

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

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

## **AUDIT REPORT ON 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.:

### **Report on the financial statements**

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#### **Opinion**

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

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2022 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

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#### **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 financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the 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.

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## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 investments in and loans to group companies and associates*

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**Description** As explained in notes 7.1.1 and 16 to the accompanying financial statements, at December 31, 2022, the Company recorded investments in group companies and associates amounting to 1,265,801 thousand euros, which includes impairment amounting to 259,640 thousand euros, in addition to short-term loans to group companies and associates amounting to 15,730 thousand euros.

At least annually, the Company assesses the existence of impairment indicators and, when required, performs an impairment test on these assets. 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, management tests for impairment by applying valuation techniques.

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 the 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 Company's policies and procedures for measuring investments in and loans to group and associated companies, including the evaluation of the design and implementation of relevant controls.
- ▶ Evaluating the criteria used by the Company to identify indications of the impairment of investments and loans to group companies and associates.
- ▶ Reviewing, in collaboration with our valuation specialists, the reasonableness of the Company's methodology and hypotheses for estimating the recoverable amount of these assets.
- ▶ Checking that the disclosures made in the notes to the financial statement are in conformity with the applicable financial reporting framework.

### *Evaluating the impact and correct recognition of refinancing transaction*

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**Description** In 2022, the Company assumed financial debt of its subsidiary Prisa Activos Educativos, S.A. amounting a nominal value of to 691,590 thousand euros, and has refinanced all of its debts with financial institutions, including the abovementioned debt. The related refinancing agreement was executed in the terms described in notes 1.b) and 7.3) to the financial statements.

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

Our  
response

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Our audit procedures related to this matter included:

- ▶ Reviewing the documentation relating to the syndicated and super senior debt refinancing agreements, verifying that Company 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 income statement.
- ▶ Reviewing the disclosures made in the notes to the financial statements and assessing whether they are in conformity with the applicable financial reporting framework.

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**Other information: management report**

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

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

- a. Checking only that the 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 management report with the financial statements, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the 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 management report is consistent with that provided in the 2022 financial statements and its content and presentation are in conformity with applicable regulations.

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### **Responsibilities of the directors and the Audit, Risk and Compliance Committee for the financial statements**

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2 to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The audit, risk and compliance is responsible for overseeing the Company's financial reporting process.

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### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the 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 Company'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 director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 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 Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit, Risk and Compliance Committee of the 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 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 of the Company, we determine those matters that were of most significance in the audit of the 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**

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### **European single electronic format**

We have examined the digital file of the European single electronic format (ESEF) of PROMOTORA DE INFORMACIONES, S.A. for the 2022 financial year, consisting of an XHTML file containing the financial statements for the year, 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 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 consolidated management report for reference.

Our responsibility consists of examining the digital file prepared by the directors of the 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 financial statements included in the aforementioned digital file correspond in their entirety to those of the financial statements that we have audited, and whether the financial statements and the aforementioned file have been formatted, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital file examined corresponds in its entirety to the audited financial statements, which are presented, in all material respects, in accordance with the ESEF Regulation.

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#### **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.

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#### **Term of engagement**

The (ordinary/extraordinary) 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)

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

March 28, 2023

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

Financial Statements and Directors' Report for  
2022, together with Auditors' Report

*Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 20). In this sense, this translation has been carried out by the Company, under its sole responsibility, and its not considered official or regulated information. In the event of a discrepancy, the Spanish-language version prevails.*



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

Individual Financial Statements and Directors' Report for 2022

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

Individual Financial Statements for 2022

**PROMOTORA DE INFORMACIONES, S.A. (PRISA)**  
**BALANCE SHEET AT DECEMBER 31, 2022**  
(in thousands of euros)

ASSETS	Notes	Year 2022	Year 2021	EQUITY AND LIABILITIES	Notes	Year 2022	Year 2021
<b>A) NON-CURRENT ASSETS</b>		<b>1,270,536</b>	<b>585,408</b>	<b>A) EQUITY</b>	<b>9</b>	<b>282,547</b>	<b>353,260</b>
I. INTANGIBLE ASSETS	5	66	86	<b>A-1) Shareholders' equity</b>		<b>282,547</b>	<b>353,260</b>
1. Computer software		66	86	I. SHARE CAPITAL		74,065	70,865
II. PROPERTY, PLANT AND EQUIPMENT	6	444	1,153	II. SHARE PREMIUM		17,088	-
1. Other fixtures and furniture		257	954	III. RESERVES		282,751	277,266
2. Other items of property, plant and equipment		187	199	1. Legal and bylaw reserves		12,646	7,087
III. NON-CURRENT INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES	7.1	1,265,801	584,021	2. Other reserves		270,105	270,179
1. Equity instruments		1,265,801	584,021	IV. LOSS FROM PREVIOUS YEARS		-	(49,144)
IV. NON-CURRENT FINANCIAL ASSETS	7.1	4,132	9	V. TREASURY SHARES		(401)	(1,320)
1. Derivates		3,977	-	VI. PROFIT (LOSS) FOR THE YEAR		(90,956)	55,593
2. Other financial assets		155	9	<b>B) NON-CURRENT LIABILITIES</b>		<b>973,464</b>	<b>203,026</b>
V. DEFERRED TAX ASSETS	10	93	139	I. LONG-TERM PROVISIONS	13	2,145	2,719
<b>B) CURRENT ASSETS</b>		<b>28,818</b>	<b>21,407</b>	II. NON-CURRENT PAYABLES	7.3	971,319	200,307
I. NON CURRENT ASSETS HELD FOR SALE	7.2	210	278	1. Bank borrowings		971,319	200,307
II. TRADE AND OTHER RECEIVABLES		2,445	1,664	<b>C) CURRENT LIABILITIES</b>		<b>43,343</b>	<b>50,529</b>
1. Trade receivables for services	7.1	25	30	I. SHORT-TERM PROVISIONS	13	3,320	3,622
2. Receivable from Group companies and associates	7.1 and 16	1,410	233	II. CURRENT PAYABLES		22,835	11,279
3. Employee receivables	7.1	4	4	1. Bank borrowings	7.3	12,477	1,279
4. Tax receivables	10	992	1,057	2. Other financial liabilities	7.3 and 8	10,358	10,000
5. Other receivables	7.1	14	340	III. CURRENT PAYABLES TO GROUP COMPANIES AND ASSOCIATES	7.3 and 16	13,052	31,474
III. CURRENT INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES	7.1 and 16	15,730	8,478	IV. TRADE AND OTHER PAYABLES		4,136	4,154
1. Loans to companies		15,730	8,478	1. Payable to suppliers	7.3	42	42
IV. CURRENT PREPAYMENTS AND ACCRUED INCOME		238	223	2. Payable to suppliers, Group companies and associates	7.3 and 16	281	433
V. CASH AND CASH EQUIVALENTS	8	10,195	10,764	3. Sundry accounts payable	7.3	2,879	2,738
1. Cash		10,195	10,764	4. Remuneration payable	7.3	685	694
				5. Tax payables	10	249	247
<b>TOTAL ASSETS</b>		<b>1,299,354</b>	<b>606,815</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,299,354</b>	<b>606,815</b>

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 20). In the event of a discrepancy, the Spanish-language version prevails.

**PROMOTORA DE INFORMACIONES, S.A. (PRISA)**  
**INCOME STATEMENT FOR YEAR 2022**  
(in thousands of euros)

	Notes	Year 2022	Year 2021
<b>A) CONTINUING OPERATIONS</b>			
1. Revenue			
a) Services	16	4,412	4,956
b) Income from equity investments	16	3,796	101,202
2. Other operating income		111	479
3. Staff costs			
a) Wages, salaries and similar expenses		(4,067)	(11,527)
b) Employee benefit costs	11	(740)	(951)
4. Other operating expenses			
a) Outside services	11	(7,000)	(9,211)
b) Taxes other than income tax		(37)	185
c) Impairment and other losses		263	(231)
5. Depreciation and amortization charge	5 and 16	(953)	(302)
6. Losses and Gains from disposals of assets			
a) Losses and Gains from disposals and other		-	18
<b>PROFIT/LOSS FROM OPERATIONS</b>		<b>(4,215)</b>	<b>84,618</b>
7. Finance income			
a) From loans to Group companies and associates	16	9	387
b) Other finance income		1	7,901
8. Fair value of financial instruments		(3,871)	(5,201)
9. Finance costs and similar expenses:			
a) On debts to Group companies	16	(751)	(4,026)
b) On debts to third parties and similar expenses	12	(91,061)	(11,635)
10. Exchange differences		5	5
11. Impairment of financial instruments			
a) Impairment and other losses	7.1 and 13	(647)	(13,933)
<b>NET FINANCIAL RESULT</b>	<b>12</b>	<b>(96,315)</b>	<b>(26,502)</b>
<b>PROFIT / LOSS BEFORE TAX</b>		<b>(100,530)</b>	<b>58,116</b>
12. Income tax	10	9,642	1,014
<b>PROFIT/ LOSS FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>(90,888)</b>	<b>59,130</b>
<b>B) DISCONTINUED OPERATIONS</b>	<b>7.2</b>	<b>(68)</b>	<b>(3,537)</b>
<b>PROFIT/ LOSS FOR THE YEAR</b>		<b>(90,956)</b>	<b>55,593</b>

The accompanying Notes 1 to 21 and Appendices I and II are an integral part of the income statement for year 2022

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 20). In the event of a discrepancy, the Spanish-language version prevails.

**PROMOTORA DE INFORMACIONES, S.A.  
STATEMENT OF CHANGES IN EQUITY FOR YEAR 2022**

**A) STATEMENT OF COMPREHENSIVE INCOMES AND EXPENSES FOR YEAR 2022  
(in thousands of euros)**

	Year 2022	Year 2021
<b>A) Profit/(Loss) per income statement</b>	<b>(90,956)</b>	<b>55,593</b>
<b>Income and expense recognized directly in equity</b>		
Arising from revaluation of financial instruments (Note 7.1)	-	-
Other income and expenses charged directly to equity	-	-
Tax effect	-	-
<b>B) Total income and expense recognized directly in equity</b>	<b>-</b>	<b>-</b>
<b>Transfers to profit or loss</b>		
Arising from revaluation of financial instruments	-	-
Tax effect	-	-
<b>C) Total transfers to profit or loss</b>	<b>-</b>	<b>-</b>
<b>TOTAL RECOGNIZED INCOME AND EXPENSE</b>	<b>(90,956)</b>	<b>55,593</b>

The accompanying Notes 1 to 21 and Appendices I and II are an integral part of the statement of comprehensive incomes and expenses for year 2022

PROMOTORA DE INFORMACIONES, S.A.  
STATEMENT OF CHANGES IN EQUITY FOR YEAR 2022

B) TOTAL STATEMENT OF CHANGES IN EQUITY FOR YEAR 2022  
(in thousands of euros)

<i>(in thousands of euros)</i>	Share capital	Share premium	Other Reserves	Legal reserve	Reserves for treasury shares	Voluntary reserves	Reserves	Loss from previous years	Treasury shares	Profit (Loss) for the year	Equity
<b>Balance at December,31 2020 (Note 9)</b>	70,865	-	267,418	7,087	1,530	548	276,583	-	(1,530)	(49,144)	296,774
<b>I. Total recognized income and expense</b>											
1. Profit (Loss) for the year										55,593	55,593
2. Valuation of financial instruments											-
<b>II. Transactions with shareholders or owners</b>											
1. Capital Increases / Decreases											
- Share Capital											-
- Share Premium											-
2. Treasury share transactions											
- Delivery of treasury shares											-
- Purchase-Sale of treasury shares					629	(629)	-		(629)		(629)
- Provision for treasury shares					(839)		(839)		839		-
<b>III. Other changes in equity</b>											
- Distribution of 2020 profit								(49,144)		49,144	-
- Other						1,522	1,522				1,522
<b>Balance at December,31 2021 (Note 9)</b>	70,865	-	267,418	7,087	1,320	1,441	277,266	(49,144)	(1,320)	55,593	353,260
<b>I. Total recognized income and expense</b>											
1. Profit (Loss) for the year										(90,956)	(90,956)
2. Valuation of financial instruments											-
<b>II. Transactions with shareholders or owners</b>											
1. Capital Increases / Decreases											
- Share Capital	3,200										3,200
- Share Premium		17,088									17,088
2. Treasury share transactions											
- Delivery of treasury shares											(774)
- Purchase-Sale of treasury shares					(2,308)	(774)	(3,082)		2,308		(774)
- Provision for treasury shares					87	(87)	-		(87)		(87)
					1,302		1,302		(1,302)		-
<b>III. Other changes in equity</b>											
- Distribution of 2021 profit				5,559		890	6,449	49,144		(55,593)	-
- Other						816	816				816
<b>Balance at December,31 2022 (Note 8)</b>	74,065	17,088	267,418	12,646	401	2,286	282,751	0	(401)	(90,956)	282,547

**PROMOTORA DE INFORMACIONES, S.A.**  
**STATEMENT OF CASH FLOW FOR YEAR 2022**  
**(in thousands of euros)**

	Notes	Year 2022	Year 2021
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1. Profit / Loss before tax</b>		<b>(100,530)</b>	<b>58,116</b>
<b>2. Adjustments for</b>		<b>92,360</b>	<b>(74,077)</b>
a) Depreciation and amortization charge (+)	5 and 6	953	302
b) Impairment of non-current financial assets (+/-)		647	13,933
Impairment losses recognised for financial assets	12	647	13,933
c) Finance income (-)	12	(10)	(8,288)
d) Finance costs (+)	12	95,678	20,857
e) Dividends received	16	(3,796)	(101,202)
f) Impairment losses and gains		(263)	231
g) Other income and expenses		(849)	90
<b>3. Changes in working capital</b>		<b>236</b>	<b>1,318</b>
a) Trade and other receivables (+/-)	7.1	(317)	1,395
b) Current prepayments and accrued income		(15)	(49)
c) Trade and other payables (+/-)	7.3	568	(28)
<b>4. Other cash flows from operating activities</b>		<b>(44,768)</b>	<b>11,749</b>
a) Interest paid (-)		(27,793)	(9,570)
b) Dividends received (+)		3,796	11,145
c) Interest received (+)		-	384
d) Income tax recovered (paid) (+/-)		136	3,448
e) Other amounts received (paid) relating to operating activities (+/-)		(20,907)	6,342
<b>5. Cash flows from operating activities (+/-1+/-2+/-3+/-4)</b>		<b>(52,702)</b>	<b>(2,894)</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>			
6. Payments due to investment (-)	5 and 7.1	(20,848)	(103,263)
7. Proceeds from disposal (+)		543	409
<b>8. Cash flows from investing activities (7-6)</b>		<b>(20,305)</b>	<b>(102,854)</b>
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>9. Proceeds and payments relating to equity instruments</b>	<b>9</b>	<b>(87)</b>	<b>(629)</b>
<b>10. Proceeds and payments relating to financial liability instrument</b>	<b>7.3</b>	<b>72,525</b>	<b>106,732</b>
a) Issue		88,526	191,476
Bank Borrowing		88,526	108,500
Group Companies and associates Borrowing		-	82,976
b) Repayment and amortization		(16,001)	(84,744)
Bank Borrowing		-	(84,744)
Group Companies and associates Borrowing		(16,001)	-
<b>13. Cash flows from financing activities (+/-9+/-10-11-12)</b>		<b>72,438</b>	<b>106,103</b>
<b>D) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (+/-A+/-B+/-C)</b>		<b>(569)</b>	<b>355</b>
Cash and cash equivalents at beginning of year		10,764	10,764
Cash and cash equivalents at end of year		10,195	10,195

The accompanying Notes 1 to 21 and Appendices I and II are an integral part of the statement of cash flows for year 2022

**PROMOTORA DE INFORMACIONES, S.A. (PRISA)****NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR 2022****1.- COMPANY ACTIVITIES AND PERFORMANCE****a) Company activities**

Promotora de Informaciones, S.A. (“Prisa” or “the Company”) was incorporated on January 18, 1972, 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 view of the business activity carried on by the Company, it does not have any environmental liabilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

In addition to the business activities carried on directly by it, the Company heads a group of subsidiaries, joint ventures and associates which engage in a variety of business activities and which compose Promotora de Informaciones, S.A. and subsidiary companies (“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 prepared in accordance with International Financial Reporting Standards (IFRSs) as approved by European Commission Regulations. The main aggregates of the PRISA Group’s consolidated financial statements in terms of total asset, equity and net revenues amount to EUR 982,673 thousand, EUR 532,160 negative thousand and EUR 830,764 thousand respectively in 2022.

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

The 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 financial statements are presented in thousands of euros as this is the currency of the main economic area in which the Company operates.

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



**b) Evolution of the equity and financial structure of the Company**

During last year and in the present, the Administrators of Prisa have taken a number of measures to strengthen the Company's financial and asset structure, such as asset sale operations, capital increases 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 Company in order to reestablish its equity balance. Therefore, since June 30, 2020, and at December 31, 2022, the Company's equity is greater than two thirds of the capital stock, which is why it was in a situation of equity balance at that date.

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 K-12 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 it meant a total cash obtained from the buyer of EUR 418 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 "New Lock-Up Agreement") that incorporated 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 others 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 New 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 20*).

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 31 December 2022 totalled EUR 192,013 thousand (*see note 7.3*). In February, 2023 the Company has cancelled EUR 110,000 thousand 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 Company's businesses are uncertain and will depend to a large extent on the impact of the events mentioned above. Therefore, at the date of authorized for issue of these financial statements, we have carried out an assessment and quantification of the impacts that COVID-19 and the invasion of Ukraine had on the Company 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 Company 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 Company has in place a Super Senior debt ("*Super Senior Term & Revolving Facilities Agreement*") to meet operational needs for a maximum amount of EUR 240,000 thousand, that were fully drawn as of December 31, 2022. 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 of the subsidiaries companies. Therefore, the Company 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 subsidiaries companies' 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 Company, 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 Company'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 of the Company (investments in Group companies and associates, 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 remeasured with the information available to date. This has meant that at December 31, 2022 there have been no significant changes in the estimates at the end of 2021 in relation to the previous magnitudes that have a negative impact on the financial statements, although the sensitivity margins were reduced in the analysis to determine the recoverable amounts of certain assets.
- Continuity risk (going concern): As of December 31, 2022, the Company had a negative working capital of EUR 14,525 thousand. However, the Company has always guaranteed its liquidity needs through credit lines with the Group's company Prisa Gestión Financiera, S.L. (Sociedad Unipersonal) and with the funds obtained after the issuance of convertible bonds (*see note 20*). In the light of all the above factors, the Directors of the Company consider that the application of the going concern principle remains valid.

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

At December 31, 2022, the equity of the Company stood at EUR 282,547 thousand, over two thirds of total share capital, which is why it was in a situation of equity balance at that date.

As a consequence of the facts set out above, the Directors have applied the going concern principle.

## **2.- BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS**

### **a) Fair presentation**

The accompanying financial statements for 2022 which were obtained from the Company's accounting records, are presented in accordance with the regulatory framework for financial reporting applicable and, in particular, the accounting principles and criteria contained herein, presenting fairly the Company's equity, financial position, and of the results of its operations, the changes in its equity and the cash flows generated by the Company in the year then ended. The regulatory framework for financial reporting applicable considered is:

1. The Commercial Code and other corporate legislation.
2. Royal Decree 1514/2007, approving the Spanish National Chart of Accounts, which has been modified several times since its publication, the last one through Royal Decree 1/2021 of January 12 and its implementing regulations.
3. The obligatory legislation approved by the Institute of Accounting and Auditors of Accounts in development of the Spanish General Chart of Accounts and its complementary legislation.

4. Other applicable Spanish legislation.

These financial statements, which were formally prepared by the Company's directors on March 28, 2023, will be submitted for approval by the shareholders at the Annual General Shareholders' Meeting and it is considered that they will be approved without any changes. The 2021 financial statements were approved by the shareholders at the Annual General Shareholders' Meeting held on June 28, 2022.

**b) Comparison of information**

In accordance with company legislation, each item of the balance sheet, income statement, statement of changes in net equity and cash flow statement for 2022 is shown with the figure for previous year for comparison purposes. The notes to the financial statements also include quantitative information of the previous year, unless an accounting standard specifically establishes otherwise.

**c) Non-obligatory accounting principles**

No non-obligatory accounting principles were applied. Also, all obligatory accounting principles were applied.

**d) Key issues in the measurement and estimation of uncertainty**

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

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

- The measurement of assets to determine the possible existence of impairment losses (*see notes 4c, 4d, 7.1 and 7.2*).
- The useful life of property, plant, and equipment, and intangible assets (*see notes 4a and 4b*).
- The hypotheses used to calculate the fair value of financial instruments (*see note 7*).
- The assessment of the likelihood and amount of undetermined or contingent liabilities (*see notes 4i and 13*).
- The recoverability of deferred tax assets (*see note 10*).
- Provisions for unissued and outstanding invoices.

Although these estimates were made on the basis of the best information available at the date of preparation of these 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. Changes in accounting estimates would be applied prospectively, recognizing the effects of the change in estimates in the future related income statements, as well as in assets and liabilities.

In 2022, there were no significant changes in the accounting estimates made at the end of 2021.

### 3.- ALLOCATION OF RESULT

The proposal for the distribution of the Company's loss for 2022 approved by the Company's Directors and that will be submitted for approval at the General Shareholders' Meeting is the following, in thousands of euros:

	Amount
<b>Basis of appropriation-</b>	
Result for the year	(90,956)
<b>Distribution-</b>	
Loss from previous years	(90,956)

### 4.- ACCOUNTING POLICIES

As indicated in Note 2, the Company applied accounting policies in accordance with the accounting principles and rules contained in the Code of Commerce, developed in the valid General Chart of Accounts (PGC 2007), and other corporate legislation in force as at the closing date of these financial statements. In this sense, the policies that specifically apply to the Company's activity and those considered meaningful according to the nature of its activities are detailed below.

#### a) Intangible assets

Intangible assets are recognized initially at acquisition price or production cost and are subsequently measured at cost less any accumulated amortization and any accumulated impairment losses. Only assets whose cost can be estimated objectively and from which the Company considers it probable that future economic benefits will be generated are recognized. These assets are amortized over their years of useful life. When the useful lives of these assets can not be estimated reliably they are amortized over a period of ten years according to Royal Decree 602/2016 of December 2.

The "*Industrial property*" account includes the amounts paid for acquiring the right to use or register certain brands. These rights are amortized at a rate of 20% per year using the straight-line method.

"*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 using the straight-line method over a period ranging from four to six years, depending on the type of program or development, from the date on which it is brought into service.

#### b) Property, plant and equipment

Property, plant and equipment are recognized at acquisition price or production cost, net of the related accumulated depreciation and of any impairment losses.

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 income statement for the year in which they are incurred.

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:

	<b>Years of estimated useful life</b>
Other fixtures and furniture	10
Other items of property, plant and equipment	4-10

### **c) Impairment losses for non-financial assets**

At each reporting date the Company reviews there is any indication that those assets might have suffered an impairment loss and, if any such indication exists, checks through the determined "impairment test" the possible existence of value losses that reduce the recoverable value of said assets to an amount lower than their book value.

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 the most recent budgets approved by Management.

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

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 income statement.

### **d) Financial instruments**

#### **Financial assets-**

#### **Classification and measurement**

On initial recognition, the Company classifies all financial assets into one of the categories listed below, which determines the initial and subsequent measurement method that is applicable:

- Financial assets at fair value through profit and loss
- Financial assets at amortised cost
- Financial assets at cost

**Financial assets at fair value through profit and loss:** The Company classifies a financial asset in this category unless it should be classified in any other category.

In any case, financial assets held for trading are included in this category. The Company considers a financial asset to be held for trading when at least one of the following three circumstances is met:

- It is originated or acquired for the purpose of selling it in the short term.
- It forms part, on initial recognition, of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent evidence of short-term profit-taking.
- It is a derivative financial instrument, provided that it is neither a financial guarantee contract nor designated as a hedging instrument.

Financial assets classified in this category are initially measured at fair value, which, unless there is evidence to the contrary, is assumed to be the transaction price, which is the fair value of the consideration given. Directly attributable transaction costs are recognised in the profit and loss account for the year (i.e. they are not capitalised).

Subsequent to initial recognition, the Company measures financial assets in this category at fair value through profit or loss (financial result).

**Financial assets at amortised cost:** The Company classifies a financial asset in this category, even when it is admitted to trading on an organised market, if the following conditions are met:

- The Company holds the investment under a management model whose objective is to receive the cash flows from the execution of the contract. The management of a portfolio of financial assets to obtain their contractual flows does not imply that all instruments must necessarily be held to maturity; financial assets may be considered to be managed for that purpose even if sales have occurred or are expected to occur in the future. For this purpose, the Company considers the frequency, amount and timing of sales in previous years, the reasons for those sales and the expectations regarding the activity of future sales.
- The contractual features of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding. That is, the cash flows are inherent in an agreement that is in the nature of an ordinary or common loan, notwithstanding that the transaction is agreed at a zero or below-market interest rate.

In general, this category includes trade receivables ("Trade receivables") and non-trade receivables ("Other receivables").

Financial assets classified in this category are initially measured at fair value, which, unless there is evidence to the contrary, is assumed to be the transaction price, which is the fair value of the consideration given, plus any directly attributable transaction costs. That is, the inherent transaction costs are capitalised.



However, trade receivables maturing in less than one year and which do not have an explicit contractual interest rate, as well as receivables from personnel, dividends receivable and payments due on equity instruments, the amount of which is expected to be received in the short term, are measured at nominal value when the effect of not discounting cash flows is not material.

The amortised cost method is used for subsequent valuation. Accrued interest is recognised in the profit and loss account (financial income) using the effective interest method.

Receivables maturing in less than one year which, as described above, are initially measured at nominal value shall continue to be measured at nominal value, unless they are impaired.

In general, when the contractual cash flows of a financial asset at amortised cost change due to the issuer's financial difficulties, the Company assesses whether an impairment loss should be recognised.

**Financial assets at cost:** The Company includes the following in this category:

- **Investments in Group companies, jointly controlled entities and associates:** Group companies are those related to the Company by a control relationship, and associates are those on which the Company exercises a significant influence. In addition, the category of jointly controlled entities includes companies over which, by virtue of an agreement, joint control is exercised with one or more shareholders.
- **Participating loans with interest of a contingent nature:** either because a fixed or variable interest rate is agreed, conditional on the achievement of a milestone in the borrowing company (e.g. profit), or because they are calculated solely by reference to the performance of the borrowing company's business.

Investments in this category are initially measured at cost, which is the fair value of the consideration given plus directly attributable transaction costs. That is, the inherent transaction costs are capitalized.

In the case of investments in group companies, if there was an investment prior to its classification as a group company, jointly controlled entity or associate, the cost of that investment shall be deemed to be the book value that the investment should have had immediately before the company's classification as a group company, jointly controlled entity or associate.

Subsequent measurement is also at cost less any accumulated impairment losses.

Contributions made as a result of a joint venture and similar contracts are measured at cost, increased or decreased by the profit or loss, respectively, accruing to the company as a non-managing venturer, less any accumulated impairment losses.

The same applies to participating loans whose interest is contingent, either because a fixed or variable interest rate is agreed on the fulfilment of a milestone in the borrowing company (e.g. the achievement of profits), or because it is calculated solely by reference to the performance

of the borrowing company's business. If irrevocable fixed interest is agreed in addition to contingent interest, the latter is accounted for as finance income on an accruals basis. Transaction costs are taken to the profit and loss account on a straight-line basis over the life of the participating loan.

### Off-balance sheet derecognition of financial assets

The Company derecognises a financial asset from the balance sheet when:

- The contractual rights to the asset's cash flows expire. A financial asset is derecognised when it has matured and the Company has received the corresponding amount.
- The contractual rights to the cash flows of the financial asset have been transferred. In this case, the financial asset is derecognised when the risks and rewards of ownership have been substantially transferred.

### Impairment of financial assets

#### *Debt instruments at amortised cost*

At least at each balance sheet date, the Company assesses whether there is objective evidence that a financial asset, or a group of financial assets with similar risk characteristics measured collectively, is impaired as a result of one or more events that occurred after initial recognition and that result in a reduction or delay in estimated future cash flows, which may be caused by the debtor's insolvency.

If such evidence exists, the impairment loss is calculated as the difference between the carrying amount and the present value of future cash flows, including, where applicable, those from the enforcement of collateral and personal guarantees, estimated to be generated, discounted at the effective interest rate calculated at initial recognition. For floating rate financial assets, the effective interest rate at the reporting date is used in accordance with the contractual terms. In calculating impairment losses for a group of financial assets, the Company uses models based on formulas or statistical methods.

Impairment losses, and their reversal when the amount of the impairment loss decreases due to a subsequent event, are recognised as an expense or income, respectively, in the income statement. The reversal of impairment is limited to the carrying amount of the asset that would have been recognised at the date of reversal had no impairment loss been recognised.

As a proxy for the present value of future cash flows, the Company uses the market value of the instrument, provided that it is sufficiently reliable to be considered representative of the value that could be recovered by the Company.

#### *Financial assets at cost*

In this case, the amount of the valuation adjustment is the difference between its carrying amount and the recoverable amount, the latter being the higher of its fair value less costs to sell and the present value of the future cash flows arising from the investment, which in the case of equity instruments are calculated either by estimating those expected to be received as

a result of the distribution of dividends by the investee and the disposal or derecognition of the investment in the investee, or by estimating its share of the cash flows expected to be generated by the investee from its ordinary activities and from the disposal or derecognition of the investment.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the impairment loss on this asset class is calculated on the basis of the investee's equity and the unrealised gains existing at the measurement date, net of the tax effect. Alternatively, the recoverable amount is estimated as the present value of estimated future pre-tax cash flows based on the most recent budgets and business plans approved by the Directors. These budgets incorporate the best available estimates of the investees' revenues and costs using industry forecasts and future expectations (see note 7.1).

The recognition of impairment losses and, where applicable, their reversal are recognised as an expense or income, respectively, in the income statement. The reversal of impairment is limited to the carrying amount of the investment that would have been recognised at the reversal date had no impairment loss been recognised.

#### *Interest and dividends received from financial assets*

Interest and dividends on financial assets accrued after the time of acquisition are recorded as income in the income statement. Interest is recognised using the effective interest method and dividends are recognised when the right to receive them is declared.

If the dividends distributed clearly arise from profits generated prior to the acquisition date because amounts in excess of the profits generated by the investee since acquisition have been distributed, they shall not be recognised as income and shall reduce the carrying amount of the investment. The judgement as to whether profits have been generated by the investee shall be made solely on the basis of the profits recognised in the individual income statement since the date of acquisition, unless it is clear that the distribution of those profits is to be regarded as a recovery of the investment from the perspective of the entity receiving the dividend.

#### **Financial liabilities-**

On initial recognition, the Company classifies all financial liabilities in the following category:

- Financial liabilities at amortised cost.

#### *Financial liabilities at amortised cost*

The Company classifies all financial liabilities in this category except when they are to be measured at fair value through profit or loss.

In general, this category includes trade payables ("Trade payables") and non-trade payables ("Sundry accounts payable").

Financial liabilities included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is deemed to be the transaction price, which is the fair value

of the consideration received adjusted for directly attributable transaction costs. That is, the inherent transaction costs are capitalised.

However, trade payables falling due in less than one year and not bearing a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, are measured at their nominal value, when the effect of not discounting the cash flows is not significant.

The amortised cost method is used for subsequent valuation. Accrued interest is recognised in the income statement (financial expense) using the effective interest method.

However, debits maturing within one year which, in accordance with the above, are initially valued at nominal value shall continue to be valued at nominal value.

### *Derecognition of financial liabilities*

The Company derecognises a previously recognised financial liability when one of the following circumstances arises:

- The obligation is extinguished because payment has been made to the creditor to discharge the debt (through cash payments or other goods or services), or because the debtor is legally released from any responsibility for the liability.
- Own financial liabilities are acquired, albeit with the intention of repositioning them in the future.
- There is an exchange of debt instruments between a lender and a borrower, provided that they have substantially different terms, and the new financial liability that arises is recognised; similarly, a substantial modification of the current terms of a financial liability is recorded, as indicated for debt restructurings.

The accounting for the derecognition of a financial liability is as follows: the difference between the carrying amount of the financial liability (or the part of it that has been derecognised) and the consideration paid, including attributable transaction costs, and any asset transferred other than cash or liability assumed, is recognised in the income statement in the period in which it arises.

### *Debt restructuring*

The Company, in certain cases, restructures its debt commitments with its creditors. There are several ways in which such changes to the terms of a debt can be made:

- Immediate payment of the nominal amount (before maturity) followed by refinancing of all or part of the nominal amount through a new debt ("debt swap").
- Modification of the terms of the debt contract before its maturity ("debt modification").

In these cases of "debt swap" or "debt modification" with the same creditor, the Company analyses whether there has been a material change in the terms of the original debt. If there has been a material change, the accounting treatment is as follows:

- the carrying amount of the original financial liability (or part of it) is derecognised;
- the new financial liability is initially recognised at fair value;
- transaction costs are recognised against the income statement;
- the difference between the carrying amount of the original financial liability (or part of it that is derecognised) and the fair value of the new liability is also recognised in profit or loss.

On the other hand, when, after analysis, the Company concludes that the two debts do not have substantially different terms (they are essentially the same debt), the accounting treatment is as follows:

- the original financial liability is not derecognised (i.e. it remains on the balance sheet);
- commissions paid on the restructuring operation are carried as an adjustment to the book value of the debt;
- a new effective interest rate is calculated from the restructuring date. The amortised cost of the financial liability is determined by applying the effective interest rate, which is the rate that matches the carrying amount of the financial liability at the modification date with the cash flows payable under the new terms.

The terms of the contracts shall be considered materially different, inter alia, when the present value of the cash flows of the new contract, including any fees paid, net of any fees received, differs by at least ten per cent from the present value of the remaining cash flows of the original contract, discounted at the effective interest rate of the original contract.

Certain changes in the determination of cash flows may not pass this quantitative analysis but may also result in a material change in the liability, such as: a change from a fixed to a floating interest rate in the remuneration of the liability, the restatement of the liability to a different currency, a fixed rate loan that is converted into a participating loan, among other cases.

#### ***Derivative financial instruments and hedge accounting-***

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

Pursuant to current legislation, 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 this legislation.

#### **e) Profit (loss) from discontinued operations**

A discontinued operation is a component of the Company that has been disposed of by other means or is classified as 'held for sale' and, among other conditions, represents a separate major line of business which can be considered separate from the rest.

The Company presents this type of operations in the income statement under a single heading entitled "*Profit (or loss) from discontinued operations, net of tax*", including the profit (or loss) from

discontinued operations net of tax recognized at fair value less costs to sell or disposal or of the assets that constitute the discontinued operation.

Additionally, when operations are classified as discontinued, the Company will re-present, for comparative purposes, the disclosures described above for prior periods presented in the annual statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

#### **f) Foreign currency transactions**

Foreign currency transactions are translated to the Company's functional currency (euros) at the exchange rates ruling at the transaction date. During the year, differences arising between the result of applying the exchange rates initially used and that of using the exchange rates prevailing at the date of collection or payment are recognized as finance income or finance costs in the income statement.

At the end of the reporting period, foreign currency on hand and the receivables and payables denominated in foreign currencies are translated to euros at the exchange rates then prevailing. Any gains or losses on such translation are recognized in the income statement.

#### **g) Income tax**

Income tax expense (tax income) represents the sum of the current tax expense (current tax income) and the deferred tax expense (deferred tax income).

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and prepayments and tax loss carryforwards from prior years effectively offset in the current year, reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities.

Deferred tax assets and liabilities arise from temporary differences defined as the amounts expected to be payable or recoverable in the future which result from differences between the carrying amounts of assets and liabilities and their tax bases. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled.

Deferred tax assets may also arise from the carryforward of unused tax loss and generated and unused tax credits and non-deductibles financial expenses.

Deferred tax assets are recognized to the extent that it is considered probable that the Company will have sufficient taxable profits in the future against which those assets can be utilized and the deferred tax assets do not arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit (loss) nor taxable profit (loss).

The deferred tax assets recognized are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that they will be recovered through future taxable profits.

Deferred tax liabilities are recognized for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

Current and deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognized in equity.

The Company files consolidated tax returns as Parent of tax group number 2/91 as permitted by the Consolidated Spanish Corporation Tax Law approved by Legislative Royal Decree 4/2004, of March 5.

As Parent of the group, the Company recognizes the adjustments relating to the consolidated tax group.

#### **h) Income and expenses**

Revenue and expenses are recognized on an accrual basis, regardless of when the resulting monetary or financial flow arises.

The Company recognizes revenues for the ordinary development of its activity when the transfer of control of the goods or services committed to customers occurs. At that time, the Company values the income at the amount that reflects the consideration to which it expects to be entitled in exchange for such goods or services.

Income from services rendered is recognized considering the degree of realization of the benefit on the date of balance, provided that the result of the transaction can be estimated reliably.

Exchange income and expenses that correspond to swaps are recorded at the market value of the services delivered and the consideration received, respectively.

Interest incomes from financial assets are recognized using the effective interest method and dividend incomes are recognized when the shareholder's right to receive payment has been established.

In application of the criterion stated by the Spanish Accounting and Auditing Institute in relation to the determination of the turnover in holding companies (answer to consultation published in its Official Gazette of September 2009), they are included as an integral part of the amount of the turnover dividends as well as the income from rendering services, from its subsidiaries.

**i) Provisions and contingencies**

The present obligations at the balance sheet date arising from past events which could give rise to a loss for the Company, which is uncertain as to its amount and timing are recognized as provisions in the balance sheet at the present value of the most probable amount that it is considered that the Company will have to pay to settle the obligation (*see note 13*).

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation to a third party, with adjustments arising from the restatement of the provision recorded as a finance cost as they accrue. In the case of provisions maturing in one year or less, and where the financial effect is not significant, no discounting is applied. Provisions are reviewed at each balance sheet date and adjusted to reflect the best current estimate of the corresponding liability at each point in time.

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Unless considered as remote, contingent liabilities are not recognized in annual accounts, but are informed in the Annual Report Notes.

The “*Provision for third-party liability*” relates to the estimated amount required to meet the Company’s liability, as the majority shareholder, for the portion of the losses incurred at investees whose equity has become negative and which must be restored by their shareholders.

**j) Current/non-current classification**

Assets and liabilities maturing within twelve months from the balance sheet date are classified as current items and those maturing within more than twelve months are classified as non-current items.

**k) Related party transactions**

Related party transactions are a part of the Company’s normal business activities (in terms of their purpose and terms and conditions). Sales to related parties are carried out on an arm’s length basis and are posted according to the mentioned accountant policies.

In addition, transfer prices are properly supported and, therefore, the Company's directors consider that there are no significant risks in this item that may give rise to sizeable liabilities in the future. The most significant transactions performed with related companies are of a financial nature.

**l) Share-based payments**

The Company recognizes, on the one hand, goods and services received as an asset or as an expenditure, considering its nature at the time it is obtained and, on the other hand, the corresponding increase in equity in case the transaction is settled with an amount based on equity instruments value.



Those transactions settled with equity instruments that have counterpart goods or services other than those provided by employees shall be valued, where they may be reliably estimated, at the fair value of the goods or services on the date they are received. If the fair value of the goods or services received cannot be reliably estimated, the goods or services received and the increase in net worth will be valued at the fair value of the transferred equity instruments, referring to the date the company obtains the goods or the other party provides the services.

#### **m) Provisions for severance payment**

In accordance with the legislation in force, the Company is obliged to pay severance payments to those employees with whom, under certain conditions, it terminates their employment relationships. Therefore, severance payments that may be reasonably quantified are recorded as expenditure within the year in which the decision to dismiss is adopted. In 2022 the Company has not recorded any provision in this respect (for amount of EUR 96 thousand in 2021).

#### **n) Intercompany transactions**

According to current legislation concerning non-monetary contributions to a group company, the contributor will evaluate the investment according to the book value of the equity items delivered in the consolidated annual accounts on the date the transaction is carried out, according to the Rules for the Formulation of the consolidated annual accounts, which develop the Commercial Code. The acquiring company will recognize them for the same amount.

#### **o) Non-current Assets held for sale**

The Company classifies assets whose carrying amount will be recovered principally through sale rather than through continuing use as "Non-current assets held for sale" when they meet the following requirements:

- They are available in their present condition for immediate sale, subject to the usual and customary terms of sale.
- Their sale is highly likely.

These assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets held for sale are not amortized, but at each balance sheet date the company re-measures the non-current asset so that the carrying amount does not exceed fair value less costs to sell.

Any gain or loss on the remeasurement of a non-current asset or disposal group classified as held for sale that does not meet the definition of a discontinued operation shall be included in profit or loss from continuing operations as appropriate, during the year in which those requirements are not met.

**p) Leases**

Leases are classified as finance leases whenever it is inferred from the conditions thereof that the risks and benefits inherent to the ownership of the asset object of the contract are substantially transferred to the lessee. The other leases are classified as operating leases.

***Operating leases***

Expenses derived from operating lease agreements are charged to the profit and loss account in the year in which they are accrued.

Any collection or payment that could be made when contracting an operating lease, will be treated as a prepayment or payment that will be charged to income over the period of the lease, as the benefits of the leased asset are ceded or received.

**q) Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer or settle a liability in an orderly transaction between market participants at the measurement date. The fair value shall be determined without any deduction for transaction costs that might be incurred on disposal. In no case does fair value result from a forced, urgent transaction or as a consequence of an involuntary liquidation situation.

Fair value is estimated for a particular date and, because market conditions may change over time, that value may be inappropriate for another date. In addition, in estimating fair value, an entity takes into account the terms and conditions of the asset or liability that market participants would take into account in pricing the asset or liability at the measurement date.

In general, fair value is calculated by reference to a reliable market value. For those items for which there is an active market, fair value is derived, where appropriate, through the application of measurement models and techniques. Measurement models and techniques include the use of references to recent arm's length transactions between knowledgeable, willing parties, if available, as well as references to the fair value of other assets that are substantially the same, discounted estimated future cash flow methods and models generally used to value options.

In any case, the valuation techniques employed are consistent with accepted methodologies used by the market for pricing, using, where available, the one that has been shown to produce the most realistic estimates of prices. They also take into account the use of observable market data and other factors that their participants would consider in setting the price, limiting as much as possible the use of subjective considerations and unobservable or unverifiable data.

The Company assesses the effectiveness of the valuation techniques it uses on a regular basis, using as a reference the observable prices of recent transactions in the same asset being valued or using prices based on observable market data or indices that are available and applicable.

In this way, a hierarchy is derived in the inputs used in the determination of fair value and a fair value hierarchy is established that allows estimates to be classified into three levels:

- Level 1: estimates using unadjusted quoted prices in active markets for identical assets or liabilities that are available to the company at the measurement date.
- Level 2: estimates using quoted prices in active markets for similar instruments or other measurement methodologies in which all significant variables are based on directly or indirectly observable market data.
- Level 3: estimates where a significant variable is not based on observable market data.

A fair value estimate is classified in the same level of the fair value hierarchy as the lowest level input that is significant to the measurement outcome. For this purpose, a significant variable is a variable that has a decisive influence on the estimation result. The assessment of the significance of a particular variable for the estimate takes into account the specific conditions of the asset or liability being measured.

#### r) Treasury shares-

Treasury shares are measured at acquisition cost with a debit balance under "Equity." Gains and losses on the acquisition, sale, issue, retirement or impairment of treasury shares are recognized directly in equity in the accompanying balance sheet.

### 5.- INTANGIBLE ASSETS

The transactions performed in 2022 in the various intangible asset accounts and the related accumulated amortization are summarized as follows (in thousands of euros):

#### 2022

	Balance at 12/31/2021	Additions	Disposals	Balance at 12/31/2022
<b>Cost</b>				
Industrial property	60	-	-	60
Computer software	19,758	20	-	19,778
<b>Total cost</b>	<b>19,818</b>	<b>20</b>	<b>-</b>	<b>19,838</b>
<b>Accumulated amortization</b>				
Industrial property	(60)	-	-	(60)
Computer software	(19,672)	(40)	-	(19,712)
<b>Total accumulated amortization</b>	<b>(19,732)</b>	<b>(40)</b>	<b>-</b>	<b>(19,772)</b>
<b>Total intangible assets, net</b>	<b>86</b>	<b>(20)</b>	<b>-</b>	<b>66</b>

At December 31, 2022, the Company's fully amortized intangible assets in use amounted to EUR 19,726 thousand (EUR 19,657 thousand at December 31, 2021).

There are no restrictions on title to or future purchase obligations for intangible assets.

#### 2021

The transactions performed in 2021 in the various intangible asset accounts and the related accumulated amortization was summarized as follows (in thousands of euros):

	Balance at 12/31/2020	Additions	Disposals	Balance at 12/31/2021
<b>Cost</b>				
Industrial property	60	-	-	60
Computer software	21,211	21	(1,474)	19,758
<b>Total cost</b>	<b>21,271</b>	<b>21</b>	<b>(1,474)</b>	<b>19,818</b>
<b>Accumulated amortization</b>				
Industrial property	(60)	-	-	(60)
Computer software	(20,970)	(155)	1,453	(19,672)
<b>Total accumulated amortization</b>	<b>(21,030)</b>	<b>(155)</b>	<b>1,453</b>	<b>(19,732)</b>
<b>Total intangible assets, net</b>	<b>241</b>	<b>(134)</b>	<b>(21)</b>	<b>86</b>

## 6.- PROPERTY, PLANT AND EQUIPMENT

The transactions performed in 2022 in the various property, plant and equipment accounts and the related accumulated depreciation are summarized as follows (in thousands of euros):

### 2022

	Balance at 12/31/2021	Additions	Disposals	Balance at 12/31/2022
<b>Cost</b>				
Other fixtures and furniture	1,472	196	(980)	688
Other items of property, plant and equipment	472	8	-	480
<b>Total cost</b>	<b>1,944</b>	<b>204</b>	<b>(980)</b>	<b>1,168</b>
<b>Accumulated depreciation</b>				
Other fixtures and furniture	(518)	(893)	980	(431)
Other items of property, plant and equipment	(90)	(20)	-	(110)
<b>Total accumulated depreciation</b>	<b>(608)</b>	<b>(913)</b>	<b>980</b>	<b>(541)</b>
<b>Impairment</b>				
Other items of property, plant and equipment	(183)	-	-	(183)
<b>Total impairment</b>	<b>(183)</b>	<b>-</b>	<b>-</b>	<b>(183)</b>
<b>Total property, plant and equipment, net</b>	<b>1,153</b>	<b>(709)</b>	<b>-</b>	<b>444</b>

At December 31, 2022, the Company's fully depreciated property, plant and equipment in use amounted to EUR 435 thousand (EUR 261 thousand at December 31, 2021).

In December 2022, the amount of the work on part of the facilities in which the Company carried out its activity was written off due to the termination of the lease of these facilities.

There are no restrictions on title to or future purchase obligations for property, plant and equipment.

The Company takes out insurance policies to adequately cover the value of its assets.

**2021**

The transactions performed in 2021 in the various property, plant and equipment accounts and the related accumulated depreciation were summarized as follows (in thousands of euros):

	Balance at 12/31/2020	Additions	Disposals	Balance at 12/31/2021
<b>Cost</b>				
Other fixtures and furniture	1,469	40	(37)	1,472
Other items of property, plant and equipment	805	8	(341)	472
<b>Total cost</b>	<b>2,274</b>	<b>48</b>	<b>(378)</b>	<b>1,944</b>
<b>Accumulated depreciation</b>				
Other fixtures and furniture	(428)	(126)	36	(518)
Other items of property, plant and equipment	(410)	(21)	341	(90)
<b>Total accumulated depreciation</b>	<b>(838)</b>	<b>(147)</b>	<b>377</b>	<b>(608)</b>
<b>Impairment</b>				
Other items of property, plant and equipment	(183)	-	-	(183)
<b>Total impairment</b>	<b>(183)</b>	<b>-</b>	<b>-</b>	<b>(183)</b>
<b>Total property, plant and equipment, net</b>	<b>1,253</b>	<b>(99)</b>	<b>(1)</b>	<b>1,153</b>

**7. FINANCIAL INSTRUMENTS**
**7.1- FINANCIAL ASSETS**

The detail of “*Financial assets*” in the balance sheets at December 31, 2022 and 2021, based on the nature of the transactions, is as follows:

Classes	Thousands of euros							
	Non-current				Current			
	Equity instruments		Loans, derivatives and other		Loans, derivatives and other		Total	
	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
Financial assets at amortized cost	-	-	155	9	17,183	9,085	17,338	9,094
Financial assets at cost	1,265,801	584,021	-	-	-	-	1,265,801	584,021
Financial assets at fair value through profit and loss	-	-	3,977	-	-	-	3,977	-
<b>Total</b>	<b>1,265,801</b>	<b>584,021</b>	<b>4,132</b>	<b>9</b>	<b>17,183</b>	<b>9,085</b>	<b>1,287,116</b>	<b>593,115</b>

**7.1.1. Financial assets at cost**
**Equity investments in Group companies and associates**

The transactions performed in 2022, in this category of investments in Group companies and associates, are summarized as follows (in thousands of euros):

**2022**

	Balance at 12/31/2021	Additions	Reversals	Disposals	Balance at 12/31/2022
<b>Cost</b>					
<b>Investments in Group companies</b>	841,385	683,422	-	(542)	1,524,265
Diario El País México, S.A. de C.V.	898	-	-	-	898
Prisa Participadas, S.L.U.	340,182	-	-	-	340,182
Promotora de Actividades América 2010, S.L.	10	-	-	-	10
Promotora de Actividades Audiovisuales de Colombia, Ltda.	4	-	-	-	4
Prisa Activos Educativos, S.A.	133,008	663,422	-	-	796,430
Prisa Media, S.A.	265,089	-	-	(542)	264,547
Prisa Gestión Financiera, S.L.	102,194	20,000	-	-	122,194
<b>Investments in associates</b>	1,176	-	-	-	1,176
<b>Total cost</b>	842,561	683,422	-	(542)	1,525,441
<b>Impairment losses</b>					
<b>In Group companies</b>	(257,396)	(1,926)	828	-	(258,494)
Diario El País México, S.A. de C.V.	(893)	-	3	-	(890)
Prisa Participadas, S.L.U.	(250,770)	(1,925)	-	-	(252,695)
Promotora de Actividades América 2010, S.L.	(10)	-	-	-	(10)
Promotora de Actividades Audiovisuales de Colombia, Ltda.	(4)	(1)	-	-	(5)
Prisa Gestión Financiera, S.L.	(5,719)	-	825	-	(4,894)
<b>In associates</b>	(1,144)	(2)	-	-	(1,146)
<b>Total impairment losses</b>	(258,540)	(1,928)	828	-	(259,640)
<b>Net Value</b>	584,021	681,494	828	(542)	1,265,801

The direct and indirect investments of Promotora de Informaciones, S.A. are listed in *Appendix I* and *Appendix II*, respectively.

The most significant operations that took place in 2022 which gave rise to the aforementioned changes are as follows:

#### Additions and transfers 2022

As part of the Group's refinancing process (*see note 7.3*), on April 2022, the Company assumed the debt held by Prisa Activos Educativos, S.A. (Sole proprietorship) with credit institutions for a nominal amount of EUR 691,590 thousand, thereby generating an account payable to the Company for the fair value of this debt amounting to EUR 663,422 thousand. Subsequently, the Company has made a shareholder contribution in Prisa Activos Educativos, S.A. (Sole proprietorship) for the aforementioned amount, which has been recognised as an increase in the value of the investment.

In November 2022, the Company has made a monetary partner contribution to Prisa Gestión Financiera, S.L. (Sole proprietorship) for the amount of EUR 100,000 thousand in order to properly manage the Group's financial structure.

#### Disposals 2022

On February 2022, return of shareholder contributions by Prisa Media, S.L. (Sole proprietorship) for the amount of EUR 542 thousand was made.

**2021**

The transactions performed in 2021, in this category of financial assets, were summarized as follows (in thousands of euros):

	Balance at 12/31/2020	Additions	Reversals	Transfers	Disposals	Balance at 12/31/2021
<b>Cost</b>						
<b>Investments in Group companies</b>	<b>1,133,256</b>	<b>100,910</b>	-	-	(392,781)	<b>841,385</b>
Diario El País México, S.A. de C.V.	898	-	-	-	-	898
Prisa Noticias, S.L.	108,730	244	-	(108,974)	-	-
Prisa Participadas, S.L.U.	550,599	-	-	-	(210,417)	340,182
Promotora de Actividades América 2010, S.L.	10	-	-	-	-	10
Promotora de Actividades Audiovisuales de Colombia, Ltda.	4	-	-	-	-	4
Prisa Activos Educativos, S.L.	314,914	458	-	-	(182,364)	133,008
Prisa Media, S.L.	155,907	208	-	108,974	-	265,089
Prisa Gestión Financiera, S.L.	2,194	100,000	-	-	-	102,194
<b>Investments in associates</b>	<b>1,176</b>	-	-	-	-	<b>1,176</b>
<b>Total cost</b>	<b>1,134,432</b>	<b>100,910</b>	-	-	(392,781)	<b>842,561</b>
<b>Impairment losses</b>						
<b>In Group companies</b>	<b>(241,168)</b>	<b>(12,703)</b>	<b>62</b>	<b>(3,587)</b>	-	<b>(257,396)</b>
Diario El País México, S.A. de C.V.	(893)	-	-	-	-	(893)
Prisa Participadas, S.L.U.	(238,067)	(12,703)	-	-	-	(250,770)
Promotora de Actividades América 2010, S.L.	(10)	-	-	-	-	(10)
Promotora de Actividades Audiovisuales de Colombia, Ltda.	(4)	-	-	-	-	(4)
Prisa Gestión Financiera, S.L.	(2,194)	-	62	(3,587)	-	(5,719)
<b>In associates</b>	<b>(1,145)</b>	-	<b>1</b>	-	-	<b>(1,144)</b>
<b>Total impairment losses</b>	<b>(242,313)</b>	<b>(12,703)</b>	<b>63</b>	<b>(3,587)</b>	-	<b>(258,540)</b>
<b>Net Value</b>	<b>892,119</b>	<b>88,207</b>	<b>63</b>	<b>(3,587)</b>	<b>(392,781)</b>	<b>584,021</b>

The most significant operations that took place in 2021 which gave rise to the aforementioned changes were as follows:

#### Additions and transfers 2021

In June 2021, within the framework of the Group's corporate reorganization, the Company made a monetary partner contribution to Prisa Gestión Financiera, S.L. (Sole proprietorship) for the amount of EUR 100,000 thousand, transferring the provision for third-party liability to the stake's impairment for the same amount on that date for amount of EUR 3,587 thousand (see note 13).

In October 2021, also within the framework of the Group's corporate reorganisation, a non-monetary partner contribution was made to Prisa Media, S.A. (Sole proprietorship), consisting of the transfer of all the shares of its subsidiary Prisa Noticias, S.L. (Sole proprietorship) for a value of EUR 108,974 thousand. The Contribution to Prisa Media, S.A. (Sole proprietorship) was valued at carrying amount at which Prisa Noticias, S.L. (Sole proprietorship) stake was registered.

In 2021, the stake was increased in Prisa Media, S.A. (Sole proprietorship) (EUR 208 thousand), Prisa Activos Educativos, S.A. (Sole proprietorship) (EUR 458 thousand) and Prisa Noticias, S.L. (Sole proprietorship) (EUR 244 thousand), associated with the Medium-Term Incentive Plan approved in April 2018 aimed at members of senior management and certain executives of Group subsidiaries (see note 14). For the Company, this operation was classified as a contribution to its subsidiaries recorded as a gain in the value of the investment.

### Disposals 2021

In June 2021, likewise within the framework of the Group's business reorganisation, the following operations occurred:

1. Refund of contributions by Prisa Participadas, S.L. (Sole proprietorship) consisting of a distribution of the share premium through the assignment of the following credits:

- Participating loan granted by this entity to the Company for the amount of EUR 62,492 thousand.
- Loan granted by this entity to the Company for the amount of EUR 94,952 thousand.
- Cash pooling balance with the centralizing company of the Group's cash pooling balances, Prisa Gestión Financiera, S.L. (Sole proprietorship), for the amount of EUR 67,569 thousand.

EUR 210,417 thousand of the total share premium distributed, and in accordance with the profits generated and not distributed by the investee or any group company in which the latter has an interest, which must be considered within any distribution of available reserves as income to the shareholder, was considered to constitute a lower cost of the investment, with the remainder corresponding to dividend income (*see note 16*).

2. Return of shareholder contributions by Prisa Activos Educativos, S.A. (Sole proprietorship) in the amount of EUR 266,825 thousand, through the assignment of the loan granted by the latter to the Company for the same amount.

In this case, after analyzing the profits generated and not distributed by the investee and its subsidiaries, it was considered that the amount associated with a decrease in the value of the investment amounts to EUR 182,364 thousand, with the remainder corresponding to dividend income (*see note 16*).

### **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 stakes at an amount less than the net cost recorded.

The recoverable amount of each stake is the higher of fair value net selling price and value in use. Unless there is better evidence of the recoverable amount, the net equity of the investee is taken into consideration, corrected for the unrealized gains existing on the valuation date (including goodwill, if any).

Value in use was calculated on the basis of the estimated future cash flows based on the business plans most recently approved 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.



According to the estimates and projections available to the Directors, the corresponding provisions/reversals have been recognized in such a way that the net book value have been adjusted to the forecasts of the cash flows attributable to each company involved as of December 31, 2022 and 2021.

These projections cover the following five years and include a residual value that is appropriate for each business. 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. The rate for the most relevant impairment test is from 8% to 10% (from 7% to 9% in 2021).

An analysis of the sensitivity of the main hypotheses of the impairment test has been conducted, analyzing the difference between the carrying amount and its recoverable amount in the scenarios envisaged by the Company's Management in its estimates.

*Prisa Media, S.A. (Sole proprietorship)*

In order to determine the value in use of the business of Prisa Media, S.A. (Sole proprietorship), the Management has based itself on the estimated value of its main asset: Prisa Radio, S.A. ("Prisa Radio") Diario El País, S.L. y Grupo de Medios Impresos y Digitales, S.L.

The Management has adapted the advertising market projections to the new circumstances of the macroeconomic environment of Spain and Chile and of the advertising industry, in particular. In this sense, the estimates made by PwC in its "Global Entertainment & Media Outlook" report are taken into account and a market base that grows in the next five years after bottoming out in 2020 with the impact of the pandemic. Likewise, the Group takes into account its past experience in the radio and press sector, also considering its positioning (market share).

The discount rate used is from 8% to 10% (from 7% to 9% in 2021) and the growth rate used is from 0% to 1.5% (from 0% to 1.5% in 2021).

In accordance with these assumptions and the analysis of sensitivity carried out the recoverable value of Prisa Media, S.A. (Sole proprietorship) is higher than its book price.

*Prisa Activos Educativos, S.A. (Sole proprietorship)*

In order to determine the value in use of the business of Prisa Activos Educativos, S.A. (Sole proprietorship), the Management has based itself on the estimated value of its main asset: Grupo Santillana Educación Global, S.L. ("Santillana").

*Evolution of private training market:* Management has adjusted its projections for the education market to the new circumstances of the macroeconomic environment in which it operates 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.

*Evolution of Public purchase cycles:* Management has taken into account the historical evolution of this variable, chiefly in relation to public procurement orders on Brazil's National Books and Teaching Material Programme - PNLD, and has considered a continuous evolution in the future.

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.

The discount rate used for Santillana is from 8% to 10% (from 7.5% to 9% in 2021). The growth rate used is from 0.5% to 2% (from 0% to 1.5% in 2021).

In accordance with these assumptions and the analysis of sensitivity carried out the recoverable value of Prisa Activos Educativos, S.A. (Sole proprietorship) is higher than its book price.

*Prisa Participadas, S.L.*

The valuation of the investment in Prisa Participadas, S.L. (Sole Proprietorship) is carried out taking into consideration its equity, considered as the best evidence of the recoverable amount. According the impairment test made in 2022, the recoverable value has turned out to be lower than the book value, mainly as a consequence of the dividend distribution made to the Company offset by the profits obtained in this year, recording an impairment for amount of EUR 12,703 thousand.

*Prisa Gestión Financiera, S.L.*

The valuation of the investment in Prisa Gestión Financiera, S.L. (Sole Proprietorship) is carried out taking into consideration its equity, considered as the best evidence of the recoverable amount. According the impairment test made in 2022, the recoverable value has turned out to be higher than the book value, recording a reversal of impairment loss of EUR 825 thousand.

### **7.1.2. Financial assets at amortized cost**

#### **Short-term loans, derivatives and others**

This heading includes the portion of the loans to companies of the Group and Associates with maturity within one year and interest accrued pending payment, being the sum of EUR 1,981 thousand at December 31, 2022 (EUR 1,972 thousand at December 31, 2021).

In addition, this caption includes the tax account receivable with the Spanish Tax Group companies as a result of the liquidation of the consolidated Corporate tax for the sum of EUR 13,749 thousand at December 31, 2022 (EUR 6,506 thousand at December 31, 2021).

It also includes the balances with Group companies derived from the services provided by the Company to them for the amount of EUR 1,410 thousand at December 31, 2022 (EUR 233 thousand at December 31, 2021) and other receivables balances for amount of EUR 43 thousand at December 31, 2022 (EUR 374 thousand at December 31, 2021).

### 7.1.3. Financial asset at fair value through profit and loss

At December 31, 2022, and in the area of debt associated with the Refinancig, an interest rate hedge has been arranged by PRISA of a nominal amount of EUR 150 million which caps the three-month Euribor at 2.25% (3 months Euribor).

This heading includes the valuation of this interest rate hedge at December 31, 2022.

## 7.2. NON-CURRENT ASSETS HELD FOR SALE

On December 31, 2022 and 2021, under this heading is registered the participation of the Company in Vertex S.G.P.S., S.A.

	Thousand euros	
	2022	2021
Vertex S.G.P.S., S.A.	210	278
<b>Total</b>	<b>210</b>	<b>278</b>

In 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 has been appealed, in relation to certain operations of Distribuidora de Televisión Digital, S.A. (“DTS”), a subsidiary that was sold to the aforementioned company in 2015. The agreement for the sale of DTS to Telefónica contemplated the assumption by Prisa of a percentage of the damages arising from these legal proceedings, for which reason a provision of EUR 3,320 thousand 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.

### 7.3. FINANCIAL LIABILITIES

The detail of “*Financial liabilities*” in the balance sheets at December 31, 2022 and 2021, based on the nature of the transactions, is as follows:

Classes	Thousands of euros							
	Non-current		Current				Total	
	Bank borrowings		Bank borrowings		Derivatives and other			
Categories	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
Financial liabilities at amortized cost	971,319	200,307	12,477	1,279	27,297	45,381	1,011,093	246,967
<b>Total</b>	<b>971,319</b>	<b>200,307</b>	<b>12,477</b>	<b>1,279</b>	<b>27,297</b>	<b>45,381</b>	<b>1,011,093</b>	<b>246,967</b>

#### Bank borrowings

The Company’s bank borrowings as well as the limits and expected maturities are as follows (in thousands of euros):

#### 2022

	Maturity Date	Limit	Draw down amount maturing at short term	Draw down amount maturing at long term
Syndicated Loan Junior <sup>(*)</sup>	jun-27	192,013	-	192,013
Syndicated Loan Senior	dec-26	575,105	-	575,105
Super Senior Debt	jun-26	240,000	-	240,000
Interest and others	2022	12,477	12,477	-
Fair Value/Debt arrangement expenses	jun-27	-	-	(35,799)
<b>Total</b>		<b>1,019,595</b>	<b>12,477</b>	<b>971,319</b>

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

#### 2021

	Maturity Date	Limit	Draw down amount maturing at short term	Draw down amount maturing at long term
Syndicated Loan Tranche 2	mar-25	59,289	-	59,289
Super Senior Debt <sup>(*)</sup>	dec-24	225,000	-	150,121
Interest and others	2022	1,279	1,279	-
Fair Value/Debt arrangement expenses	mar-25	-	-	(9,103)
<b>Total</b>		<b>285,568</b>	<b>1,279</b>	<b>200,307</b>

(\*) The long-term amount drawn down included capitalized interest as of December 31, 2021 (EUR 5,121 thousand)

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

	Thousand euros	
	2022	2021
<b>Bank borrowings at beginning of year</b>	<b>201,586</b>	<b>166,109</b>
Amortization / debt disposition	88,526	23,756
Debt assumption at fair value ( <i>Note 7.1.1</i> )	663,422	-
Change in accrued interest payable	11,197	1,176
Change in capitalized interest and fees	17,593	5,121
Amortized cost old debt	8,325	-
Amortized cost exercise	5,664	5,201
Fair value in financial instruments	(10,117)	-
Debt arrangement expenses	(2,400)	223
<b>Bank borrowings at the end of year</b>	<b>983,796</b>	<b>201,586</b>

Under the Refinancing agreement, the Company has assumed debt from Prisa Activos Educativos, S.A. (Sole Proprietorship) for an amount of EUR 691,590 thousand (see section *Refinancing*) with a fair value at that moment of EUR 663,422 thousand. In addition, the Company drawn down EUR 160,000 thousand at that moment corresponding to the new Super Senior Term Loan Facility debt with which it was fully cancelled the previous Super Senior debt for the amount of EUR 151,474 thousand thereof at April 19, 2022 of, including the interest capitalized up to that date. Subsequently, the Company has drawn down the additional EUR 80,000 thousand related to the Super Senior Revolving Facility.

As discussed in the "*Other aspects of the Refinancing*" section, the new refinancing has led to the derecognition of the old debt and the recognition of a new debt at fair value, with an associated income amounting to EUR 10,117 thousand, partially offset by the expense associated with the derecognition of the old debt at amortized cost, amounting to EUR 6,665 thousand for the syndicated loan and EUR 1,660 thousand for the Super Senior debt.

Bank borrowings are presented sheet at amortized cost in the balance sheet, adjusted for the loan origination and arrangement costs.

To determine the theoretical calculation of the fair value of the financial debt, and in accordance with the accounting standards, 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.

Therefore, the fair value of the Junior Debt, the Senior Debt, the Super Senior Debt and the accrued interest payable amounts to EUR 910,288 thousand at December 31, 2022, according to this calculation, as a result of apply a 10.72% average discount over the real principal payment obligation 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 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 euros, 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 underwriting fee 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 (*see note 9*), and who had the subscription right. 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 for a nominal amount of EUR 691,590 thousand (*see note 7.1.1*).

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 refinancing debt is as follows:

#### *Personal guarantees*

The Senior and Junior Debt, as it was refinanced in April 2022, is jointly and severally guaranteed by Prisa and the companies Prisa Activos Educativos, S.A.U. Diario El País, S.L., Grupo de Medios Impresos y Digitales, S.L.U., Grupo Santillana Educación Global, S.L., 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 were 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. (Sole proprietorship), Prisa Media, S.A. (Sole proprietorship), Prisa Gestión Financiera, S.L. (Sole proprietorship) and Grupo Santillana Educación Global, S.L.U was also pledged, thereby insuring syndicated debt. Similarly, given its significance in the group, collateral has been pledged over 100% of the shares of Editora Moderna Ltda. (Brasil).

#### *Other aspects of the 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 10,117 thousand in the heading "*Value variation of financial instruments*" of the income statement, for the difference between the nominal value of the debt and its fair value on the date of initial recognition. In addition, the debt assumed from Prisa Activos Educativos, S.A.U, by the Company, as is mentioned in note 7.1.1, included a fair value adjustment for the amount of EUR 28,168 thousand. 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 income statement as finance costs, including, among others, various fees, in the form of upfront discounting ("OID") and consent fees, and other fees for an amount of EUR 23,491 thousand. In this respect, the refinancing, structuring and underwriting that the Company has chosen to pay through the issue of shares discussed above has been treated as a reserve for other equity instruments, as the method of settlement is at the discretion of the Company. This has resulted in recording a financial expense of EUR 20,288 thousand, with a credit to "Other equity instruments" in equity. For this purpose, the 32 million shares to be issued were valued at the listed price of the Prisa share on the date the Refinancing agreement was made public.

Finally, a financial expense of EUR 6,665 thousand euros has been recorded, mainly associated with recognising the formalisation costs associated with the previous refinancing, which had not yet been taken to the income statement.

#### *Super senior Debt –*

In addition to the above Senior and Junior loan, the Company signed on 8 April 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 its amount on 19 April, 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 31 December 2021. In the last quarter of 2022, the Company has 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 income statement as a financial expense for the amount of EUR 1,660 thousand. 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.

### Payable to Group companies and associates

The detail of "*Payable to Group companies and associates*", is as follows (in thousands of euros):

#### 2022

	<b>Current</b>
Other payables	5,244
Cash pooling	8,089
<b>Total</b>	<b>13,333</b>

#### 2021

	<b>Current</b>
Other payables	7,781
Cash pooling	24,126
<b>Total</b>	<b>31,907</b>

#### *Other current payables-*

At December 31, 2022 this heading includes, on the one hand, the tax account payable to the Spanish Tax Group companies for the liquidation of the consolidated Corporate tax for EUR 4,963 thousand (EUR 7,348 thousand at December 31, 2021).

It also includes the balances with Group companies derived from the services received by the Company from them for the amount of EUR 281 thousand at December 31, 2022 (EUR 433 thousand at December 31, 2021).

On the other side, also included EUR 8,089 thousand of balances and interest payable to Prisa Gestión Financiera, S.L. (Sole proprietorship), centralizing company of the Group's cash pooling balances, arising from cash pooling (EUR 24,166 thousand at December 31, 2021).

*Past-due payments to creditors-*

The information required by the third additional provision of Law 15/2010, of 5 July (amended by the second final provision of Law 31/2014, of 3 December) approved in accordance with the resolution of ICAC (Spanish Accounting and Audit Institute) of January 29, 2016, in relation to the average period of payment to suppliers in commercial operations, the monetary volume and number of invoices paid in a period shorter than the maximum laid down in the late payment regulations and the percentage they represent of the total number of invoices and of the total monetary payments to their suppliers, is as follows.

	2022	2021
	<i>Days</i>	
<b>Average payment period to suppliers</b>	<b>110</b>	<b>69</b>
Ratio of settled transactions	113	70
Ratio of outstanding payment transactions	20	41
	<i>%</i>	
Ratio of operations paid in a period of less than 60 days	43%	-
Ratio of invoices paid in less than 60 days	56%	-
	<i>Amount (thousands of euros)</i>	
Total payments	15,132	13,910
Total payments made within a period of less than 60 days	6,501	-
Total outstanding payments	562	474
	<i>Number</i>	
Total paid invoices	1,184	-
Total paid invoices under 60 days	664	-

According to the ICAC Resolution, the calculation of the average period of payment to suppliers has taken into account the commercial operations corresponding to the delivery of goods or services rendered from the date of entry into force of Law 31/2014, of 3 December.

For the sole purposes of providing the information set forth in this Resolution, providers shall mean business creditors for debts with providers of goods or services included in headings "*Payable to suppliers*", "*Payable to suppliers, Group companies and associated*" and "*Sundry accounts payable*" of the current liabilities of the balance sheet.

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

The maximum legal period of payment applicable in 2021 under Law 3/2004, of 29 December, and its amendment by Law 15/2010, of 5 July, for combating late payment in commercial transactions, is by default 60 days. The average period of payment to the Company's suppliers

exceeds the statutory maximum period partially on account of agreements reached with suppliers related to Refinancing to defer payments or, where relevant, to initiate expenditure.

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

#### 7.4- NATURE AND RISK OF THE FINANCIAL INSTRUMENTS

##### *Liquidity and Credit 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 Company has in place a Super Senior debt ("Super Senior Term & Revolving Facilities Agreement") to meet operational needs for a maximum amount of EUR 240,000 thousand, completely drawn as of December 31, 2022.

The Company thoroughly analyzes receivables and payments of its activities and maturity of financial and commercial debt. In terms of the commercial credit risk, the Company assesses the age of the trade receivables and constantly monitors the management of the receivables and payables associated with all its activities.

Additionally, the Company analyzes on a recurrent basis other financing sources to cover short- and medium-term liquidity needs. However, at December 31, 2022, the Company still maintains a net bank debt level of EUR 1,009,400 thousand. This debt indicator includes non-current and current bank borrowings, at nominal value, diminished by current financial assets, cash and cash equivalents.

The table below details the liquidity analysis of the Company in 2022 in relation to its bank borrowings. The table was prepared using the cash outflows not discounted with respect to their scheduled maturity dates and the early amortization of the Junior debt in February 2023 for the amount of EUR 110 million mentioned in note 20. 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.

<b>Maturity</b>	<b>Thousand of euros</b>	<b>Floating euro rates</b>
Within 3 months	126,463	2.34%
From 3 months to 12 months	52,016	3.24%
From 1 to 3 years	138,365	2.59%
From 3 to 5 years	982,490	2.24%
After 5 years	-	0.00%
<b>Total</b>	<b>1,299,335</b>	

The Company'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 financial statements, the notional value of the debt covered by previous coverages amounts to EUR 300 million.

#### *Interest rates risk exposure-*

The 100% of its bank borrowings terms are at variable interest rates, and therefore the Company is exposed to fluctuations in interest rates.

In this regard, the Company 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

#### *Fluctuations in foreign exchange rates-*

The Company is exposed to fluctuations in the exchange rates mainly in the financial investments in Latin American subsidiaries, and for the revenues and results from those investments.

## **8.- CASH AND CASH EQUIVALENTS**

The balance of the heading "*Cash and cash equivalents*" in the accompanying balance sheet at December 31, 2022 amounts to EUR 10,195 thousand (EUR 10,764 thousand at December 31, 2021) and it includes EUR 10,000 thousand received under the "escrow agreement" related to the Vertex purchase agreement with 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, and therefore has registered under the heading "*Other financial liabilities*" a liability for the same amount.

## **9- EQUITY**

The detail of the transactions recognized under "*Equity*" in 2022 and 2021 is summarized in the attached statement of changes in equity.

### **Share capital**

As of January 1, 2022, the share capital of PRISA amounted 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 7.3*). 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	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,	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, 2022 (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.

### 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 the previous note, the share premium as of December 31, 2022 is EUR 17,088 thousand and corresponds to 0.534 euros per share.

### Reserves

#### *Legal reserve-*

Under the Consolidated Text of the Corporate Enterprises Law, 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.

During 2022, as a consequence of the distribution of the result of the year 2021, the balance of this account has increased for the amount of EUR 5,559 thousand, amounting at December 31, 2022 to EUR 12,646 thousand (EUR 7,087 thousand at December 31, 2021), without being fully endowed in both exercises.

#### *Reserve for treasury shares-*

Article 142 of the Consolidated Text of the Corporate Enterprises Act states that when a company acquires treasury shares, it must record in equity 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 (at December 31, 2021, EUR 1,320 thousand).

### Voluntary reserves-

In the financial year 2022 the changes in this account were mainly as follows:

- Decrease of EUR 861 thousand due to operations carried out in the year with treasury shares (see section "Treasury shares").
- Increase of EUR 890 thousand because of the distribution of the result of the year 2021.
- In addition, in 2022 the Company recognised other reserves related to the Medium-Term Incentive Plan (see note 14) for the year amounting to EUR 845 thousand.
- Decrease of EUR 29 thousand for expenses related to the share capital increase before mentioned.

The balance at December 31, 2022 of this item amounts to a positive amount of EUR 2,286 thousand (EUR 1,441 thousand at December 31, 2021).

### Other reserves-

As a consequence of the share capital reduction in 2020, a new reserve was set up which will only be available under the same requirements as those for the share capital reduction, for the amount of EUR 267,418 thousand at December 31, 2022 and 2021.

### Loss from previous years-

The "Loss from previous years" increased during 2021 as a result of the distribution of 2020 loss, until leaving a negative amount of EUR 49,144 thousand as of December 31, 2021.

During 2022, this amount has been offset with the distribution of the result of the 2021 financial year.

### Treasury shares

The changes in "Treasury shares" in 2022 and 2021 were as follows:

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

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 total market value of the treasury shares 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. Through various Addendums to the original contract, the parties agreed to extend the term of the agreement yearly, the last one in July 2022, 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.

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

### **Capital management policy**

The principal objective of the Company'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 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 7.3*). This has entailed an amortization in February 2023 of EUR 110 million of the aforementioned Junior debt. This issuance improves the equity of the Company 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 20*).

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

## 10. TAX MATTERS

As indicated under “Accounting Policies,” the Company files consolidated income tax returns in Spain, in accordance with the Spanish Corporation Tax Law, and is the Parent of consolidated tax group 2/91. The companies included in the consolidated tax group are detailed in Appendixes I and II.

As the parent of the aforementioned consolidated tax group, Promotora de Informaciones, S.A. recognises the Group’s overall position vis-à-vis the tax authorities resulting from application of the consolidated tax regime, in accordance with the following table:

	Thousands of Euros	
	2022	2021
<b>Sum of individual tax bases</b>	<b>(39,287)</b>	<b>(65,818)</b>
Offset of tax losses arising prior to inclusion in the Group	-	-
Offset of Group tax losses	-	-
<b>Consolidated taxable profit</b>	<b>(39,287)</b>	<b>(65,818)</b>
<b>Consolidated gross tax payable</b>	<b>-</b>	<b>-</b>
Double taxation tax credits generated	-	-
Investment tax credits	-	-
Donations tax credits	-	-
<b>Net tax payable</b>	<b>-</b>	<b>-</b>
Withholdings from tax group	<b>(16)</b>	<b>(11)</b>
Advance payments	-	-
<b>Income tax refundable</b>	<b>(16)</b>	<b>(11)</b>

### Reconciliation of the accounting profit (loss) to the taxable profit (tax loss)

The reconciliation of the income and expenses for the year to the taxable profit (tax profit/loss) used to calculate the income tax expense for 2022 and 2021 is as follows (in thousands of Euros):

	2022			2021		
	Income statement	Items recognised in Equity with tax impact	Total	Income statement	Items recognised in Equity with tax impact	Total
<b>Balance of income and expenses for the year from continue activities</b>	<b>(90,956)</b>	<b>(24)</b>	<b>(90,980)</b>	<b>55,593</b>	<b>-</b>	<b>55,593</b>
Income tax *	(9,635)	-	(9,635)	46	-	46
Adjustment of prior years' income tax *	(7)	-	(7)	(1,060)	-	(1,060)
Individual permanent differences *	34,984	-	34,984	(80,714)	-	(80,714)
Individual temporary differences *	(186)	-	(186)	(186)	-	(186)
<b>Taxable profit</b>	<b>(65,800)</b>	<b>(24)</b>	<b>(65,824)</b>	<b>(26,321)</b>	<b>-</b>	<b>(26,321)</b>

\*This amount is a component of the recognised income tax

The permanent differences correspond mainly to: (i) the different accounting and tax treatment of investment valuation provisions and risks and expenses, and others concepts, and generate an increase of EUR 514 thousand, (ii) a negative adjustment of the exemption of dividends, for EUR 3,607 thousand, to which article 21 of the Spanish Corporation Tax Law applies, (iii) a negative adjustment of the tax merger difference corresponding to 2022 for EUR 19,294 thousand, arising from the merger operation of the companies Promotora de Informaciones, S.A. and Prisa Televisión, S.A.U. (merger by takeover described in Note 17 of the Financial Statement corresponding to 2013), applying the requirements of Article 89.3 of the Tax Law in force at that time to give it tax effect, (iv) a positive adjustment for the contributions made to non-profit organizations for EUR 118 thousand, which generated an expense not deductible from the taxable profit, (v) a positive adjustment of EUR 582 thousand arising from the non-deductibility of the rental expense relating to the properties transferred in 2008, as it is incompatible with the deduction for reinvestment of extraordinary income

generated in 2008 and (vi) a positive adjustment for the limitation of the deductibility of financial expenses outlined in article 16 of the aforementioned Income Tax Law, which amounts to EUR 56,691 thousand.

The temporary differences come from the recovery by tenths of the amount subject to the limitation of the deductibility of the amortisation expense provided for in article 7 of Law 16/2012, of December 27, by which various directed tax measures are adopted to the consolidation of public finances and the boost to economic activity amounting to EUR 186 thousand.

The income tax adjustment for prior years mainly included the recognition of the effect of the tax audit for 2016-2018, which generated an income of EUR 1,416 thousand, as well as the effect of the final income tax settlement for 2020, which generated an expense of EUR 329 thousand.

### Reconciliation of the accounting profit (loss) to the income tax expense

The reconciliation of the accounting profit (loss) to the income tax expense is as follows (in thousands of Euros):

	2022			2021		
	Income Statement	Items recognised in Equity with tax impact	Total	Income Statement	Items recognised in Equity with tax impact	Total
Accounting profit (loss) before tax (*)	(100,598)	(24)	(100,622)	54,579	-	54,579
Rate os 25%	(25,150)	(6)	(25,156)	13,645	-	13,645
Individual permanent differences on consolidation	8,746	-	8,746	(20,179)	-	(20,179)
Impact of temporay differences	(46)	-	(46)	46	-	46
Current Income tax	(16,450)	(6)	(16,456)	(6,488)	-	(6,488)
Deferred income tax	46	-	46	46	-	46
Adjustment of prior yearsincome tax	(8)	-	(8)	(1,060)	-	(1,060)
Adjustment no generation of DTA by NOLs	6,769	6	6,775	6,488	-	6,488
<b>Total income tax</b>	<b>(9,643)</b>	<b>-</b>	<b>(9,643)</b>	<b>(1,014)</b>	<b>-</b>	<b>(1,014)</b>

\* Including "Result from discontinued operations, net of tax"

**Tax receivables and tax payables**

The detail of the balances with Tax Receivables at December 31, 2022 is as follows (in thousands of Euros):

	Receivable		Payable	
	Current	Non-current	Current	Non-current
Income tax refundable/payable	990	-	-	-
Deferred tax assets arising from temporary differences	-	93	-	-
VAT, personal income tax withholdings, social security taxes and other	2	-	249	-
<b>Total</b>	<b>992</b>	<b>93</b>	<b>249</b>	<b>-</b>

The detail of the balances with Tax Authorities at December 31, 2021 was as follows (in thousands of Euros):

	Receivable		Payable	
	Current	Non-current	Current	Non-current
Income tax refundable/payable	756	-	-	-
Deferred tax assets arising from temporary differences	-	139	-	-
VAT, personal income tax withholdings, social security taxes and other	301	-	247	-
<b>Total</b>	<b>1,057</b>	<b>139</b>	<b>247</b>	<b>-</b>

## Deferred tax assets and liabilities

### *Deferred tax assets-*

The detail of the Tax Group's taxable losses is as follows:

Year of generation	NON-ACTIVATED
	Amount (thousand of euros)
2011	133,464
2012	232,380
2013	40,981
2014	36,745
2015	626,769
2017	155,782
2018	42,915
2019	30,797
2020	59,436
2021	65,518
2022	39,287
<b>TOTAL</b>	<b>1,464,074</b>

The Tax Group's taxable losses are not subject to an expiry period for compensation.

### **Contribution to the taxable losses generated by the Tax Group**

In accordance with the article 74 of the Income Tax Law, the amount of The Tax Group's taxable losses pending compensation, to whose formation the Company has contributed, is as follows:

Year of generation	NON-ACTIVATED
	Amount (thousand of euros)
2011	92,069
2012	42,376
2013	21,826
2014	593,990
2015	40,224
2017	26,400
2018	14,953
2019	24,911
2021	18,548
2022	27,099
<b>TOTAL</b>	<b>902,396</b>

The detail of the maturity of the Tax Group's tax deductions, is as follows:

Year of statute of limitation	NON-ACTIVATED
	Amount (Thousands of Euros)
2023	6,303
2024	7,769
2025	32,904
2026	12,351
2027	4,541
2028	9,265
2029	12,257
2030	5,428
2031	1,838
2032	196
2033	85
2034	53
2035	-
2039	1,113
No Limits	54,247
<b>TOTAL</b>	<b>148,350</b>

The Company has not recognised deferred tax assets in respect of tax losses and deductions at 31 December 2022 as it considers that the generation of taxable income in future years is not reasonably assured.

#### Years open to examination by the tax authorities

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 12*).

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

Similarly, they ended in 2016, the audits related to the Corporate Tax corresponding to 2009 to 2011 in Fiscal Consolidation Group 2/91, of which Promotora de Informaciones, S.A. is the parent company, resulting in the signing of a Notice in disagreement with no amounts payable and whose impact was recorded in accounting in that year. 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 National Court of Spain, which is currently pending a ruling.

In 2021, the inspection procedures relating to Value Added Tax for the periods 2016-2018 of VAT Group 105/08 were completed, with the signing of (i) a conformity assessment corresponding to 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 the Corporate Tax relating to the 2016 to 2018 financial years of tax consolidation group 2/91, of which Promotora de Informaciones, S.A. is the parent, was completed with the signing of an Act of Conformity resulting in an amount of EUR 789 thousand to be returned.

Finally, in 2021 inspections came to an end relating to withholdings by residents and non-residents in 2017 and 2018 for the Company, with no regularisations arising.

The Company has all state taxes open to examination from 2019 to 2022. Additionally, the Company has the last four years open to examination for all non-state taxes. It is not expected that there will be accrued liabilities of consideration to the Company in addition to those already registered, as a result of these procedures or of a future and possible inspection.

### **Transactions under the special regime**

The disclosures required by Article 86 of the Spanish Corporation Tax Law relating to corporate restructuring transactions under the special regime of Chapter VII of Title VII of the



aforementioned legislation, made in previous years, are included in the notes to the financial statements of the years in which these transactions took place.

## 11.- INCOME AND EXPENSE

### Employees

The detail of “*Employee benefits costs*” in the income statements for 2022 and 2021 is as follows (thousands of euros):

	2022	2021
Employer social security costs	638	840
Other employee benefit costs	102	111
<b>Total</b>	<b>740</b>	<b>951</b>

The average number of employees in 2022 and 2021 was 44 and 62, all of whom had a permanent employment contract. The detail, by gender and professional category, is as follows:

	2022		2021	
	Men	Men	Men	Women
Executives	4	6	6	7
Middle management	3	4	4	7
Qualified line personnel	10	13	13	18
Other	-	1	1	6
<b>Total</b>	<b>17</b>	<b>27</b>	<b>24</b>	<b>38</b>

The number of employees at December 31, 2022 was 41 and at December 31, 2021 was 47 all of whom had a permanent employment contract. The detail, by gender and professional category, is as follows:

	12/31/22		12/31/21	
	Men	Women	Men	Women
Executives	3	7	4	6
Middle management	4	5	3	5
Qualified line personnel	8	11	12	13
Other	-	3	-	4
<b>Total</b>	<b>15</b>	<b>26</b>	<b>19</b>	<b>28</b>

In 2022 and part of 2021 there was an employee with disabilities equal or greater than 33%.

## External services

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

	Thousands of Euros	
	2022	2021
Leases and fees	749	846
Repairs and maintenance	370	406
Independent professional services	4,077	6,203
Other external services	1,804	1,756
<b>Total</b>	<b>7,000</b>	<b>9,211</b>

The "Other external services" includes in 2022 an expense of EUR 393 thousand corresponding to the liability insurance of Managers and Directors (EUR 382 thousand in 2021).

## Operating leases

Different assets used by the Company are under operating lease arrangements, the most significant corresponding to the building of Miguel Yuste, 40 (Madrid). where the Company carry out its main activity. Diario El País, S.L., a subsidiary of the Company, has signed the operating lease contract for this property, partially passing on the expense to the Company. As such, the Company has no future commitments for this concept.

The expense recognized by the Company in the income statement for the year 2022 and corresponding to the operating lease where it develops its mainly activity, amounts to EUR 320 thousand (EUR 385 thousand for the year 2021).

## Fees paid to auditors

The fees for financial audit services relating to the 2022 individual and consolidated financial statements of Prisa provided by Ernst & Young, S.L., amounted to EUR 294 thousand (EUR 277 thousand in 2021).

Fees for other professional services provided to the Company by the principal auditor (Ernst & Young S.L.) and by other entities related to the auditor are as follow (in thousands of euros):

	2022	2021
Other audit services	130	-
Other verification services	300	129
<b>Other professional services</b>	<b>430</b>	<b>129</b>

## 12.- NET FINANCIAL RESULT

The detail of "Net Financial Result" in the income statements is as follows:

	Thousands of Euros	
	2022	2021
Income from loans	9	387
Other financial income	1	7,901
<b>Financial income</b>	<b>10</b>	<b>8,288</b>
Interest on debts with Group companies	(751)	(4,026)
Interest on debts with third parties	(46,458)	(11,633)
Loan arrangement costs	(43,779)	-
Financial expenses por hedging operations	(823)	-
Other financial expenses	(1)	(2)
<b>Financial expenses</b>	<b>(91,812)</b>	<b>(15,661)</b>
<b>Change in fair value of financial instruments</b>	<b>(3,871)</b>	<b>(5,201)</b>
Positive exchange differences	21	15
Negative exchange differences	(16)	(10)
<b>Net exchange differences</b>	<b>5</b>	<b>5</b>
<b>Impairment and losses of financial instruments</b>	<b>(647)</b>	<b>(13,933)</b>
<b>Financial outcome</b>	<b>(96,315)</b>	<b>(26,502)</b>

In 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 10*).

In 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, in 2022 a negative impact has been accounted under the heading "Value variation of financial instruments" of the financial result for an amount of EUR 8,325 thousand, associated with the derecognition of amortized cost of the original financial liability (i.e. the part of the syndicated loan of the Group subject to the Refinancing recorded in the Company). Also in 2022, the heading "Value variation of financial instruments" includes a positive impact of EUR 10,117 thousand for the difference between the nominal value of the debt and its fair value on the date of initial recognition (*see note 7.3*). 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 income statement using the effective interest method (in financial year 2022 the expense moved to the income statement amounted EUR 4,886 thousand).

In 2021, the heading "Value variation of financial instruments" included the financial results accrued due to the transfer to the 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 7.3*).

### 13.- PROVISIONS AND CONTINGENCIES

The changes in “*Provisions and contingencies*” in 2022 are as follows (in thousands of euros):

	Balance at 12/31/2021	Additions	Reversals	Amounts used	Balance at 12/31/2022
Provision for litigation in progress	300	-	-	-	300
Obligations for long-term employee benefits	210	-	(210)	-	-
Provisions for third-party liability	2,202	-	(453)	-	1,749
Other provisions	7	89	-	-	96
<b>Total long-term provisions</b>	<b>2,719</b>	<b>89</b>	<b>(663)</b>	<b>-</b>	<b>2,145</b>
Provision for trade receivables	206	-	(206)	-	-
Provisions for third-party liability	3,320	-	-	-	3,320
Other provisions	96	-	-	(96)	-
<b>Total short-term provisions</b>	<b>3,622</b>	<b>-</b>	<b>(206)</b>	<b>(96)</b>	<b>3,320</b>

The main changes under the heading “*Provisions for long-term third-party liability*” correspond basically to the decreases in the provisions established to cover the negative equity that at December 31, 2022, presents the company Promotora de Actividades América 2010, S.L (Company in liquidation) (EUR 453 thousand).

The changes in “*Provisions and contingencies*” in 2021 were as follows (in thousands of euros):

	Balance at 12/31/2020	Additions	Transfers	Balance at 12/31/2021
Provision for litigation in progress	300	-	-	300
Obligations for long-term employee benefits	-	210	-	210
Provisions for third-party liability	4,496	1,293	(3,587)	2,202
Other provisions	-	7	-	7
<b>Total long-term provisions</b>	<b>4,796</b>	<b>1,510</b>	<b>(3,587)</b>	<b>2,719</b>
Provision for trade receivables	-	206	-	206
Provisions for third-party liability	-	3,320	-	3,320
Other provisions	-	96	-	96
<b>Total short-term provisions</b>	<b>-</b>	<b>3,622</b>	<b>-</b>	<b>3,622</b>

The main changes under the heading “*Provisions for long-term third-party liability*” corresponded basically to the decreases in the provisions established to cover the negative equity that at December 31, 2022, presented the company Promotora de Actividades América 2010, S.L (Company in liquidation) (EUR 6 thousand), and the amount recorded during 2021 for the company Prisa Gestión Financiera, S.L. (Sole proprietorship) (EUR 1,287 thousand) which were both recognized with a charge to the heading “*Impairment of financial assets*” in the accompanying income statement. Due to the contribution made to re-establish the balance of Prisa Gestión Financiera, S.L. (Sole proprietorship) (see note 7.1) last amount along with the recording at December 31, 2020 was transferred at a lower value for the stake, under the heading transfers.

The main changes under the heading “*Provisions for short-term third-party liability*” included a provision associated with an unfavourable ruling received by Telefónica and communicated to Prisa by the latter in January 2022, which has been appealed, in relation to certain operations of Distribuidora de Televisión Digital, S.A. (“DTS”), a subsidiary that was sold to the aforementioned company in 2015. The agreement for the sale of DTS to Telefónica contemplated the assumption by Prisa of a percentage of the damages arising from these legal proceedings, for which reason a provision of EUR 3,320 thousand has been recognised at December 31, 2021 as it is considered probable that an outflow of resources will be required (see note 7.2).

#### **14.- SHARE-BASED PAYMENTS**

##### **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 thousand).

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.

**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.

**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 with 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 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 with 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.

In 2022 it has been registered an expense of EUR 103 thousand, 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 43 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.

## 15.- GUARANTEE COMMITMENTS TO THIRD PARTIES

At December 31, 2022, Prisa had furnished bank guarantees amounting to EUR 339 thousand (EUR 601 thousand at December 31, 2021). Additionally, the Company is the joint and several guarantor of the obligations incurred under the lease contract of the offices of C/ Miguel Yuste of which Diario El País, S.L. is the lessee, and the lease contract of the offices of C/Gran Vía, 32, Madrid and C/Caspe 6-20, Barcelona, of which Sociedad Española de Radiodifusión, S.L.U. is the lessee.

The Company is also the joint and several guarantor of the payment of the deferred price for the purchase by Prisa Media, S.A. (Sole Proprietorship) of 20% of Prisa Radio, S.A. shares, which were owned by Grupo Godó de Comunicación, SA., for an amount of EUR 15,000 thousand, payable by Prisa Radio, S.A. in May 2023.

In the opinion of the Company's Directors, the possible effect on the accompanying income statements of the guarantees provided would not be significant.

## 16.- RELATED PARTY TRANSACTIONS

The transactions performed with Group companies, associates and related parties in 2022 and 2021 are as follows in thousands of euros:

	12/31/2022		12/31/2021	
	Group companies or entities	Significant shareholders	Group companies or entities	Significant shareholders
Receivables	1,410	-	233	-
Financial credits	15,730	-	8,478	-
<b>Total receivable accounts</b>	<b>17,140</b>	<b>-</b>	<b>8,711</b>	<b>-</b>
Trade payables	281	-	433	-
Financial loans	13,052	58	31,474	-
<b>Total payable accounts</b>	<b>13,333</b>	<b>58</b>	<b>31,907</b>	<b>-</b>



The transactions performed with Group companies, associates and related parties in 2022 and 2021 are as follows in thousands of euros:

	2022			2021		
	Directors and executives	Other Group companies	Significant shareholders	Directors and executives	Other Group companies	Significant shareholders
Finance expenses	-	751	-	-	4,026	-
Services received	-	1,046	58	-	1,295	-
Other expenses	2,661	-	-	7,990	-	-
<b>Total expenses</b>	<b>2,661</b>	<b>1,797</b>	<b>58</b>	<b>7,990</b>	<b>5,321</b>	<b>-</b>
Finance income	-	9	-	-	387	-
Dividends received	-	3,796	-	-	101,202	-
Other income	-	4,400	-	-	4,907	-
<b>Total revenues</b>	<b>-</b>	<b>8,205</b>	<b>-</b>	<b>-</b>	<b>106,496</b>	<b>-</b>

All related party transactions have taken place under market conditions.

The amount of EUR 2,661 thousand relates to the accrued salaries of Directors for the amount of EUR 1,100 thousand (*see note 17*) and executives for the amount of EUR 1,561 thousand.

*Remuneration of Senior Management:*

The total aggregate compensation in 2022, in Promotora de Informaciones, S.A., amounts to EUR 1,561 thousand (EUR 4,291 thousand in 2021) and is the accounting reflection of the overall compensation of managers who are not executive counselors in PRISA.

Regarding fiscal year 2022:

- i. The aggregate compensation in 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), 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 a lower expense for a negative amount of EUR 210 thousand (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 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 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 has been 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.

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

#### Regarding fiscal year 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 CFO (Mr David Mesonero, who also joined the Company in July 2021), the Chief of Communication and Institutional Relations (Mr Jorge Rivera) and the Prisa’s Director of Internal Audits (Ms Virginia Fernández).

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

- ii. Remuneration of senior management includes, inter alia:
- o Annual variable compensation (bonus): reflection of the amount corresponding to theoretical annual variable compensation of the executives if 2021 management objectives were achieved.
  - o Regularization of 2020 bonus paid in 2021, taking into account that: i) in April 2020 the Directors voluntarily waived, in relation to the 2020 financial year, the part of the annual variable remuneration that refers to quantitative objectives and ii) in January 2021 Mr. Pujol also waived the part of the annual variable remuneration corresponding to qualitative objectives.
  - o In 2021, an expense of EUR 289 thousand was recorded for the “Incentive Plan 2018-2020”, in relation to the Managers.
  - o In the 2021 an expense amounting to EUR 2,219 thousand was recorded as a consequence of the termination of the contractual relationship (indemnities and compensation for non-competition agreement) of 3 of the Managers mentioned above.

*Transactions between Group companies, associates and related parties-*

Income from services rendered corresponds basically to central corporate services.

The detail, by company, of the dividend income paid by Group companies in 2022 and 2021 is as follows in thousands of euros:

	2022	2021
Prisa Activos Educativos, S.L.	-	84,461
Prisa Participadas, S.L.	3,778	16,721
Canal Club, S.A.	18	20
<b>Total</b>	<b>3,796</b>	<b>101,202</b>

In 2022 have been recorded EUR 3,778 thousand as a result of the distribution of the previous year result of Prisa Participadas, S.L. (Sole proprietorship) (EUR 2,125 thousand in 2021).

Corporate operations describe in note 7.1.1, into “Disposals” in 2021, and according to the profits generated and not distributed from the date of acquisition or incorporation by the investee company and its subsidiaries, generated a dividend income in the Company of EUR 99,057 thousand.

*Transactions between with significant shareholders -*

During 2022, there have been no relevant transactions between with significant shareholders.

*Transactions with significant shareholders -*

During 2022, there have been no relevant transactions with significant shareholders.

## 17.- REMUNERATION AND OTHER BENEFITS OF DIRECTORS

### Remuneration of Board of Directors

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

	Thousands of euros	
	2022	2021
Compensation for belonging to the Board and/ or Board Committees	1,100	1,027
Salaries	-	224
Variable compensation in cash	-	115
Compensation systems based on shares	-	322
Severance compensation	-	1,742
Other	-	269
<b>Total</b>	<b>1,100</b>	<b>3,699</b>

### **General observations in relation to 2022:**

The aggregated remuneration of Prisa directors reflected in the table above corresponds to the expense recorded by Prisa and consequently it corresponds to the accounting provisions registered in the income statement.

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 (IR) and in the Annual Report on Corporate Governance 2022 (IAGC), in which it is followed the criteria required by the Circular 3/2021 of the CNMV, whereby the model of annual report remuneration of directors is established, which is not the accounting provision basis.

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:

- 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, and around 35% in the Senior Management remuneration. Additionally, the annual variable remuneration corresponding to the year 2020, of the then CEO and the Senior Management, was suppressed or reduced, at their 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 and including the then CEO) 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 had 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 continued 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).

#### **Board members Remunerations:**

##### 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).

The remuneration of the executive directors (Mr. Francisco Cuadrado, Executive Chairman of Santillana and Mr. Carlos Nuñez, Executive Chairman of PRISA Media) is paid by Santillana and Prisa Media, respectively, so they have not been recorded in the table above.

- 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. 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 received 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.

- iv. No other credits, advances or loans occurred, nor were pension obligations incurred, in respect of the Board of Directors during 2022.

Regarding the 2021 financial year:

- i. The overall remuneration of the Board of Directors included 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 at June 29, 2021.

Mr. Manuel Mirat Santiago ceased to be Prisa's CEO at 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, at 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, which is not reflected in the table above.

- iii. 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, and so it is not reflected in the table above).
- iv. Variable compensation in cash included the following items:
  - o Annual variable compensation (bonus) for Mr Manuel Mirat, for 2021 in the amount of EUR 175 thousand, which was paid when his contract with the Company was terminated in July, 2021.
  - o Regularization of 2020 Mr Mirat's bonus, taking into consideration the position expressed by Mr Mirat to waive the annual variable remuneration that may correspond to him in 2020. In 2021 a negative amount of EUR 60 thousand was recorded in relation to this item.
- v. Compensation systems based on shares: In 2021 an expense for the amount of EUR 322 thousand regarding the "Incentive Plan 2018-2020" was recorded, in relation to the then CEO, 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" included health and life/accident insurance for the former Executive Director Mr. Mirat and current Executive Directors D. Carlos Nuñez y D. 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 have been made, nor were pension obligations incurred, in respect of the Board of Directors during 2021.



## 18.- 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 2022, 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	<i>See note below (*)</i>	---	---
Shk. Dr. Khalid bin Thani bin Abdullah Al-Thani	Chairman of Dar Al Sharq Printing Publishing & Distribution Co.	---	---
Javier Santiso Guimaras	CEO and General Partner of Mundi Ventures, a Venture Capital firm focused on technology-based companies.  <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](http://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.

## 19.- LITIGATION AND ONGOING CLAIMS

The Company hasn't any litigation at December 31, 2022 from which the Directors, internal and external advisors consider that any relevant liabilities will arise from this litigation additional to what was discussed in note 13 above.

## 20.- SUBSEQUENT EVENTS

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 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 7.3*). In February, 2023 the Company 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 Company recognises, measures and presents the liability and equity components created by a single financial instrument separately on its balance sheet.

The Company 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 income statement during this refinancing period, and which caused a financial income in April 2022, as described in notes 7.3 and 12.

## **21.- EXPLANATION ADDED FOR TRANSLATION TO ENGLISH**

These financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

## DIRECT HOLDINGS

APPENDIX I

INVESTEES	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2022 (In thousands of euros)								
			CARRYING AMOUNT	% OF OWNERSHIP	TAX GROUP (*)	SHARE CAPITAL	RESERVES AND OTHERS	INTERIM DIVIDEND	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT
Prisa Activos Educativos, S.L.	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.	796,431	100.00%	2/91	60	694,296	-	40,481	734,837	28,480
Prisa Media, S.L. (Sociedad Unipersonal)	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.	264,547	100.00%	2/91	15,486	196,944	-	(1,871)	210,559	(2,608)
Prisa Gestión Financiera, S.L.	Gran Vía, 32. Madrid	Management and exploitation of information media and social communication whatever their technical support. The action in the capital and monetary market.	117,300	100.00%	2/91	60	116,415	-	825	117,300	1,100
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.	87,486	100.00%	2/91	71,362	14,272	-	1,852	87,486	(51)
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.	-	100.00%	2/91	10	(2,212)	-	452	(1,749)	461
Promotora de Actividades Audiovisuales de Colombia, Ltda.	Calle 80, 10 23 . Bogotá. Colombia	Production and distribution of audiovisual.	-	1.00%		420	(351)	-	(69)	-	(67)
Vertex, SGPS, S.A.	Rua Mario Castelhana, nº 40, Queluz de Baixo. Portugal	Holding of shares in companies.	210	100.00%		54	224	-	(68)	210	(68)
Canal Club de Distribución de Ocio y Cultura, S.A.	Calle Hermosilla, 112. Madrid	Catalogue sales.	30	25.00%		60	12	(19)	67	120	67
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.	8	1.61%		17,042	(16,677)	-	134	500	355

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

## INDIRECT HOLDINGS

## APPENDIX II

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2022 (In thousands of euros)							
			% OF OWNERSHIP	TAX GROUP (*)	SHARE CAPITAL	RESERVES AND OTHERS	INTERIM DIVIDEND	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT
<b>EDUCATION</b>										
Activa Educa, S.A. (Guatemala)	26 Avenida 2-20 zona 14. Guatemala – Guatemala	Publishing	100.00%		612	(209)	-	274	677	356
Avalia Qualidade Educacional Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	100.00%		1,415	(1,087)	-	94	422	43
Distribuidora y Editora Richmond, S.A.S.	Edificio Punto 99, Carrera 11ª N°98-50 Oficina 501. Bogotá. Colombia	Publishing	100.00%		186	(33)	-	375	528	659
Ediciones Santillana Inc. (Puerto Rico)	1506 Roosevelt Avenue. Guaynabo. Puerto Rico	Publishing	100.00%		1,028	5,061	(1,051)	395	5,433	494
Ediciones Santillana, S.A. (Argentina)	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	100.00%		2,490	4,657	-	1,104	8,252	5,576
Ediciones Santillana, S.A. (Uruguay)	Juan Manuel Blanes 1132 Montevideo Uruguay	Publishing	100.00%		165	443	-	151	760	295
Editora Altea Ltda.	Avenida Papa João Paulo I, nº 2258, Galpão 1 Papa, Sala 02 São Paulo. Brasil	Publishing	100.00%		18	(1)	-	(8)	9	-
Editora Moderna Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	100.00%		17,904	(364)	-	(1,857)	15,683	1,433
Editora Pitagorá Ltda.	Avenida Papa João Paulo I, nº 2258, Galpão 1 Papa, Sala 01, São Paulo. Brasil	Publishing	100.00%		18	(1)	-	(7)	9	-
Editorial Nuevo México, S.A. de C.V.	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	100.00%		1,278	(619)	-	96	755	26
Editorial Santillana, S.A. (Guatemala)	26 Avenida 2-20 zona 14. Guatemala - Guatemala	Publishing	100.00%		71	3,953	-	2,386	6,409	3,325
Editorial Santillana, S.A. (Honduras)	Colonia los Profesionales Boulevard Suyapa, Metropolis Torre 20501, Tegucigalpa Honduras	Publishing	100.00%		20	1,777	-	1,677	3,473	2,425
Editorial Santillana, S.A. (Rep. Dominicana)	Juan Sánchez Ramírez, 9. Gazcue. Santo Domingo. República Dominicana	Publishing	100.00%		118	3,813	-	2,545	6,475	3,347
Editorial Santillana, S.A. (Venezuela)	Avenida Rómulo Gallegos. Edificio Zulia 1º. Caracas. Venezuela	Publishing	100.00%		596	462	-	409	1,467	40
Editorial Santillana, S.A. de C.V. (México)	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	100.00%		7,318	(553)	-	1,032	7,796	1,887
Editorial Santillana, S.A. de C.V. (El Salvador)	3ª. Calle Poniente Y 87 Avenida Norte, No. 311, colonia scalón San Salvador	Publishing	100.00%		18	2,074	-	161	2,253	191
Editorial Santillana, S.A.S (Colombia)	Edificio Punto 99, Carrera 11ª N°98-50 Oficina 501. Bogotá. Colombia	Publishing	100.00%		2,275	185	-	2,776	5,235	2,732
Educa Inventia, S.A. de C.V. (México)	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	100.00%		801	(2,211)	-	673	(736)	2,006
Educativa Ediciones, S.A.S. (Colombia)	Avenida El Dorado No. 90 – 10 Bogotá, Colombia	Publishing	100.00%		70	382	-	262	714	425
Educativa, S.A. (Chile)	Avenida Andrés Bello 2299 Oficina 1001 Providencia. Santiago Chile	Publishing	100.00%		16,527	(16,654)	-	5	(122)	(10)
Educativa, S.A.C. (Perú)	Avenida Primavera 2160 Santiago de Surco – Lima	Publishing	100.00%		904	(1,515)	-	(258)	(868)	(132)
Educativa, S.A.S. (Colombia)	Avenida El Dorado No. 90 – 10 Bogotá, Colombia	Publishing	100.00%		4,543	(2,205)	-	2,934	5,272	2,807
Grupo Santillana Educación Global, S.L.U.	Gran Vía, 32. Madrid	Publishing	100.00%	2/91	12,018	21,766	-	34,452	68,236	36,249
Improve Education Services, S.A.S. (Colombia)	Cr 11 No. 98 50 Of 504, Bogotá	Publishing	100.00%		39	-	-	-	39	-
Improve Learning, S.A.S. (Colombia)	Cr 11 No. 98 50 Of 504, Bogotá	Publishing	100.00%		39	-	-	-	39	-

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

## INDIRECT HOLDINGS

## APPENDIX II

INVESTEES	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2022 (In thousands of euros)							
			% OF OWNERSHIP	TAX GROUP (*)	SHARE CAPITAL	RESERVES AND OTHERS	INTERIM DIVIDEND	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT
Kapelusz Editora, S.A. (Argentina)	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	100.00%		248	(213)	-	2,298	2,333	3,765
Pleno Internacional, SPA	Avenida Andres Bello N° 2299 Oficina 1001 Providencia - Santiago	Advice and consulting, development and sale of software	70.00%		1	(68)	-	(120)	(186)	(91)
Richmond Educação, Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	100.00%		18	(24)		518	512	568
Richmond Publishing, S.A. de C.V.	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	100.00%		16,179	4,737	(11,306)	15,353	24,963	8,588
Salamandra Editorial, Ltda.	Rua Urbano Santos 755, Sao Paulo. Brasil	Publishing	100.00%		18	50		63	131	67
Santillana de Ediciones, S.A. (Bolivia)	Av. Pedro Rivera N° 3095. Santa Cruz. Bolivia	Publishing	100.00%		343	1,089	-	2,319	3,751	2,941
Santillana del Pacífico, S.A. de Ediciones.	Avenida Andres Bello 2299 Oficina 1001-1002 Providencia. Santiago Chile	Publishing	100.00%		165	2,210	-	485	2,859	1,004
Santillana Editores, S.A. (Portugal)	Rua do Proletariado, nº 7 (Lote 1) - 2794-076 Carnaxide - Portugal	Publishing	100.00%		50	1,091	-	(662)	479	(624)
Santillana Educacao, Ltda. (Brasil)	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	100.00%		36,856	(17,364)	-	(8,705)	10,787	(7,211)
Santillana Educación Chile, S.A.	Avenida Andrés Bello 2299 1001 - 1002 Providencia, Santiago de Chile	Publishing	100.00%		262	6,205	-	1,052	7,518	1,477
Santillana Educación México, S.A. de C.V.	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	100.00%		(345)	274	(1,951)	3,766	1,743	1,280
Santillana Educación Pacífico, S.L.	Gran Vía, 32. Madrid	Publishing	100.00%	2/91	269	21,759	-	13,192	35,220	12,895
Santillana Latam, S.L.U.	Gran Vía, 32. Madrid	Publishing	100.00%	2/91	3	53,123	-	23,435	76,562	24,539
Santillana Sistemas Educativos, S.L.U.	Gran Vía, 32. Madrid	Publishing	100.00%	2/91	220	70,844	-	24,734	95,799	24,966
Santillana, S.A. (Costa Rica)	La Uruca. 200 m Oeste de Aviación Civil. San José. Costa Rica	Publishing	100.00%		465	(1,071)	-	529	(77)	306
Santillana, S.A. (Ecuador)	Calle De las Higueras 118 y Julio Arellano. Quito. Ecuador	Publishing	100.00%		978	1,293	-	3,368	5,639	5,766
Santillana, S.A. (Paraguay)	Avenida Venezuela. 276. Asunción. Paraguay	Publishing	100.00%		162	233	-	241	635	291
Santillana, S.A. (Perú)	Avenida de Primavera 2160 Santiago de Surco - Lima	Publishing	95.00%		3,275	(36)	-	(490)	2,749	(228)
Soluções Moderna Editora e Serviços Educacionais, Ltda. (Antes Editora Pitangua, LTDA)	Rua Padre Adelino, 758. Sala Avalia, Quarta Parada, - Sao Paulo. Brasil	Publishing	100.00%		2,885	(3,396)	-	18,681	18,170	16,217

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

## INDIRECT HOLDINGS

APPENDIX II

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2022 (in thousand of euros)						
			% OF OWNERSHIP	TAX GROUP (*)	SHARE CAPITAL	RESERVES AND OTHERS	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT
<b>MEDIA</b>									
Lacoproductora, S.L.	Cardenal Cisneros, 74. Madrid	Production of feature films, short films, series, miniseries and television movies, as well as any other type of audiovisual works.	51.00%		8	(382)	(276)	(650)	(280)
Mobvious Corp.	7742 N. Kendall Drive, 101 Miami Florida 33156-8550. EE.UU	Marketer's advertising in digital media.	60.00%		63	(938)	155	(721)	(6)
Podium Podcast, S.L.U.	Gran Vía, 32. Madrid	Provision of music services.	100.00%	2/91	100	248	(359)	(11)	(411)
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.	100.00%		50	(72,484)	(9,088)	(81,522)	(12,820)
Prisa Brand Solutions USA, Inc.	7742 N. Kendall Drive 101. Miami. Florida. 33156-8550. EE.UU.	Marketer of advertising in media.	100.00%		9,379	(11,899)	912	(1,607)	903
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.	33.00%		3	145	243	391	257

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



## INDIRECT HOLDINGS

APPENDIX II

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2022 (In thousands of euros)							
			% OF OWNERSHIP	TAX GROUP (*)	SHARE CAPITAL	RESERVES AND OTHERS	INTERIM DIVIDEND	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT
<b>RADIO</b>										
<b>RADIO IN SPAIN</b>										
Antena 3 de Radio de León, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	99.56%	2/91	135	90	-	27	252	24
Compañía Aragonesa de Radiodifusión, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	97.03%	2/91	66	912	-	312	1,291	73
Ediciones LM, S.L.	Plaza de Cervantes, 6. Ciudad Real	Operation of radio broadcasting stations	50.00%		216	1,515	-	359	2,090	389
Iniciativas Radiofónicas de Castilla La Mancha, S.A.	Carreteros, 1. Toledo	Operation of radio broadcasting stations	70.00%		61	84	-	21	166	23
Ondas Galicia, S.A.	San Pedro de Mezonzo, 3. Santiago de Compostela	Operation of radio broadcasting stations	51.14%		70	204	-	12	286	12
Prisa Radio, S.A.	Gran Vía, 32. Madrid	Provision of business radio services	100.00%	2/91	1,870	108,948	-	(6,987)	103,831	(4,389)
Propulsora Montañesa, S. A.	Pasaje de Peña. Nº 2. Interior. 39008. Santander	Operation of radio broadcasting stations	99.94%	2/91	373	629	-	481	1,482	613
Radio Club Canarias, S.A.	Avenida Anaga, 35. Santa Cruz de Tenerife	Operation of radio broadcasting stations	95.00%	2/91	480	102	-	944	1,527	1,222
Radio Lleida, S.L.	Calle Vila Antonia. Nº 5. Lleida	Operation of radio broadcasting stations	66.50%		50	(3)	-	38	84	38
Radio Murcia, S.A.	Radio Murcia, 4. Murcia	Operation of radio broadcasting stations	83.33%		120	1,036	-	361	1,517	456
Radio Zaragoza, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	76.18%		211	4,796	-	623	5,631	719
Sociedad Española de Radiodifusión, S.L.(Sociedad Unipersonal)	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	100.00%	2/91	6,959	124,044	-	16,501	147,504	13,251
Sociedad Independiente Comunicación Castilla La Mancha, S.A.	Avenida de la Estación, 5 Bajo. Albacete	Operation of radio broadcasting stations	74.77%		563	416	-	325	1,304	400
Sonido e Imagen de Canarias, S.A.	Caldera de Bandama, 5. Arrecife. Lanzarote	Operation of radio broadcasting stations	50.00%		230	614	-	208	1,052	251
Teleser, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	81.96%		75	55	-	8	138	8
Radio Jaén, S.L.	Obispo Aguilar, 1. Jaén	Operation of radio broadcasting stations	35.99%		563	582	-	(244)	902	(234)

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

## INDIRECT HOLDINGS

APPENDIX II

INVESTEES	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2022 (In thousands of euros)					
			% OF OWNERSHIP	SHARE CAPITAL	RESERVES AND OTHERS	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT
<b>INTERNATIONAL RADIO</b>								
Blaya y Vega, S.A.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	100.00%	1,591	17,311	1,012	19,914	311
Caracol Estéreo, S.A.S.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	77.04%	3	1,283	21	1,306	16
Caracol, S.A.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	77.05%	11	15,441	126	15,578	1,120
Comercializadora de Eventos y Deportes, S.A.S.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Production and organization of shows and events	100.00%	903	709	367	1,978	445
Comercializadora Iberoamericana Radio Chile, S.A.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Production and sale of advertising, promotions and events	100.00%	37,813	23,470	346	61,629	2,123
Compañía de Comunicaciones de Colombia, S.A.S	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	77.05%	25	630	165	820	260
Compañía de Radios, S.A.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	99.90%	906	10,592	3,276	14,775	1,027
Consortio Radial de Panamá, S.A	Urbanización Obarrio, Calle 54 Edificio Caracol. Panamá	Consulting services and marketing of products and services	100.00%	8	327	(327)	7	-
Corporación Argentina de Radiodifusión, S.A.	Rivadavia 835. Ciudad de Buenos Aires. Argentina	Operation of radio broadcasting stations	100.00%	3,038	(2,481)	(276)	280	(1,377)
Ecos de la Montaña Cadena Radial Andina, S.A.	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	76.80%	-	472	43	515	57
Emisora Mil Veinte, S.A.	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	75.72%	-	100	5	105	8
Fast Net Comunicaciones, S.A.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	100.00%	1,464	12,697	2,050	16,212	1,797
GLR Services Inc.	2100 Coral Way - Miami 33145 - Florida, EE.UU.	Provision of services to radio broadcasting companies	100.00%	4	(5,478)	(1,822)	(7,296)	(398)
Grupo Latino de Radiodifusión Chile, SpA (*)	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	100.00%	39,261	7,891	4,732	51,884	3,706
Iberoamerican Radio Holdings Chile, S.A.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	100.00%	2,924	(11,544)	(1,642)	(10,262)	(1,258)
Iberoamericana de Noticias Ltda.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of media and communication services	100.00%	2,594	(2,598)	(4)	(8)	(4)
La Voz de Colombia, S.A.	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	75.64%	1	239	-	240	5
Multimedios GLP Chile SPA	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of media and communication services	100.00%	11,338	12,299	888	24,525	428
Promotora de Publicidad Radial, S.A.S	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	77.04%	1	448	41	490	10
Sociedad Radiodifusora del Norte, SpA.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	100.00%	212	4,115	428	4,755	(15)
Societat de Comunicacio i Publicitat, S.L.	Parc. de la Mola, 10 Torre Caldea, 6º Escalde. Engordany. Andorra	Operation of radio broadcasting stations	99.33%	30	(1,308)	(3)	(1,281)	(3)

(\*) Consolidated Data

## INDIRECT HOLDINGS

APPENDIX II

INVESTEES	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2022 (In thousands of euros)					
			% OF OWNERSHIP	SHARE CAPITAL	RESERVES AND OTHERS	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT
Cadena Radiodifusora Mexicana, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	50.00%	1,192	308	1,332	2,833	3,253
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	50.00%	5,759	49	(314)	5,494	(653)
Caja Radiópolis, S.C	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Business management services	50.00%	2	(1)	(1)	1	(1)
Fondo Radiópolis, S.C.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Business management services	50.00%	2	(2)	(1)	-	-
Promotora Radial del Llano, LTDA	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial broadcasting services	38.52%	1	49	5	55	8
Q'Hubo Radio, S.A.S	CL 57 No 17 - 48 Bogotá, Colombia	Operation of the business of broadcasting and advertising	38.53%	120	(290)	3	(167)	3
Radio Comerciales, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. México	Exploitation of broadcasting stations	50.00%	1,060	207	50	1,316	29
Radio Melodía, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. México	Operation of radio broadcasting stations	50.00%	599	126	(65)	660	(137)
Radio Tapatía, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. México	Operation of radio broadcasting stations	50.00%	729	109	9	847	12
Radiotelevisora de Mexicali, S.A. de C.V.	Avenida Reforma 1270. Mexicali Baja California. México	Operation of radio broadcasting stations	50.00%	396	(175)	37	258	(304)
Servicios Radiópolis, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	50.00%	14	133	149	296	319
Servicios Xezz, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	50.00%	2	175	(17)	161	(27)
Sistema Radiópolis, S.A. de C.V. (*)	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	50.00%	9,393	22,327	3,986	35,706	5,050
Unión Radio del Pirineu, S.A.	Carrer Prat del Creu, 32. Andorra	Operation of radio broadcasting stations	33.00%	249	6	(24)	232	(24)
Xezz, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. México	Operation of radio broadcasting stations	50.00%	89	28	5	121	18

(\*) Consolidated Data

## INDIRECT HOLDINGS

APPENDIX II

INVESTEES	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2022 (In thousands of euros)							
			% OF OWNERSHIP	TAX GROUP (*)	SHARE CAPITAL	RESERVES AND OTHERS	INTERIM DIVIDEND	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT
<b>PRESS</b>										
As Chile SPA	Eliodoro Yáñez 1783, Providencia. Santiago. Chile	Publication and operation of As newspaper in Chile.	75.00%		1,932	(1,740)	-	(134)	58	(132)
Diario AS Colombia, SAS	Cl 98, n° 1871 OF401. Bogotá D.C.	Publication and operation of As newspaper in Colombia.	75.00%		684	(414)	-	(257)	14	(139)
Diario As USA, Inc.	2100 Coral Way Suite 603. 33145 Miami, Florida	Publication and operation of As newspaper in USA.	75.00%		-	301	-	551	852	803
Diario As, S.L.	Valentín Beato, 44. Madrid	Publication and operation of As newspaper.	75.00%	2/91	1,400	20,941	-	1,739	24,080	823
Diario Cinco Días, S.A	Miguel Yuste, 42. Madrid	Publication and operation of Cinco Días newspaper.	100.00%	2/91	60	49	-	60	168	40
Diario El País Argentina, S.A.	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Operation of El País newspaper in Argentina.	100.00%		144	(134)	-	1	11	8
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.	100.00%		11,493	(11,653)	-	182	22	185
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.	98.39%		17,042	(16,677)	-	134	500	355
Diario El País, S.L.	Miguel Yuste, 40. Madrid	Publication and operation of El País newspaper.	100.00%	2/91	4,200	680	-	(2,962)	1,918	(2,137)
Ediciones El País, S.L.	Miguel Yuste, 40. Madrid	Publication, operation and sale of El País newspaper.	100.00%	2/91	3,306	902	-	(4,215)	(7)	(4,917)
Espacio Digital Editorial, S.L.	Gran Vía, 32. Madrid	Edition and exploitation of Huffinton Post digital for Spain.	100.00%	2/91	8,501	4,109	-	1,266	13,875	1,277
Factoría Prisa Noticias, S.L.	Valentín Beato, 44. Madrid	Administrative, technological and legal services and the distribution of written and digital media.	100.00%	2/91	1,726	581	-	466	2,773	596
Grupo de Medios Impresos y Digitales, S.L.	Gran Vía, 32. Madrid	Ownership of shares of publishing companies.	100.00%	2/91	990	6,283	-	5,436	12,709	16
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.	75.00%		1,394	(1,149)	-	(6)	239	27
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.	37.50%		3	(201)	-	(883)	(1,081)	(843)
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.	50.00%		53	11	(300)	495	259	660
Le Monde Libre Societé Comandité Simple (**)	17, Place de la Madeleine. París	Holding of shares in publishing companies.	20.00%		38	(25,882)	-	(2,176)	(28,020)	(1,046)

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

(\*\*) Information to december 2021

## INDIRECT HOLDINGS

APPENDIX II

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2022 (In thousands of euros)					
			% OF OWNERSHIP	SHARE CAPITAL	RESERVES AND OTHERS	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT
<b>OTHERS</b>								
Productora Audiovisual de Badajoz, S.A. (En liquidación)	Gran Vía, 32. Madrid	Local television services	61.45%	498	(1,163)	665	-	665
Productora Extremeña de Televisión, S.A. (En liquidación)	Gran Vía, 32. Madrid	Local television services	70.00%	1,202	(407)	-	795	-
Promotora de Actividades América 2010 - México, S.A. de C.V.	Avenida Paseo de la Reforma 300. Piso 9. Col. Juárez. 06600. México. D.F. México	Development, coordination and management of projects of all kinds, national and international, related to the commemoration of the bicentenary of the independence of the American Nations	100.00%	3	(1,033)	462	(568)	(31)
Promotora de Actividades Audiovisuales de Colombia, Ltda.	Calle 80, 10 23 . Bogotá. Colombia	Production and distribution of audiovisual	99.00%	420	(351)	(69)	-	(67)

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

Individual Directors' Report for 2022

**PROMOTORA DE INFORMACIONES, S.A. (PRISA)**DIRECTOR'S REPORT FOR 2022**1. BUSINESS PERFORMANCE****1.1. Analysis of the evolution and result of business**

Prisa's results are directly related to the performance of the Group's various business units. Its revenue arises mainly from the dividends it receives from its subsidiaries and its expenses relate to staff costs and services received. The variations in the equity of its subsidiaries also give rise to increases and decreases in the value of its investment portfolio.

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
<b>PROFIT FROM OPERATIONS</b>	<b>51.1</b>	<b>20.3</b>	<b>(8.0)</b>	<b>63.4</b>
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
<b>EBITDA</b>	<b>96.4</b>	<b>47.8</b>	<b>(6.6)</b>	<b>137.6</b>

	12.31.2021			
	Education	Media	Others	PRISA Group
<b>PROFIT FROM OPERATIONS</b>	<b>26.1</b>	<b>(28.9)</b>	<b>(16.9)</b>	<b>(19.7)</b>
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
<b>EBITDA</b>	<b>69.3</b>	<b>9.9</b>	<b>(16.1)</b>	<b>63.1</b>

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
<b>Education (*)</b>						
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
<b>Media</b>						
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
<b>PRISA Group</b>						
<b>Operating income</b>	<b>850.2</b>	<b>37.4</b>	<b>812.8</b>	<b>741.2</b>	<b>71.7</b>	<b>9.7</b>
<b>EBITDA</b>	<b>137.6</b>	<b>6.9</b>	<b>130.7</b>	<b>63.1</b>	<b>67.6</b>	<b>107.2</b>

(\*) 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)
<b>NET BANK DEBT</b>	<b>856.4</b>	<b>756.1</b>

(\*) See note 11.b) of the 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

As head of the Group, the risks to which Prisa is exposed are directly related to those of its subsidiaries.

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 Company's financial obligations are set out in note 7.3 "Financial liabilities" in the attached 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 20 of PRISA's notes, in February 2023 the Company 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 are located in Latin America and therefore the aforementioned dividends are subject, inter alia, to exchange rate risk and devaluation of the foreign currencies of the countries in which the Group operates. 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 programs.

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](http://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](http://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 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 STATUS**

The Company is exempt from the obligation to present a non-financial information status in accordance with the requirements established in Law 11/2018, of 28 December, as the required information is included, in an aggregated form, in the non-financial information statement presented in the consolidated financial statements report of Promotora de Informaciones, S.A. deposits its accounts together with the consolidated financial statements report in the Mercantile Registry of Madrid<sup>1</sup>.

## **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 interactiveness 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 (playser.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 playser.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 7.3 "*Financial Liabilities*" of the accompanying notes to the financial statements of Prisa for 2022 provides a description of the use of financial instruments by the Company.

### 7.2. Contractual commitments

There are currently no significant firm contractual commitments that require a cash outing in the future.

### 7.3. Liquidity

Note 8 "*Cash and Cash equivalents*" to the PRISA's financial statements of 2022 details the cash and other cash equivalents held by the Company 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%.

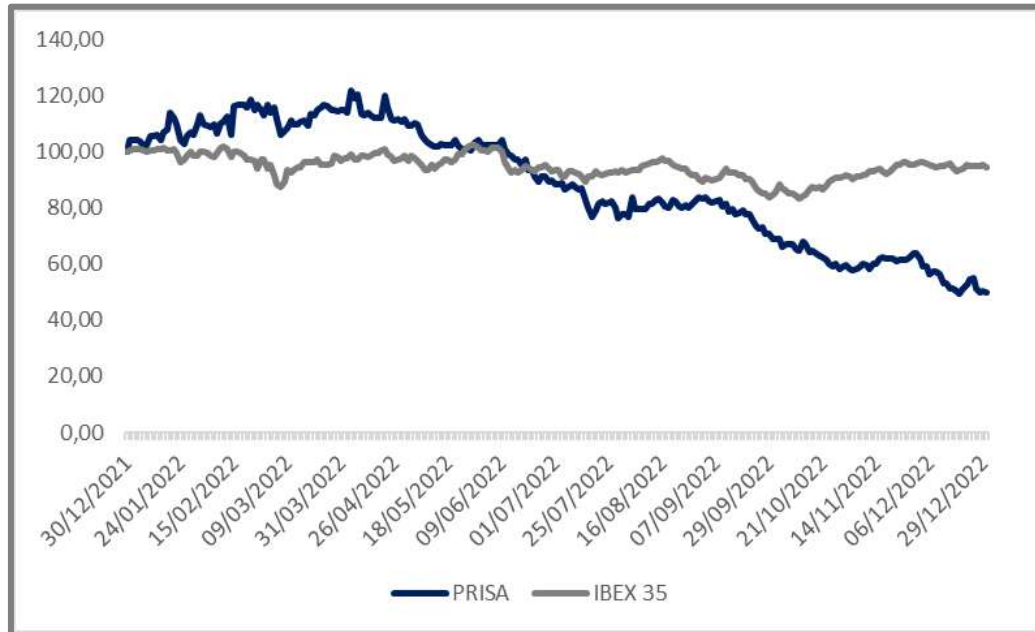
*Share price performance*

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 5 July (amended by the second final provision of Law 31/2014, of 3 December) approved in accordance with the resolution of ICAC (Spanish Accounting and Audit Institute) of January 29, 2016, the average period of payment to suppliers in commercial operations for the companies located in Spain rises, in 2022, to 110 days (*see note 7.3*).

The maximum legal period of payment applicable in 2021 under Law 3/2004, of 29 December, and its amendment by Law 15/2010, of 5 July, for combating late payment in commercial transactions, is by default 60 days. The average period of payment to the Company's suppliers exceeds the statutory maximum period partially on account of agreements reached with suppliers related to Refinancing to defer payments or, where relevant, to initiate expenditure.

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

## 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 pre-emptive 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 7.3 of the attached 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 7.3 and 12 of the attached notes.

## **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](http://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](http://www.cnmv.es).

**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.<sup>a</sup> Béatrice de Clermont-Tonnerre

D<sup>a</sup> M<sup>a</sup> Teresa Ballester

D. Francisco Cuadrado

D<sup>a</sup> Carmen Fernández de Alarcón

D<sup>a</sup> Pilar Gil Miguel

D<sup>a</sup> Pepita Marín

D. Carlos Nuñez

D. Manuel Polanco Moreno

D<sup>a</sup> Teresa Quirós

D. Javier Santiso

D. Andrés Varela Entrecanales