobility and energy renovation, and <i>Depopulated Spain</i>, on Cadena SER, also discovers more sustainable models of consumption and rural life.</p> <p>Podium Podcast, PRISA's native podcast platform, was used in 2022 to launch <i>U-turn</i>, an audio branding podcast that tries to answer questions like what type of energy we should consume, where does what we eat come from, what impact do the brands we choose have on our environment, and what waste do we generate daily.</p> <p>Cadena SER's <i>Wellness Congresses</i> are also spaces for reflecting on the relationship between nature and well-being, on consumerism and our way of life, and the need for models that facilitate personal and emotional balance.</p>	

SDG 13, Climate action	
<p>Raising awareness about climate change and its consequences is an outstanding line of work in the different Prisa Media brands, with initiatives such as the <i>Ecosystem Now</i>, organised by El País, which aims to communicate commitment and action on the great challenge that we face as a society.</p>	

SDG 13, Climate action	
<p>Retina organised the second edition of the <i>Retina Eco Awards</i>, which rewards the best projects in the fight against climate change and in sustainability using technology.</p> <p>LOS40 radio station has continued in its firm commitment to caring for the planet, promoting actions in favour of the environment aimed at raising awareness in a young audience, which is especially sensitive to such causes. The <i>El Eco campaign on LOS40</i> proposes to carry out 40 initiatives combining music and ecology for radio station to promote sustainability, with actions such as <i>Eco Talk</i> and <i>Trash to Live</i>, which encompasses various initiatives to reduce and offset the waste generated at its festivals and concerts.</p> <p>The Cadena SER podcast, <i>Earth in sight</i>, and the Caracol radio programme in Colombia, <i>Planet Caracol</i>, are other examples. Caracol radio also supports the Climate Emergency Summit, of the Government of Antioquia, with information and advice to listeners on how to adopt practices that are responsible to their environment.</p> <p>Especially important for Santillana is Target 13.3, which proposes to "improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning." To this end, it has launched initiatives such as the workshop held in Puerto Rico on hurricanes and their impact, from the perspective of learning and community self-management, aimed at teachers and families. Also of note is Santillana Honduras's participation in the <i>Climate Friendly Schools</i> project, in which students from different schools learned over a period of two months about energy saving, about the 3 Rs (reduce, reuse and recycle) and how to act in the event of a natural disaster. They planted more than 2,500 trees and built models from reusable materials, which were exhibited at the Recycling Fair and Recyclathon 2022.</p>	
SDG 16, Peace, justice and strong institutions	
<p>Prisa Media's media outlets have the vocation and mission to offer daily reporting that is full and truthful, current and of high quality, in order to help readers, listeners and users to understand the reality they live in and to form their own criteria.</p> <p>In 2018, El País joined The Trust Project an initiative that was launched with the aim of strengthening public trust in the media through greater transparency and accountability. By creating a set of trust indicators and digital standards, this project aims to identify and prioritise quality information from rigorous media.</p> <p>In 2022, the Group participated in a newly created forum, the Observatory of Information Governance and Transparency in the digital age, which was created to promote a culture of governance and information transparency among the main information media companies in Spain and Latin America.</p>	

SDG 16, Peace, justice and strong institutions	
<p>The Group, fronted by Cadena SER radio and El País newspaper, condemned the war against Ukraine from the start and determined to offer the best reporting coverage, with a significant deployment of reporting staff on the ground. In addition, it has granted advertising space to the Emergency Committee, which has implemented its fundraising protocols to support the actions of member NGOs following the attacks on Ukraine.</p> <p>Prestigious awards, like the Ortega y Gasset Journalism Awards, created in 1984 by El País, highlight the best journalistic works, originally published in Spanish, during the previous year, which exemplify defending freedoms, independence and rigour as virtues of the profession. The 39th edition of the awards recognised two reports supportive of victims of the abuse of power, a photograph that captured the pain caused by cancer and of hope in the face of the disease, and the career of two journalists who died to the honour of the best values of the profession. The Ondas Awards , after 68 editions, maintain their objective of recognising and promoting radio, music and television productions that contribute innovative elements and improve the audience experience. 2022 saw another record level of participation, with 559 candidates from 15 countries.</p> <p>Forums, such as Retina's Trends, <i>Ideas for a brand new world</i>, or SER's Conversation, have had an impact on SDG16, as have Caracol Radio's Challenges to Democracy series and ADN's Constituent Citizen podcast in Chile, where constitutional experts answered questions about the country's new constitution.</p>	

SDG17, Partnerships for the goals	
<p>Although many of the actions and events carried out in the Group had the participation of other companies or entities, in 2022 the Group strengthened its institutional support for Agenda 2030 and increased its participation in prominent forums and relevant organisations in the area of ESG. The Group is a member of the United Nations Global Compact, forming part of the Executive Committee of its Spanish Network, and is committed to the Ten Principles promoting human rights, the fight against corruption, employment rights and care for the environment.</p> <p>At the UN General Assembly held in Madrid, Spain, in June, Sanda Ojiambo, Assistant Secretary-General and CEO of the United Nations Global Compact, gave PRISA the Contigo Somos+ award, for attracting new members to the Spanish network and for disseminating the Sustainable Development Goals (SDGs) through the campaign #apoyamoslosODS.</p> <p>Other important steps were Santillana Educação y Moderna joining the Brazilian network of the UN Global Compact, and the alliances generated in Santillana Argentina by its participation in the UNESCO Master Class on Education for Sustainability and Global Citizenship, held at the University of San Andrés.</p>	

SDG17, Partnerships for the goals	
<p>The Group forms part of the SERES Foundation and is a member of Forética, both leading organisations in sustainability and corporate social responsibility in Spain. In the latter, in 2022, the Group took part in the Social Impact and Transparency, Good Governance and Integrity clusters, and was as a media partner in the "JOBS 2030 - Future of Work" project, an initiative that seeks to advance sustainable growth in society by ensuring diversity and inclusion in the workplace.</p> <p>In the field of education, PRISA is a patron of the following: the CYD Knowledge and Development Foundation, which analyses and promotes the contribution of universities to Spain's economic and social development; the Princesa de Girona Foundation, which supports young people in their career and personal development; and the FAD Youth Foundation, of which it is a founding patron and member of its media committee, which promotes the personal and social development of teenagers and young people through education in positive attitudes and the prevention of social risk behaviour.</p> <p>In the field of innovation, research and development, PRISA Group is a founding trustee of Fundación Pro CNIC (National Centre for Cardiovascular Research) and helps disseminate its campaigns. It also supports the Carolina Foundation in educational and scientific matters.</p> <p>In defence of democratic principles and development of the information society, PRISA collaborates with the Hermes Foundation, and, in 2022, it became part of a newly created forum, the Observatory of Information Governance and Transparency in the digital age, created to promote a culture of governance and information transparency among the main information media companies in Spain and Latin America.</p> <p>In its commitment to combat climate change, the Group partners with the World Wildlife Fund (WWF), the largest independent international organisation that advocates for nature and the environment. Since 2009, it has supported Earth Hour, contributing to SDG 13, Climate Action.</p> <p>It is also a media partner of the Emergency Committee, made up of five NGOs (Action Against Hunger, Doctors of the World, Oxfam Intermón, Plan International and World Vision) that channel the solidarity of citizens and companies in major humanitarian emergencies, such as the roll-out of support for victims of the war in Ukraine.</p> <p>Finally, in the field of distinctions and recognitions, for the third consecutive year, Santillana Honduras has renewed its FUNDHARSE certification as a socially responsible company (SRC), awarded to companies in the country that demonstrate a major commitment to society.</p>	

5.5.2. SOCIAL ACTION

The Group's social action is carried out across the business units, according to their local or regional scope of activity. In total, in 2022 PRISA made contributions to foundations and non-profit entities of EUR 5,983 thousand, 61% more than in the previous year (EUR 3,717 thousand in 2021).

By type of contribution, 96% were in kind (89% in 2021). Santillana contributes mainly with educational materials, graded readers, and computers, while Prisa Media provides its advertising space as a support for raising awareness.

Contributions to foundations and non-profit organisations by business unit (thousands of Euros)	Total amount of monetary contributions	Total amount of contributions in kind	Total amount of contributions	Total amount of contributions 2021
Corporate	135	271	406	316
Santillana	92	1,341	1,433	661
Prisa Media	33	4,113	4,145	2,740
Prisa Media - Radio	33	1,641	1,674	690
Prisa Media - News	0	2,471	2,471	2,050
PRISA Group Total	260	5,723	5,983	3,717

The value in Spain of this advertising space on the radio and in the Prisa Media press to social entities was over EUR 4 million at market rates, thus accounting for 73% of the company's total contributions in kind. It should be noted that this positive performance (10% increase vs. 2021) means compliance with one of the ESG objectives linked to the refinancing of Prisa.

The reactivation of cultural activity after the pandemic, the contributions associated with the humanitarian emergency campaign due to the war in Ukraine, as well as new agreements reached with entities, such as the FAD Youth Foundation or the Association Against Cancer (AECC), are the main reasons for this increase in social support.

The selection of organisations benefiting is based on criteria such as their reputation, prestige, transparency and solvency, and that their social purpose and activity are in line with the policies of the Group. Contributions to political parties or their foundations are prohibited, as are those to any organisation which is contrary to the values and principles of the company's Code of Ethics.

In 2022, the organisations and campaigns supported by Prisa Media contributed to SDG 10 (Reduced Inequalities), SDG 4 (Quality Education), SDG 5 (Gender Equality) and SDG 16 (Peace, Justice, and Strong Institutions).

In the case of Santillana, the value of its contributions in kind of textbooks, graded readers and other educational materials is over EUR 1.3 million at cost price, which accounts for 93.6% of its total contributions to non-profit organisations. The associations, foundations and NGOs with which it collaborates are mainly related to the education of children in situations of vulnerability, contributing to SDG 4 (Quality Education) and SDG 10 (Reduced Inequalities).

Business unit	N° of entities in 2022	N° of entities in 2021
Prisa Media	59	26
Santillana	28	19
Corporate	9	7
Total	96	52

Below is a breakdown by country and business unit of the contributions in thousands of euros made during 2022.

Contributions to foundations and non-profit organisations broken down by country and business unit (thousands of euros)	Prisa Headquarters	Santillana	Prisa Media	PRISA Group Total
Spain	406	62	3,832	4,301
Brazil	-	17	-	17
Ecuador	-	10	-	10
Panama	-	47	-	47
Chile	-	1	312	313
El Salvador	-	-	-	-
Guatemala	-	9	-	9
Colombia	-	-	-	-
Honduras	-	-	-	-
Mexico	-	1,259	-	1,259
Paraguay	-	3	-	3
Peru	-	20	-	20
Puerto Rico	-	4	-	4
Total	406	1,433	4,144	5,983

5.5.3. COMMUNICATION WITH OUR CUSTOMERS AND USERS

Transparency and commitment to quality in the supply of services are the pillars of PRISA's relationship with its customers, readers, listeners, and other consumers (teachers, students or parents of students in the case of Santillana).

So that they can send their complaints to the Group, the company provides them all with communication channels, such as the Whistleblower Channel for third parties, accessible on the corporate website, and the business units establish specific channels in each country for the same purpose.

In Spain, Prisa Media has a Customer Service Centre where the communication channel with press subscribers is maintained and managed, and from which incidents are handled via chat, calls or e-mail.

In 2022, there were 15,662 incidents, (13,561 in 2021) 86.6% of which were administrative or logistical incidents - mostly related to the use and enjoyment of subscriptions - and the rest were technical in nature. The Customer Service Centre resolves incidents directly or manages resolution with the end suppliers of the services or products. When necessary, incidents are referred to other departments, as in the case of data protection requests, which are sent to privacidad@prisa.com.

In addition, El País has a Reader's Ombudsman. This role, established in 1985, protects readers' interests, attends to their complaints, and verifies compliance with standards in the *Style Guide*.

The creation of a similar role, the Listener Ombudsman, in Cadena SER radio is planned for 2023.

The Group's stations have mailboxes where the public can send comments or suggestions, spaces for comments on the web and in the *app* download stores, channels for participation via audio, text or chats on YouTube, and the *Participate Button* on the Cadena Dial, Cadena SER and Radiolé stations.

Santillana's activity in all countries is aimed at schools, bookshops, distributors, and the end consumer. Each country has a variety of communication channels, which collect complaints and claims related to product delivery times, printing or publishing errors, prices, product volume, scope of products and services and the operation of platforms. In 2022, 1,689 communications of this type were received and processed⁸.

The Group's businesses, activities, and investments in the area of education, radio and press are subject to a regulatory framework that is specific to the sectors where these businesses are run. Except for press business or some activities in the area of education, where there is a direct relationship with the consumer or user, the General Spanish Law in Defence of Users and Consumers (Spanish Royal Legislative Decree 1/2007 of 16 November, as revised by Spanish Law 3/2014 of 27 March) is not applicable.

5.6. FINANCIAL PERFORMANCE

The PRISA Group carries out its business activities seeking maximum profitability for its shareholders and investors without neglecting its social commitment and its fiscal responsibility wherever it operates. The Group thus fosters the trust of the stakeholders most affected by its financial performance, through transparency and timely compliance with its obligations.

5.6.1. SHAREHOLDERS

The main shareholders of PRISA Group's share capital are Joseph Oughourlian (through Amber Capital UK LLP), Vivendi, Rucandio, Global Alconaba, Shk., Dr. Khalid Bin Thani Bin Abdullah Al-Thani (through International Media Group), Roberto Alcántara Rojas (through Consorcio Transportista Occher SA), Banco Santander, Control Empresarial de Capitales and Carlos Fernández. The *free float* of the company is approximately 20%.

Global Alconaba entered as a shareholder in the company in 2022 with a 7.076% stake of the share capital, which stands at 6.77% of share capital after the capital increase carried out in June 2022. Global Alconaba acquired this stake from Telefónica SA, which with this operation closed the year with a 1.869% stake in PRISA's share capital.

In May 2022, Prisa Media acquired the remaining 20% of the share capital of Prisa Radio that was held by the Godó Group.

PRISA's shares are listed on the Spanish stock exchanges of Madrid, Barcelona, Bilbao and Valencia through the Spanish Stock Market Interconnection System (SIBE).

⁸ In 2022, the reporting criteria for complaints and claims received by Santillana have been changed: administrative and technical incidents have been excluded from the calculation as they are not part of the information requirements of Law 11/2018.

At December 31, 2022, the share capital of Prisa was EUR 74,065 thousand, represented by 740,650,193 ordinary shares, all belonging to the same class and series, with a par value of EUR 0.10 each, fully paid up and with identical rights.

In July 2022, PRISA's Board of Directors agreed to terminate the American Depositary Shares (ADS) programme on PRISA ordinary shares, which had been traded on unorganised markets (*over the counter* - OTC) in the United States since September 2014.

5.6.1.1. Communication with shareholders and investors

PRISA has a policy on information, communication and contacts with shareholders and institutional investors and proxy advisors, and with a series of information channels for the disclosure of economic-financial, non-financial and corporate information to these groups.

The CNMV website (www.cnmv.es) is one of the main general channels for information about the company. The company communicates information through it that, under current legislation, is considered privileged or relevant, as well as any other economic-financial, non-financial and corporate information required by applicable legislation.

The corporate website (www.prisa.com) has a specific "Shareholders and investors" section with all the information required by the Capital Companies Act and by stock market regulations, and the legally required information related to calling and holding general shareholders' meetings and the resources to promote participation. It also retransmits via *streaming* the company's regularly held meetings and presentations of financial results.

The company regularly organises informative meetings on the progress of the company and the Group, and on other aspects of interest to analysts and institutional investors (*roadshows*) in important financial centres in Spain and other countries, which are attended by the CEOs and other executives of the organisation.

In these informative settings, the company takes special account of the rules on processing privileged information and other relevant information, and relations with shareholders and with the markets provided for in law and in the company's internal regulations (in particular, the Rules of Procedure of the Board of Directors, the internal regulations on conduct in matters relating to securities markets and the Code of Ethics).

In the event that the information generated in the company may be classified as privileged information or other relevant information, a communication of in this regard will be sent to the CNMV in advance through the authorised interlocutors designated by the company for this purpose.

Information pending communication to the CNMV may not be disseminated by any other means before it has been published on its website. The content of any information disseminated to the market through any channel of information or communication other than the CNMV must be consistent with the information sent to the CNMV.

At organisation level, the Investor Relations Department (integrated in the Investor Relations Department, which reports, in turn, to the company's Economic-Financial Department) mainly attends to analysts and institutional investors, and the information that provided is fundamentally linked to the management and financial results of the company, as well as its progress in the markets. This department also deals with any questions that may be asked by retail shareholders about the share's evolution in the markets.

In 2022, a total of 86 meetings with shareholders and investors were held. Direct meetings, seminars organised by third parties and two *roadshows* held in London and Barcelona have all contributed to this figure. However, a highlight was the first ever "Capital Markets Day" (CMD) event to be held in the company's history, in which PRISA presented its Strategic Plan for the 2022-2025 period. A face-to-face and virtual event for investors and analysts who regularly follow the company's activity.

This milestone and the all the work done by the department was rewarded with the Spanish Association for Investor Relations' award for the small cap in Spain that has most improved its Investor Relations programme. This recognition gives impetus to the area's objectives for the future: to offer content with more financial detail and that is easier for its users to understand, and to continue improving communication on sustainability to give visibility to the company's progress and improve its presence in sustainability indices.

The Shareholders' Office (part of the Board of Directors Secretariat) mainly attends retail shareholders and provides information on company corporate governance matters (how to access the available information, guidance on the corporate website, issues related to general shareholders' meetings, etc.).

The Department of Communication and Institutional Relations, among other functions, prepares and distributes press releases to the media with news about the company or its business group, and deals with queries, suggestions, and complaints. It also uses social networks as a vehicle to release news about the company or its business group.

The company has a complaints channel, accessible on the corporate website, for all PRISA stakeholders. This can be used to lodge complaints about any possible irregularity or non-compliance related to bad financial, accounting, commercial or regulatory compliance practices committed by Group employees or companies. This is a channel of confidential communication between stakeholders and the Audit, Risk and Compliance Committee and management of the company.

5.6.1.2. General Shareholders' Meeting

Within the framework of the company's General Shareholders' Meeting, one of the Board of Directors' objectives is to promote the informed and responsible participation of shareholders and to adopt all the appropriate measures and guarantees to facilitate the general meeting's effective exercise of the functions assigned to it by the law and by the company's corporate governance regulations. The measures to be adopted by the Board of Directors are the following:

- i. It will ensure that all information required under current regulations is made available to shareholders.

- ii. It will endeavour to ensure that all information of interest is made available to shareholders.
- iii. It will respond to shareholders' requests for information made prior to the General Shareholders' Meeting.
- iv. It will respond to shareholders' questions at the General Shareholders' Meeting.

The Board of Directors promotes use of the corporate website to facilitate the exercise of shareholders' rights of information and participation when General Shareholders' Meetings are called. It also makes available a tool for shareholders to request information, delegate their representation and vote remotely.

From the time when the General Shareholders' Meeting is called until it is held, the Shareholders' Office offers guidance to shareholders on the different procedures to exercise their corresponding rights. Shareholders representing at least 3% of share capital may:

- a) Request that a supplement to the call of the ordinary General Shareholders' Meeting be published, including one or more items on the agenda of the call, provided that the new items are accompanied by a justification or, as the case may be, a proposed resolution with an explanation.
- b) Submit reasoned proposals on matters already included, or for matters to be included, on the agenda of the call of a General Shareholders' Meeting.

Public proxy solicitations made by the Board of Directors or by any of its members must justify in detail what way the representative will vote in the event that the shareholder does not issue instructions and disclose any conflicts of interests that may exist.

5.6.2. FISCAL POLICY

PRISA Group is committed to the principles of responsibility, prudence, and transparency in fulfilling its tax obligations and in its relations with the tax authorities.

In line with these commitments to sustainable development, responsibility and transparency, its tax strategy aims to comply with tax regulations in all the territories in which it operates and the guiding principles of good tax governance, collaborate with the tax administrations of the jurisdictions where we operate, contribute to minimising the tax risks that may arise from its activity and ensure responsible tax behaviour with its stakeholders. This must all be done without detriment to the generation of shareholder value, avoiding tax risks and inefficiencies in the execution of business decisions and ensuring good corporate governance.

In this context, in accordance with the provisions of the Capital Companies Act, the maximum responsibility for tax matters in PRISA Group lies with its Board of Directors, with the support of the Audit, Risk and Compliance Committee.

Thus, PRISA Group has a tax strategy that was approved by the Board of Directors in 2015, which sets out the organisation's values, the principles of the strategy, good tax practices and the guidelines for its implementation and communication. Reinforcing the fiscal strategy, the organisation has a manual on the functions of the model of prevention and detection of crimes.

The following table shows a breakdown of the consolidated profit before tax for 2022 included in the consolidated financial statements, distributed by country.

Profit or loss before tax, distributed by country (consolidated profit before tax for 2022 included in the consolidated financial statements and distributed by country)	EUR thousand
Brazil	1,782
Chile	6,202
Colombia	6,820
Mexico	15,604
Guatemala	3,714
Dominican Republic	3,413
Ecuador	5,805
Bolivia	2,962
Peru	(560)
Portugal	(721)
Argentina	3,255
Spain	(62,377)
Costa Rica	756
Honduras	2,931
Panama	813
Paraguay	286
Other countries	6,870
Total	(2,985)

The following table details the amount of income tax paid in 2022, which amounts to EUR 15,494 thousand.

Tax paid on profits, by country*	EUR thousand
Brazil	5,792
Chile	1,468
Colombia	221
Mexico	3,366
Guatemala	1,071
Dominican Republic	1,958
Ecuador	62
Bolivia	466
Peru	-
Portugal	(229)
Argentina	1,071
Spain	(563)
Costa Rica	38
Honduras	290
Panama	68
Paraguay	-
Other countries	415
Total	15,494

* The figures in brackets indicate profits.

In Spain, Promotora de Informaciones, S.A. files consolidated tax returns as permitted by the Spanish Corporation Tax Law. It is the Parent of tax group number 2/91, which includes all subsidiaries that meet the requirements established in the legislation governing the taxation of the consolidated profit of corporate groups.

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

The reconciliation between the consolidated accounting profit and the consolidated tax at the general tax rate in force in Spain is shown in the following table, followed by a brief explanation of the main adjustments applied to determine the taxable basis of the various Group companies.

Finally, subsidies received in the Group represent 0.3% of total operating revenues.

	Income statement	
	2022	2021
Result before tax from continuing operations	(2,985)	(81,566)
Taxation of continuing activities*		
Rate of 25%	(746)	(20,391)
Consolidation adjustments	(6,538)	(1,881)
Temporary differences	5,031	2,375
Permanent differences (1)	6,940	18,711
Tax loss carryforwards	(308)	(69)
Tax credits and tax relief	74	(111)
Effect of non-activation of tax income (2)	10,364	17,010
Effect of applying different tax rates (3)	(4,543)	3,746
Current corporation tax expense	10,454	19,390
Deferred tax expense on temporary differences	(5,031)	(2,665)
Pre-tax on profits	5,423	16,725
Adjustment of prior years' tax (4)	(1,391)	(1,042)
Foreign tax expense (5)	3,354	3,456
Employee profit sharing (6)	2,153	1,096
Adjustments to consolidated tax	744	734
Corporation tax TOTAL	10,283	20,969

* The figures in brackets of continuing activities indicate profits.

- (1) The permanent differences arise mainly from:
 - the different accounting and tax criteria for recording expenditure derived from certain provisions and certain assets,
 - non-deductible expenses,
 - the negative off-balance sheet adjustment for the merger tax difference, attributable to 2018, arising from the merger of Promotora de Informaciones, S.A. and Prisa Televisión, S.A.U. (merger by absorption described in Note 17 of the Notes to the Financial Statements of Promotora de Informaciones, S.A. for 2013), and applying the requirements of the then current article 89.3 of the Tax Law to give it tax effect.
 - 5% taxation of dividends
 - a negative adjustment arising from the recovery for tax purposes of one-tenth of the amount adjusted in prior years as a result of the limitation on the deductibility of write down expense.
 - the limitation on the deductibility of financial expenses provided for in Article 16 of the Spanish Corporate Company Tax Act.
- (2) This relates to the effect of companies that have not recognised a deferred tax asset because they accrued losses in the year.
- (3) This relates to the effect of taxation of profits from American subsidiaries at different rates.

Content required under Law 11/2018 of December 28					
Information required under Law 11/2018	Materiality	Section in report or document providing a response	Connection to GRI indicators	Principles of the Global Compact	Sustainable Development Goals*
General information					
a) A brief description of the Group's business model, including its business environment, organization and structure, the markets in which it operates, objectives and strategies and the main factors and trends that could affect its future evolution.	Material	5.2. PRISA, a global leader in education and information 5.2.1. Business model 5.2.2. Business strategy 5.2.3. Sustainability strategy 5.3.1. Governance bodies	GRI 102-1 GRI 102-2 GRI 102-4 GRI 102-6	-	SDGs 8, 16
b) A brief description of the policies applied by the Group in relation to these issues, including the due diligence procedures applied to identify, assess, prevent and mitigate risks and significant impacts and verification and control, including the measures adopted.	Material	Throughout the Statement of Non-Financial Information (5.3.2. Risk management 5.4.2. Environmental commitment 5.3.4. Compliance and business ethics > Fight against corruption and bribery 5.3.5. Respect for Human Rights 5.5. Social Impact)	Indicators contemplated in the Statement of Non-Financial Information in relation to economic, social and environmental aspects		
c) The results of these policies, including the key indicators of significant non-financial results that make it possible to monitor and assess progress and promote comparability between companies and sectors, pursuant to Spanish, European and international frameworks of reference used in each field.	Material	Throughout the Statement of Non-Financial Information (5.3.2. Risk management 5.4.2. Environmental commitment 5.3.4. Compliance and business ethics > Fight against corruption and bribery 5.3.5. Respect for Human Rights 5.5. Social Impact)	Indicators contemplated in the Statement of Non-Financial Information in relation to economic, social and environmental aspects		
d) The main risks related to these issues corresponding to the Group's activities, including, where applicable and proportionate, their commercial relations, products and services that may have negative impacts on these fields, and how the Group manages these risks, explaining the procedures used to detect them and assess them pursuant to Spanish, European and international frameworks of reference used in each field. Information must be included on the impacts detected, offering a breakdown of them, in particular the main risks in the short, medium and long term.	Material	5.3.2. Risk management	GRI 102-15		
Reporting framework used and the principle of materiality	Material	5.1. About this report 5.2.3. Sustainability strategy 5.2.3.3. Materiality	GRI 102-43		

Content required under Law 11/2018 of December 28						
Information required under Law 11/2018		Materiality	Section in report or document providing a response	Connection to GRI indicators	Principles of the Global Compact	Sustainable Development Goals*
Environmental matters						
Environmental management	Detailed information on the actual and foreseeable effects of the company's	Immaterial	5.4.2. The environment	Immaterial	Principle 7. Businesses should support a precautionary approach to environmental challenges.	SDGs 3, 6, 7, 8, 11, 12, 13, 15
	Environmental certification or assessment procedures	Immaterial		Immaterial		
	Resources dedicated to environmental risk prevention	Immaterial		Immaterial		
	Use of the principle of precaution	Immaterial		GRI 2-22		
	Provisions and guarantees for environmental risks	Immaterial		GRI 2-23		
Pollution	Measures to prevent, reduce or repair carbon emissions that have a serious impact on the environment; taking into consideration any form of atmospheric pollution specific to an activity, including noise and light pollution	Immaterial	5.4.2.7. Other aspects	GRI 305-1	Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	
				GRI 305-2		
Circular economy, prevention and waste management	Prevention measures, recycling, reuse, other ways of recovering	Material	5.4.2.4. Economía circular y gestión de residuos	GRI 306-2	Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	
	Actions to combat food waste	Immaterial	5.4.2.7. Other aspects	Indicador no material		
Sustainable use of resources	Consumption of water and supply of water in line with local limits	Material	5.4.2.5. Responsible consumption of resources	GRI 303-1	Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	
				GRI 303-5		
	Consumption of raw material	Material		GRI 301-1		
	Measures adopted to improve their efficient use	Material		GRI 301-3		
	Direct and indirect consumption of energy	Material		GRI 302-1		
	Measures taken to improve energy efficiency	Material		GRI 302-2		
Use of renewable energy	Material	GRI 302-4				

Content required under Law 11/2018 of December 28						
Information required under Law 11/2018		Materiality	Section in report or document providing a response	Connection to GRI indicators	Principles of the Global Compact	Sustainable Development Goals*
Climate change	The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of goods and services it produces	Material	5.4.2.6. Fight against climate change	GRI 305-1	Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	SDGs 3, 6, 7, 8, 11, 12, 13, 15
	Measures adopted to adapt to the consequences of climate change;	Material		GRI 305-2		
	Medium and long-term reduction milestones defined voluntarily to reduce	Material		GRI 305-4		
		GRI 201-2				
Protection of biodiversity	Measures taken to preserve or restore biodiversity	Immaterial	5.4.2.7. Other aspects	Indicador no material	Principle 7. Businesses should support a precautionary approach to environmental challenges.	
	Impact caused by activities or operations in protected areas	Immaterial		Indicador no material		
Social factors and those in relation to staff						
Employment	Total number and distribution of employees by gender, age, country and professional category	Material	5.4.1. Our people 5.4.1.1. Employment	GRI 2-27	Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation	SDGs 3, 4, 5, 8, 10, 16
	Total number and distribution of contract types	Material		GRI 2-27		
	Annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional category	Material		GRI 2-27 GRI 405-1		
	Number of dismissals by gender age and professional category	Material		GRI 401-1		
	Average remuneration and its evolution broken down by gender, age and professional category or equal value; salary gap, remuneration of the same or average positions in society,	Material		GRI 405-2		
	Average director remuneration, including variable remuneration, subsistence benefits, allowances, payments to long-term savings benefit systems and any other payment, broken down by gender	Material		GRI 405-1		
	Implementation of policies for the disconnection from work	Material				
	Employees with disabilities	Material		GRI 405-1		

Content required under Law 11/2018 of December 28						
Information required under Law 11/2018		Materiality	Section in report or document providing a response	Connection to GRI indicators	Principles of the Global Compact	Sustainable Development Goals*
Environmental matters						
Organization of work	Organization of work time	Material	5.4.1.3. Work-life balance and flexible working arrangements	GRI 403-9	Principle 4. Businesses should uphold the elimination of all forms of forced and compulsory labor.	SDGs 3, 4, 5, 8, 10, 16
	Number of hours of absence	Material				
	Measures aimed at facilitating a work/life balance being achieved and promoting joint responsibility between parents	Material		GRI 401-3	Principle 5. Businesses should uphold the effective abolition of child labor.	
Health and safety	Health and safety conditions in the workplace	Material	5.4.1.6. Health and wellbeing	GRI 403-1 GRI 403-4		
	Occupational accidents, in particular their frequency and severity, in addition to professional illnesses; broken down by gender	Material		GRI 403-9 GRI 403-10		
Social relations	Organization of the social dialog, including procedures for informing and consulting staff and negotiating with them	Material	5.4.1.2.Social relations	GRI 403-1	Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	
	Percentage of employees covered by collective bargaining agreements by country	Material		GRI 2-30		
	Balance of collective agreements, in particular in the field of occupational health and safety	Material		GRI 403-4 GRI 403-9		
Training	Policies implemented in the field of training	Material	5.4.1.4. Talent management and development	GRI 404-2 GRI 404-3	Principle 4. Businesses should uphold the elimination of all forms of forced and compulsory labor. Principle 5. Businesses should uphold the effective abolition of child labor.	
	Total amount of hours training by professional categories	Material		GRI 404-1	Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation	

Content required under Law 11/2018 of December 28						
Information required under Law 11/2018	Materiality	Section in report or document providing a response	Connection to GRI indicators	Principles of the Global Compact	Sustainable Development Goals*	
Environmental matters						
Equality	Measures adopted to promote equal treatment and opportunities between men and women	Material	5.4.1.5. Diversity and equality	GRI 405-1	Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation	SDGs 3, 4, 5, 8, 10, 16
	Equality plans (Chapter III of Organic Law 3/2007, of March 22, for the effective equality of men and women), measures adopted to promote employment, protocols against	Material				
	Integration and universal accessibility of people with disabilities	Material				
	Policies against all forms of discrimination and, as applicable, the management of diversity	Material				
Respect for human rights						
Application of due diligence procedures in relation to human rights; prevention of risks of human rights being violated and, as applicable, measures to mitigate, manage and repair possible abuses committed; reports of cases of human rights being violated; promotion and compliance with the provisions of the main conventions of the International Labor Organization in relation to respect for the freedom of association and the right to collective bargaining; the elimination of discrimination in employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labor	Material	5.3.4. Compliance and business ethics 5.3.5. Respect for Human Rights	GRI 2-23 GRI 202-2 GRI 406-1 GRI 407 GRI 408 GRI 409	Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights. Principle 2. Businesses should make sure that they are not complicit in human rights abuses.	SDGs 5, 8, 10 16	
Fighting corruption and bribery						
Measures adopted to prevent corruption and bribery; measures to combat money laundering, donations to non-profit organizations and foundations.	Material	5.3.4.1 Fight against corruption and bribery 5.3.5. Respect for Human Rights 5.5.2. Social impact	GRI 2-26 GRI2-27 GRI 205-2 GRI 205-3 GRI 413-1; 406-1	Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	SDGs 8, 16	

Content required under Law 11/2018 of December 28					
Information required under Law 11/2018	Materiality	Section in report or document providing a response	Connection to GRI indicators	Principles of the Global Compact	Sustainable Development Goals*
Information for society					
– Corporate commitments to sustainable development: the impact of the company's activities on local development and employment; the impact of the company's activity on local populations and in the area; relations with the stakeholders in local communities and the different forms of dialog with them; association or sponsorship actions.	Material	5.5. Social Impact 5.5.1. Shared Value 5.5.2. Social Action	GRI 2-23 GRI2-29 GRI 2-28 GRI 413-1		SDGs 4, 5, 8, 10, 13, 16, 17
Outsourcing and suppliers	inclusion of social, gender equality and environmental issues in the procurement policy	5.4.3. Our value chain	GRI 2-6		SDGs 5, 8, 12, 13, 16
	Consideration of environmental and social responsibility in relationships with suppliers and subcontractors		GRI 308-1		
			GRI 204-1		
Supervision and audit and results thereof	Material		GRI 414-1		
			GRI 308-2		
			GRI 414-2		
– Consumers: measures for the health and safety of consumers; complaint systems, claims received and their resolution.	Material	5.3.3 Protection of privacy and data security 5.5.3. Communication with our customers and users	GRI 418-1	SDGs 9, 16	
Tax information: benefits obtained country by country; corporation tax paid and public subsidies received.	Material	5 6.3. Fiscal policy	GRI 201 GRI 207-4	SDGs 1, 8, 9, 17	

* Linking the SDGs and the GRI Standards, Last updated May

6. RESEARCH, DEVELOPMENT AND INNOVATION ACTIVITIES

The Group is constantly adapting applications and management processes to changes occurring in its businesses, as well as technological changes. It participates in and is a member of various international and domestic associations and forums which enable it to identify possible improvements or opportunities to innovate and develop its services, processes and management systems.

Education:

In terms of **Education**, in 2022, schools went back to normal in Latin America and this has had an impact on Santillana's activity and results.

In this new post-pandemic era, Santillana is still committed to leading the educational and digital transformation in Latin American schools. The company offers top-quality innovative projects that cater to the needs of each school and provides added value services, such as training for teachers and consultancy services.

In Brazil and Mexico, Santillana's primary digital markets, this year has seen the launch of the Integrated Digital Ecosystem (EDI, Ecosistema Digital Integrado), an environment that serves as a meeting point for all of the group's educational systems along with other features adapted to the needs and digital maturity of each school, such as the Santillana Agenda, a communication channel for schools and families.

The online evaluation tool Pleno has been a key tool for teachers in 2022, as it allows for daily monitoring of the students' learning process, with over 5.5 million evaluations.

Regarding Training Routes (Rutas Formativas), Santillana's virtual training space for teachers and school coordinators and managers, it has provided a large amount of virtual training content, with programmes aimed at improving their knowledge and competencies in areas such as digital skills, new methodologies, leadership, and management solutions. New training sections have been added regarding the United Nations' Sustainable Development Goals (SDGs) in line with Santillana's commitment of facilitating the 2030 Agenda for schools.

Educational projects

Major educational projects have been created in 2022. All of them have included sustainability contents across the board. The aim is to help students understand and internalise the great challenges we face as a society, such as social inequality, loss of biodiversity, and climate change, among others.

One of the publishing novelties is Asombro, a project that takes the Sustainable Development Goals very seriously. It is part of Compartir México (Share Mexico) for pre-school and primary education levels and revolves around three subjects: educational neuroscience, transmedia, and project-based learning.

Also in Mexico, UNOIntelligence has been launched: a never-seen-before concept based on intelligent data that will be implemented in secondary education schools of the UNOi network.

Additionally, a new proposal for technological skills has been launched in Colombia: SET XXI Robótica, an updated proposal adapted to the post-pandemic world with an emphasis on

computational thinking and the involvement of students in the search for solutions to major global issues.

In Peru, a new *Secundaria para Compartir* (Secondary for Sharing) proposal has been launched, including significant innovations both in methodology -with project-based learning and new methods- and in digital tools -with interactive sequences and the possibility of measuring results. Similarly, in Northern Central America, a new *Primaria para Compartir* (Primary for Sharing) project has been launched, reinforcing the traceability and interactivity of the learning process.

In the Languages area, we must highlight Richmond iRead, Santillana's new digital reading programme for English students in primary and secondary education. On the other hand, in the Children and Young Adult Literature line, the main milestones have been focused on Loqueleo digital, an ecosystem for all stages of education that enhances the reading experience through reading, audiobooks, and learning of reading skills.

Media:

In **Media**, we have continued working along the guidelines established in the 2021-2024 Technology Master Plan, with key milestones for the modernisation and replacement of legacy systems with modern Cloud- and Edge-based alternatives. This sets the foundations to ensure competitiveness both in Radio and News in the medium term and to face the uncertainty of the market from a technologically solid position.

In the **Subscription** product, new experiences have been launched through several channels and with agreements with companies such as Renfe and Amazon, new developments and upgrades to the EL PAÍS application, and the participation in new channels such as the **Google Showcase platform**, intended to share higher quality content to provide a new communication experience.

There has also been significant in **Video**, with **Universo Mundial** as one of the most significant ones: the first streaming platform from PRISA Media that covered the FIFA World Cup in Qatar, offering exclusive content, news shows, and live broadcast of latest news. This project was an unprecedented display that involved over 150 radio and press professionals led by the PRISA Video staff. Daily 12-hour broadcasts and multichannel broadcasting on AS, Cadena SER, EL PAÍS and HuffPost.

World Cup reporting on the EL PAÍS website was also improved with the addition of a new **live broadcasting platform, LED**, which brought a significant visual and indexing upgrade to this type of reporting on search engines.

Other innovative updates in video were materialised thanks to the agreement with **Dailymotion** for the creation of a channel and the addition of an embedded player in some of the videos. There was also a new **video channel for connected television** with EL PAÍS including documentaries, investigative journalism, and entertainment products on Samsung TV and the streaming platform Tivify.

The year 2022 saw the implementation on **AS** of ARC XP, the Washington Post publishing and editing framework as its new CMS, and Prisa's publishing platform, on all editions of As.com. This process was a tiered implementation across the various regions in which As operates and concluded in June with a global edition. All editions of AS.com are now working on this platform. This technology serves to save in development and maintenance costs, standardise

news reporting protocols with other business units, and improve security and stability thanks to the use of a shared solution.

One of the most ambitious proposals we want to develop alongside Diario AS is registration-only products and/or services targeted at reaching a younger audience. That is why, in cooperation with the global leading company in gaming solutions Gameloft (owned by Vivendi), we have launched **AS Gaming Club**, a new free-of-charge, registration-only service with a catalogue of over 180 games of various genres. The video game portal, AS Gaming Club, boasts a novelty gamification system and numerous rewards for users, since members can complete a series of daily missions that reward them with virtual currency they can exchange for real-life prizes and rewards, such as gift cards for Amazon, Decathlon, Zalando, Netflix, Google Play, Apple, and many more.

Early this year, AS reached an agreement with Dailymotion to use its video player on AS websites and verticals. Using this distribution and video visualisation technology allows for a much better monetisation of the inventory and distribution on different channels, including their own. Dailymotion is a France-based company owned by Vivendi that operates in several international markets.

Regarding **Radio**, in 2022 the company has promoted consumption of all audio of spoken radio brands on its main websites. For years, radio consumption has been limited to external players (player.cadenaser.com) while information was consumed on the main site (cadenaser.com). This year, the main sites Cadenaser.com and Caracol.com have been prepared so this consumption takes place on the main website and player.cadenaser.com has been finally removed and its traffic redirected to cadenaser.com. The Caracol and WRadio external players will also be removed and redirected during 2023.

This deployment has taken place after the migration of Cadena Ser and Caracol in 2022 from its original CMS, PEP, to ARC, the content manager that is being implemented transversally throughout Prisa Media. The impact has been very positive, particularly on performance and SEO, given that Cadena SER has virtually doubled its presence in Discovery and other Google products.

One of the most significant wagers this year was the commitment to conversational audio: developing audio interfaces that allow for voice interactions with the user. In 2022, Victoria, the voice of football, was developed alongside Amazon. This initiative has entailed the creation of a synthetic voice, a voice that has been created from scratch based on neural networks. The acoustic personality of this voice was designed hand in hand with the Carrusel Deportivo staff, resulting in a mature female voice that transmits credibility and knowledge. Moreover, Victoria is one of Alexa's skills that lets the listener generate an entire experience around their favourite football time, since it provides statistics, latest news (read from AS), streaming of local matches, etc. In only 2 weeks, Victoria achieved over 100,000 interactions on Amazon.

Lastly, this year also saw the creation of two AI-powered audio distribution projects. Tailorcast was developed alongside Google as an evolution of the existing podcast recommendation engine to transform it into a customisation engine. Now, Tailorcast not only offers personalised podcast lists but also recommended listening lists based on parameters such as podcasts or episodes linked in the past. This year, Tailorcast has been implemented in the Podium add, yielding a 70% increase in podcast listening.

Progress has also been made this year in the IAudio project, which has allowed for automatic cuts of bulletins and programmes to extract and clean up advertising. Although this was already being done, artificial intelligence has made these cuts cleaner and much more refined. The project also allows for transcription of all of Cadena SER live broadcasts for subsequent insertion into documentation.

During 2022, the **Data and Analytics** area of PRISA Media has continued consolidating its modelling and dashboarding efforts, and architecture and governance discussions have taken place with the aim of simplifying group-level operations. The number of sign-ups has continued its upward trend (7.1 million) and the following cookieless ID monetisation routes have been opened:

- **Google:** the network that manages most of our ad revenue. Proofs of concepts have been launched, among others, PAIR: Currently under development by Google. An identifier that allows Prisa Media to create a 1:1 relationship with advertisers based on the encryption of registration e-mail addresses. This will allow advertisers to carry out retargeting/up-sell/cross-sell actions without the need for cookies. This technology has been tested with Mapfre and new collaboration routes are opening with other advertisers.
- **Liveramp, Amazon, and Zeotap:** The legal agreements have been unlocked in order to use these three players as universal ID networks, as well as to introduce changes to user consent panels to be able to use registration information.

One of the bottlenecks detected during the deployment of models has been the effort involved in its maintenance and commissioning. In 2022, an MLOps project has been developed, which has allowed for the incorporation of a new component into the DATA infrastructure of the group with the following features:

- Data browsing environment for collaborative Data Scientist
- Model testing zone to fine-tune their creation
- Modular creation of models to decrease creation times
- Automatic deployment to production environments, configurable for periodic reassessment thereof
- Quality monitoring of deployed models
- Data availability on analysis and activation platforms

7. LIQUIDITY AND CAPITAL RESOURCES

7.1. Financing

Note 11b "*Financial Liabilities*" to the PRISA's consolidated financial statements 2022 provides a description of the use of financial instruments by the Group.

7.2. Contractual commitments

Note 24 "*Future Commitments*" to the PRISA's consolidated financial statements provide information on firm commitments giving rise to future cash outflows and associated with purchases and services received.

7.3. Liquidity

Note 9c "*Current assets and liabilities*" to the PRISA's consolidated financial statements of 2022 details the cash and other cash equivalents held by the Group at the end of the year.

7.4. Dividends policy

PRISA does not have a set dividend policy, and so the Group's distribution of dividends is reviewed annually. In this respect, the distribution of dividends depends mainly on (i) the existence of profit that can be distributed and the Company's financial situation, (ii) its obligations regarding debt servicing and those arising from commitments acquired with its financial creditors in the Group's financing contracts, (iii) the generation of cash arising from its normal course of business, (iv) the existence or non-existence of attractive investment opportunities that could generate value for the Group's shareholders, (v) the Group's reinvestment needs, (vi) the implementation of PRISA's business plan, and (vii) other factors PRISA should consider relevant at any given time.

8. TREASURY SHARES

PRISA has performed, and may consider performing, transactions with treasury shares. These transactions will always be for legitimate purposes, including:

- Undertaking treasury share acquisitions approved by the Board of Directors or pursuant to General Shareholders' Meeting resolutions.
- Covering requirements for shares to allocate to employees and management.

The operations of treasury shares, don't realize on the basis of privilege information, nor respond to an intervention purpose in the free process of price formation.

At December 31, 2022, Promotora de Informaciones, S.A. held a total of 1,425,317 treasury shares, representing 0.192% of its share capital.

Treasury shares are valued at market price at December 31, 2022 (0.281 euros per share). The market value of the treasury shares at December 31, 2022 amounts to EUR 401 thousand.

At December 31, 2022, the Company did not hold any shares on loan.

9. SHARE PERFORMANCE

Description of PRISA's shareholder structure.

PRISA's share capital on December 31, 2022 consisted of EUR 74,065 thousand and was represented by 740,650,193 ordinary shares all of which belong to the same class and series, with a par value of EUR 0.10 each, fully paid up and with identical rights. On December 2021, Prisa's share capital amounted to Euros 70,865 thousand and was represented by 708,650,193 ordinary shares, all of the same class and series, with a par value of EUE 0.10 each. During fiscal year 2022, a capital increase of 32 million ordinary shares with a par value of Eur 0.10 each was carried out.

These shares are listed on the Spanish stock exchanges (Madrid, Barcelona, Bilbao and Valencia) through the Spanish Stock Exchange Interconnection System (SIBE).

At year-end 2022, the most representative shareholders in the share capital of the company are Mr. Joseph Oughourlian (through Amber Capital UK LLP), Vivendi, Rucandio, Global Alconaba, Shk. Dr. Khalid Bin Thani Bin Abdullah Al-Thani (through International Media Group), Mr. Roberto Alcántara Rojas (through Consorcio Transportista Occher SA), Banco Santander, Control Empresarial de Capitales and Mr. Carlos Fernández. The company's free float is around 20%.

During fiscal year 2022, the main change in the shareholding structure was the entry of Global Alconaba, with a 7.076% stake in the share capital (which, after the capital increase carried out in June 2022, remained at 6.77% of the share capital). Global Alconaba acquired this stake from Telefónica SA.

Following this transaction, Telefónica SA (which on December 31, 2021 held 9.03% of PRISA's share capital) has seen its stake in the Company's share capital reduced to 1.869%.

Share price performance

Prisa's ordinary share price in 2021 ended at EUR 0.565 (December 31, 2021) and in 2022 closed at EUR 0.281 per share (December 30, 2022), a devaluation of 50.3% over the year.

PRISA's share performance in 2022 has been conditioned by the global macroeconomic situation, strongly marked by the armed conflict between Russia and Ukraine that started at the beginning of the year, and which has led to an increase in liquidity tensions in the economy with an increase in interest rates and high inflation rates.

During fiscal year 2022, the Company's Directors have continued focusing their efforts on the reinforcement of the Group's financial and equity structure. To this end, a debt refinancing agreement was reached with new lenders and improving the existing conditions (extending the maturity, introducing more appropriate covenants, greater flexibility, and optionality). In addition, for the first time in the Company's history, a strategic plan with defined goals for 2025 was presented at a Capital Markets Day.

The following chart shows the performance of the PRISA Group's shares relative to the IBEX35 index in 2022, indexed in both cases to 100:



Source: Bloomberg (31st December 2021- 30th December 2022)

10. AVERAGE SUPPLIER PAYMENT TIME

According to the information required by the third additional provision of Law 15/2010, of July 5, (amended by the second final provision of Law 31/2014, of 3 December) approved in accordance with the resolution of ICAC (Spanish Accounting and Audit Institute) of January 29, 2016, the average period of payment to suppliers in commercial operations for companies of Grupo PRISA located in Spain rises, in 2022, to 71 days (*see note 24 in the attached consolidated financial statements*).

The maximum legal period of payment applicable in 2022 and 2021 under Law 3/2004, of December 29 and its modification by the Law 15/2010 of July 5, for combating late payment in commercial transactions, is by default 60 days. The average period of payment to the Group's suppliers exceeds the statutory maximum period partially on account of agreements arrived at with suppliers to defer payments or, where relevant, to initiate expenditure.

In 2022 there has been an increase in the average period of payment to suppliers caused, in part, by the agreements reached with suppliers related to the Refinancing of the Group's debt in April 2022. The ratio of transactions pending payment has increased in relation to 2021, fundamentally, by negotiation with technological suppliers to extend the expiration of invoices.

During the next financial year, the Directors will take the appropriate measures to reduce, as far as possible, the average period of payment to suppliers to the levels permitted by Law, except in those cases in which there are specific agreements with suppliers that establish a longer term.

11. EVENTS AFTER THE BALANCE SHEET DATE

In January 2023, the Board of Directors of PRISA unanimously agreed to issue subordinated bonds mandatorily convertible into newly issued ordinary shares of the company, with preemptive subscription rights of PRISA shareholders. This issue takes place through a public offer for subscription of a nominal amount up to a total of EUR 130 million, through the issue and putting into circulation of up to a total of 351,350 convertible bonds with a face value of EUR 370 each.

The maturity date of these convertible bonds and conversion into new shares will be on the fifth anniversary of the issue date (February 2028). However, holders of these convertible bonds will be entitled to request the early conversion of the number of convertible bonds that they deem necessary into new Company shares, at their discretion, in the set conversion periods.

A price of EUR 0.37 per new share has been set for the conversion of the convertible bonds. This is a fixed conversion price until their maturity date, which will be subject to the adjustments that are customary for issuing this type of instrument 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 shares, the conversion price is adjusted so that such transactions or resolutions affect the Company's shareholders and the holders of the convertible bonds equally.

The convertible bonds will bear interest at a fixed annual rate of 1.00% (which cannot be capitalised) and payable upon conversion into ordinary shares.

In February 2023, convertible bonds amounting to a total of EUR 130 million were subscribed, meaning 351,350 convertible bonds have been issued. Insofar as a fixed conversion price has been established (see above), without prejudice to the adjustment mechanisms which are customary in this type of transaction, the maximum number of new shares to be issued in connection with the voluntary or mandatory conversion of the convertible bonds on the basis of this conversion price is 351,350,000 new shares, which represents 47.44% of the Company's current share capital and 32.17% of the Company's share capital following the conversion of convertible bonds into new shares (again considering the current share capital).

The convertible bonds are expected to be admitted to trading on the Spanish regulated fixed income market (AIAF).

The issue is an instrument to reduce PRISA's syndicated financial debt, which is linked to a variable interest rate and which was refinanced in April 2022. This has enabled the Company to raise the funds necessary, mainly, and in accordance with the financing agreements entered into, to partially pay off early the tranche of the PRISA's syndicated financial debt that constitutes its largest interest financial expense, i.e. the Junior debt tranche, which is benchmarked at Euribor+8% (including cash and capitalisable cost), which as at December 31, 2022 totalled EUR 192,013 thousand (*see note 11 b) of the attached consolidated notes*). In February, 2023 the Group had cancelled EUR 110 million of Junior debt.

The issue of this bond mandatorily convertible into shares has been treated and recorded in 2023 as a compound financial instrument, because it includes both liability and equity components. The Group recognises, measures and presents the liability and equity components created by a single financial instrument separately on its balance sheet.

The Group distributes the value of its instruments in accordance with the following criteria which, barring error, will not be subsequently reviewed:

- a. The liability component is recognised by measuring the fair value of a similar liability that does not have an associated equity component.
- b. The equity component is measured at the difference between the initial amount and the amount assigned to the liability component.
- c. The transaction costs are distributed in the same proportion.

Following this, the liability component has been calculated as the present value of the cash coupons payable, considering that the mandatory conversion will take place at the end of the bond's life, without considering early conversions, insofar as early conversions are out of the Company's control. As a result, a financial liability of approximately EUR 4 million has been recorded. The difference between the amount of this liability and the face value of the coupons will be recorded and posted in the income statement during the life of the aforementioned instrument using the effective interest method.

An equity component has been recorded because a residual share in a company's assets is evident, after deducting all of its liabilities, since the bond is mandatorily convertible into a fixed number of shares and does not include any contractual obligation to hand over cash or any other financial asset other than the payment of the aforementioned coupons. Therefore, as a result of recording the transaction at the fair value of the equity instruments being issued, an equity instrument amounting to approximately EUR 126 million has been posted, resulting from the difference between the cash received for the issue of the convertible bond and the liability described in the previous paragraph, thereby increasing the net consolidated equity by this amount. The conversion price of the convertible bonds does not substantially differ from the listed value of the PRISA shares during the subscription period of the convertible bond.

The transaction costs have mainly been recorded as a decrease in the consolidated net profit, since almost all of the convertible bond has been recorded as an equity instrument.

Moreover, the early, partial cancellation of the aforementioned Junior debt will result in a financial expense of approximately EUR 6 million being recorded in 2023. This amount is due to the difference between the nominal amount of the cancelled debt and its initial fair value at the time of the Refinancing, which at the time was pending being posted in the consolidated income statement during this refinancing period, and which caused a financial income in April 2022, as described in notes 11 b) and 15 of the attached consolidated notes.

On February 15, 2023 all the conditions precedent to which such transaction agreement entered into between Corporativo Coral, S.A. de C.V., Sociedad Española de Radiodifusión, S.L.U. ("SER") and the financial group Crédito Real was subject were finally fulfilled. All the parties have withdrawn the arbitral procedure before the International Chamber of Commerce in Paris. Therefore, all litigations regarding the shareholders' agreement of Sistema Radiópolis, S.A. de C.V. referred to under the ongoing litigation and claims within the previous consolidated Financial Statements have been finally resolved.

12. ANNUAL CORPORATE GOVERNANCE REPORT

The Annual Corporate Governance Report is part of the Director's Report in accordance with the Capital Companies Act. The aforementioned report is sent separately to the CNMV and can be consulted on the website www.cnmv.es.

13. ANNUAL BOARD OF DIRECTORS REMUNERATION REPORT

The Annual Board of Directors Remuneration Report is part of the Director's Report in accordance with the Capital Companies Act. The aforementioned report is sent separately to the CNMV and can be consulted on the website www.cnmv.es.



REPORT ON THE VERIFICATION OF INFORMATION INCLUDED IN THE NON-FINANCIAL INFORMATION STATEMENT ISSUED BY AN INDEPENDENT VERIFIER

To GRUPO PRISA shareholders:

Pursuant to Law 11/2018 dated 28 December (hereinafter, "Law 11/2018"), we have proceeded to the verification of the information included in the non-financial information statement of GRUPO PRISA for the year ended 2022.

We believe that based on the procedures applied and the evidence obtained during the verification process that we have carried out, the subject of this report, we have not come to our knowledge any question that leads us to believe that the verified information has not been prepared in all its significant aspects in accordance with the requirements of Law 11/2018.

Methodology and Verifier team

SGS' methodology for the verification of non-financial information consists of audit procedures and mechanisms to verify information and indicators, commonly accepted within the scope of the Conformity Assessment Bodies (as defined by Regulation (EC) no. 765/2008), such as the audit guidelines contained in standard ISO 19011, and particularly:

- Review of non-financial information in accordance with the requirements of Law 11/2018
- Interviews with staff responsible for obtaining and preparing data
- Review consisting of sampling of documents and records (both internal and public)
- Check consisting of checking the reliability and traceability of data
- Assessment of systems for the collection, management and handling of the information and indicators

The verification team was formed by qualified personnel of SGS International Certification Services Ibérica, S.A.U., who had a technical competence based on the experience of the different sectors of activity essential for the issuance report.

Independence

We are an independent entity to GRUPO PRISA in accordance with the ethics requirements, including those related to independence that are applicable to our activities.

Other information from the Management Report

In relation to the verification carried out, it is expressly stated that the regulatory obligation covers only the non-financial reporting statement for the 2022 financial year, with the rest of the content of the report being excluded from that process management.

The responsibility of the independent verifier is to issue this report once the content of the status of the non-financial information provided by the administrators of the Company subject to the verification process has been verified. If, based on the work done, we conclude that there are caveats, we are obliged to report them.



REPORT ON THE VERIFICATION OF INFORMATION INCLUDED IN THE NON-FINANCIAL INFORMATION STATEMENT ISSUED BY AN INDEPENDENT VERIFIER

The administrators' responsibility in relation to non-financial information

The administrators of the parent company are responsible for the formulation of the consolidated management report and the non-financial information detailed in accordance with paragraph 6 of Article 44 of the Code of Commerce, approved by Real Decreto dated 22 August 1885, amended by Law 11/2018, dated 28 December, amending the Code of Commerce.

The independent verifier's responsibility

The objective of the mission entrusted to us has been limited to obtaining limited assurance that non-financial information is free from material inaccuracies and to issuing a verification report of the information included in the state of non-financial information containing our opinion.

fecha

Signed: Juan José Fontalba
SGS International Certification Services Ibérica, S.A.U

NOTE: "This document has been originally drafted in Spanish, which will therefore prevail over the English language version in the event of any discrepancy."

DECLARACION DE RESPONSABILIDAD SOBRE LAS CUENTAS ANUALES E INFORME DE GESTIÓN (QUE INCLUYE EL ESTADO DE INFORMACIÓN NO FINANCIERA) CORRESPONDIENTES AL EJERCICIO 2022, DE PROMOTORA DE INFORMACIONES, S.A. Y SOCIEDADES DEPENDIENTES.

AFFIDAVIT OF ASSUMPTION OF LIABILITY WITH RESPECT TO THE 2022 ANNUAL ACCOUNTS AND CONSOLIDATED MANAGEMENT REPORT (WHICH INCLUDE THE NON-FINANCIAL INFORMATION) OF PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

28 de marzo de 2023

Conforme a lo dispuesto en el art. 8 del Real Decreto 1362/2007 de 19 de octubre, todos los miembros del Consejo de Administración de PROMOTORA DE INFORMACIONES, S.A. declaran que responden del contenido de las cuentas anuales e informe de gestión (que incluye el Estado de Información no financiera y que, además, incluye, por referencia a la página web de la CNMV, el Informe Anual de Gobierno Corporativo y el Informe de Remuneraciones de los consejeros) correspondientes al ejercicio 2022, tanto individuales de PROMOTORA DE INFORMACIONES, S.A. como de su grupo consolidado, que han sido formuladas con fecha 28 de marzo de 2023 siguiendo el Formato Electrónico Único Europeo (FEUE), conforme a lo establecido en el Reglamento Delegado (UE) 2019/81, en el sentido de que, hasta donde alcanza su conocimiento, han sido elaboradas con arreglo a los principios de contabilidad aplicables, ofrecen la imagen fiel del patrimonio, de la situación financiera y de los resultados del emisor y de las empresas comprendidas en la consolidación tomados en su conjunto, y que el informe de gestión consolidado incluye un análisis fiel de la evolución y los resultados empresariales y de la posición del emisor y de las empresas comprendidas en la consolidación tomadas en su conjunto, junto con la descripción de los principales riesgos e incertidumbres a las que se enfrentan.

Pursuant to the provisions of Article 8 of Royal Decree 1362/2007 of October 19, the members of the Board of Directors of PROMOTORA DE INFORMACIONES, S.A. hereby declare that they are accountable for the content of the 2022 annual accounts and management reports (which include the non-financial information and which also includes, by reference to the CNMV website, the Annual Corporate Governance Report and the Directors' Remuneration Report) of both PROMOTORA DE INFORMACIONES, S.A. and its consolidated Group, which were drawn up on March 28, 2023 in the European Electronic Format (FEUE), in accordance with the provisions of Delegated Regulation (EU) 2019/815, in the sense that, to the best of their knowledge, they have been calculated according to applicable accounting principles, they offer a true and fair view of the assets, financial situation and results of the issuer and its consolidated companies as a whole, and the consolidated management report includes a true and fair analysis of the evolution, business results and position of the issuer and its consolidated companies as a whole, together with a description of the principal risks and uncertainties which they face.

D. Joseph Oughourlian

D. Rosauro Varo

Amber Capital UK LLP (representado por D. Miguel Barroso Ayats)

D.^a Béatrice de Clermont-Tonnerre

D^a M^a Teresa Ballester

D. Francisco Cuadrado

D^a Carmen Fernández de Alarcón

D^a Pilar Gil Miguel

D^a Pepita Marín

D. Carlos Nuñez

D. Manuel Polanco Moreno

D^a Teresa Quirós

D. Javier Santiso

D. Andrés Varela Entrecanales