

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

**PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2023**

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

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

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of PROMOTORA DE INFORMACIONES, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2023, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2023 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

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

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

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

Key audit matters

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

Measurement of goodwill and investments accounted for using the equity method

Description The Group recorded in non-current assets on the consolidated balance sheet as at December 31, 2023, property, plant and equipment and intangible assets totaling 316 million euros, 118 million euros of which relate to goodwill, as well as investments accounted for using the equity method amounting to 45 million euros.

When determining the impairment of non-financial assets, the Group assigns these assets to the pertinent cash-generating unit based on the related business lines and the country in which they operate.

At least at each year-end or before when there are indications of impairment, the Group estimates the recoverable amount of the cash-generating units. The recoverable amount was determined taking into account their value in use.

Since determining the recoverable amount of the abovementioned assets requires the use of estimates, for which Group management must make judgments to establish the assumptions underlying those estimates, and due to the significance of the amounts involved, we determined this to be a key audit matter.

The disclosures regarding the measurement rules and key assumptions used to test for the impairment of these assets are provided in notes 4f), 4h), 6 and 8 to the accompanying consolidated financial statements.

Our response

Our audit procedures related to this matter included, among others:

- ▶ Understanding the process designed by the Group to determine whether there are indications of impairment as well as the recoverable amount of non-current assets, including goodwill, and investments accounted for using the equity method, assessing the design and implementation of the relevant controls in place in that process, and verifying the operating effectiveness of these controls.
- ▶ Analyzing indications of impairment of cash-generating units identified by Group management.
- ▶ Revising the models used by Group management to determine the recoverable amounts, in collaboration with our valuation specialists, addressing specifically the mathematical consistency of the models and the reasonableness of the projected cash flows and the discount and long-term growth rates. In performing our review, we interviewed the people in charge of preparing the models and utilized recognized external sources and other available information to contrast data, as well as the business plans approved by the Group's governing bodies.
- ▶ Reviewing the sensitivity analyses performed by Group management on the estimates made to determine the recoverable amount, in the event of changes in the relevant assumptions made.

- ▶ Reviewing the disclosures made in the notes to the consolidated financial statements and assessing whether they are in conformity with the applicable financial reporting framework.

Recognition of operating revenue

Description As explained in note 4.j), 13 and 16 to the accompanying consolidated financial statements, the Group's operating revenue, amounting to 947 million euros, is derived primarily from sales of books and training courses, as well as advertising, which represent 54% and 34% of total operating income, respectively.

Book and training sales represent a large volume of transactions carried out with different types of customers having varied sales conditions, and take place mainly over the course of the school year. Advertising sales are generally highly fragmented and subject to different contractual terms, which determine, where applicable, what discounts are applied.

Given the significance of the amounts involved, the high volume of diverse transactions carried out, and due to the element of judgment made by Group management when estimating provisions for refunds, rebates, and discounts, as well as the accrual of revenue from education systems in which some services have not been completed at year-end, we determined this to be a key audit matter.

Information on the measurement standards applied and the related disclosures are provided in notes 4.j), 13 and 16 to the accompanying consolidated financial statements.

**Our
response**

Our audit procedures related to this matter included, among others:

- ▶ Understanding Group management's process for recognizing revenue and assessing the design and implementation of the relevant controls in place in that process. These include general controls and automatic or application controls of those systems identified as crucial to the process of issuing invoices, which is the basis for calculating the Group's revenues, and verifying the operating effectiveness of these controls in collaboration with our information systems specialists.
- ▶ Evaluating the Group's consistency in applying its revenue recognition policy.
- ▶ Analyzing the matching of revenue from the main subsidiaries to accounts receivable and cash inflows using mass data processing techniques.
- ▶ Performing analytical procedures on the daily ledger of the Group's main subsidiaries to identify manual and unusual entries impacting revenue not recorded via key information systems supporting the automated revenue recognition process.
- ▶ Verifying against supporting documentation that a sample of transactions carried out by the main subsidiaries were correctly recorded.
- ▶ Reviewing the methodology applied by Group management to determine the estimates related to the provision for sales returns, rebates, and discounts, assessing the reasonableness of the assumptions used to quantify these estimates, taking into account historical experience and the activity carried out after the reporting date to evaluate the possible existence of information that might contradict these assumptions.

- ▶ Reviewing the disclosures made in the notes to the consolidated financial statements and assessing whether they are in conformity with the applicable financial reporting framework.

Evaluating the impact and accounting recognition of the issue of convertible bonds

Description In 2023, the Group issued convertible bonds amounting to 130 million euros, and subsequently repaid part of the junior syndicated debt in advance and converted the related bonds to shares. These transactions were executed in the terms described in notes 1b), 4g) and 10 to the accompanying consolidated financial statements.

Due to the complexity of the bond issue carried out by Group management and of determining the related impact for accounting purposes, and given the materiality of the effect of this transaction on the consolidated financial statements, we determined this to be a key audit matter.

The disclosures regarding the measurement rules and key considerations used to determine the accounting impact of this transaction are provided in notes 1b), 4g) and 10 to the accompanying consolidated financial statements.

Our response

- Our audit procedures related to this matter included, among others:
- ▶ Reviewing the documentation supporting the convertible bond issue and checking that it was correctly measured and accounted for.
 - ▶ Assessing, in collaboration with our financial instrument specialists, the reasonableness of the analysis conducted by Group management to determine the equity and financial liability component related to the bond issue, verifying that it was consistent with the applicable financial reporting framework.
 - ▶ Reviewing the documentation supporting the early partial repayment of the junior syndicated debt.
 - ▶ Reviewing the documentation supporting the early conversion of part of the convertible bonds to shares.
 - ▶ Reviewing the disclosures made in the notes to the consolidated financial statements and assessing whether they are in conformity with the applicable financial reporting framework.

Other information: consolidated management report

Other information refers exclusively to the 2023 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

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

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

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

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2023 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

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

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

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

The Audit, Risk and Compliance Committee of the parent company is responsible for overseeing the Group’s financial reporting process.

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

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

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

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

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

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of PROMOTORA DE INFORMACIONES, S.A. and subsidiaries for the 2023 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of PROMOTORA DE INFORMACIONES, S.A. are responsible for submitting the annual financial report for the 2023 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors have been included in the management report for reference.

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

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

Additional report to the Audit, Risk and Compliance Committee

The opinion expressed in this audit report is consistent with the additional report we issued to the Audit, Risk and Compliance Committee on March 12, 2024.

Term of engagement

The Ordinary General Shareholders' meeting held on June 27, 2023 appointed us as auditors for the year ended December 31, 2023.

Previously, the General Shareholders' meeting held on June 29, 2020 appointed us as auditors for three years, commencing on December 31, 2020 and since then we have been carrying out our work as auditors.

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

(Signature on the original in Spanish)

Ana María Prieto González
(Registered in the Official Register of
Auditors under No. 18888)

March 12, 2024



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

Consolidated Financial Statements together with consolidated Directors' Report for 2023

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

Consolidated Financial Statements for 2023

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2023
(Thousands of euros)



ASSETS	Notes	12.31.2023	12.31.2022	EQUITY AND LIABILITIES	Notes	12.31.2023	12.31.2022
A) NON-CURRENT ASSETS		430,686	425,934	A) EQUITY	10	(428,150)	(532,160)
I. PROPERTY, PLANT AND EQUIPMENT	5	94,464	103,294	I. SHARE CAPITAL		100,827	74,065
II. GOODWILL	6	117,654	117,220	II. OTHER RESERVES AND ACCUMULATED PROFIT FROM PRIOR YEARS		(468,940)	(519,367)
III. INTANGIBLE ASSETS	7	104,019	104,943	III. RESULT FOR THE YEAR ATTRIBUTABLE TO THE PARENT		(32,505)	(12,949)
IV. NON-CURRENT FINANCIAL ASSETS	11a	11,153	12,363	IV. OTHER EQUITY INSTRUMENTS		30,027	0
V. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	8	45,061	33,123	V. TREASURY SHARES		(1,449)	(401)
VI. DEFERRED TAX ASSETS	17	58,320	54,979	VI. TRANSLATION DIFFERENCES		(70,729)	(87,583)
VII. OTHER NON-CURRENT ASSETS		15	12	VII. NON- CONTROLLING INTERESTS		14,619	14,075
B) CURRENT ASSETS		544,081	556,739	B) NON-CURRENT LIABILITIES		971,430	1,073,345
I. INVENTORIES	9a	63,699	74,693	I. NON-CURRENT BANK BORROWINGS	11b	885,351	980,848
II. TRADE AND OTHER RECEIVABLES				II. NON-CURRENT FINANCIAL LIABILITIES	11b	50,242	53,935
1. Trade receivables for sales and services	9b	300,027	285,536	III. DEFERRED TAX LIABILITIES	17	22,137	19,894
2. Receivable from associates		3,420	4,027	IV. LONG-TERM PROVISIONS	12	11,058	15,308
3. Receivable from public authorities	17	33,730	35,108	V. OTHER NON-CURRENT LIABILITIES		2,642	3,360
4. Other receivables	9b	22,072	25,000	C) CURRENT LIABILITIES		431,487	441,488
5. Allowances	9b	(63,113)	(59,490)	I. TRADE PAYABLES	23	232,983	254,800
		296,136	290,181	II. PAYABLE TO ASSOCIATES		895	571
III. CURRENT FINANCIAL ASSETS	11a	4,165	1,528	III. OTHER NON-TRADE PAYABLES	9d	46,995	44,082
IV. CASH AND CASH EQUIVALENTS	9c	176,610	189,496	IV. CURRENT BANK BORROWINGS	11b	37,578	30,824
V. ASSETS CLASSIFIED AS HELD FOR SALE		3,471	841	V. CURRENT FINANCIAL LIABILITIES	11b	17,892	32,832
				VI. PAYABLE TO PUBLIC AUTHORITIES	17	41,923	30,286
				VII. CURRENT PROVISIONS		6,110	6,166
				VIII. OTHER CURRENT LIABILITIES	9e	46,888	41,503
				IX. LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE		223	424
TOTAL ASSETS		974,767	982,673	TOTAL EQUITY AND LIABILITIES		974,767	982,673

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR 2023
(Thousands of euros)



	Notes	Year 2023	Year 2022
Revenue		929,440	830,764
Other income		17,970	19,425
OPERATING INCOME	13-16	947,410	850,189
Cost of materials used		(146,315)	(127,640)
Staff costs	14	(319,711)	(297,882)
Depreciation and amortisation charge	5-7	(70,282)	(71,010)
Outside services	14	(289,884)	(282,575)
Change in allowances, write-downs and provisions	14	(10,371)	(4,515)
Impairment of goodwill	6	(155)	
Impairment of assets	5-7	(1,882)	(3,203)
OPERATING EXPENSES		(838,600)	(786,825)
RESULT FROM OPERATIONS		108,810	63,364
Finance income		8,934	5,562
Finance costs		(113,096)	(132,226)
Changes in value of financial instruments		(14,813)	55,805
Exchange differences (net)		694	(1,476)
FINANCIAL RESULT	15	(118,281)	(72,335)
Result of companies accounted for using the equity method	8	13,659	5,986
RESULT BEFORE TAX FROM CONTINUING OPERATIONS	16	4,188	(2,985)
Expense tax	17	(35,421)	(10,283)
RESULT FROM CONTINUING OPERATIONS		(31,233)	(13,268)
Result after tax from discontinued operations		(365)	-
CONSOLIDATED RESULT FOR THE YEAR		(31,598)	(13,268)
Result attributable to non-controlling interests	10i	(907)	319
RESULT ATTRIBUTABLE TO THE PARENT		(32,505)	(12,949)
BASIC RESULT PER SHARE (in euros)	19	(0.04)	(0.02)
DILUTED RESULT PER SHARE (in euros)	19	(0.04)	(0.02)
- Basic result per share from continuing activities (in euros)	19	(0.04)	(0.02)

The accompanying Notes 1 to 26 and Appendix I and II are an integral part of the consolidated income statement for 2023.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATE STATEMENT OF COMPREHENSIVE INCOME FOR 2023
(Thousands of euros)



	Year 2023	Year 2022
CONSOLIDATED PROFIT FOR THE YEAR	(31,598)	(13,268)
Items that are not reclassified to result of the period	2,912	924
From actuarial gains and losses	2,936	630
Entities accounted for using the equity method	(24)	294
Items that may be reclassified subsequently to profit or loss	3,776	14,752
Translation differences	73	11,490
Profit/(Loss) for valuation	(222)	10,844
Amounts transferred to the profit and loss account	295	646
Entities accounted for using the equity method	3,703	3,262
TOTAL RECOGNIZED INCOME AND EXPENSE	(24,910)	2,408
Attributable to the Parent	(26,597)	1,550
Attributable to non-controlling interests	1,687	858

The accompanying Notes 1 to 26 and Appendix I and II are an integral part of the consolidated statement of comprehensive income for 2023.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 2023
(Thousands of euros)



	Share capital	Share premium	Reserves	Prior years' accumulated profit	Other equity instruments	Treasury shares	Exchange differences	Accumulated profit for the Year	Equity attributable to the Parent	Non-controlling interests	Equity
BALANCE AT DECEMBER 31, 2021	70,865	0	66,035	(495,428)	0	(1,320)	(90,410)	(106,506)	(556,764)	44,949	(511,815)
<i>Capital increase</i>	3,200	17,088							20,288		20,288
<i>Treasury share transactions (Note 10g)</i>			(1,780)			919			(861)		(861)
<i>Distribution of 2021 results</i>											
- Reserves			56,547	(163,053)				106,506			
<i>Income and expense recognised in net equity</i>											
- Translation differences (Note 10h-10i)				4,341			9,234		13,575	1,177	14,752
- Result for 2022				924				(12,949)	(12,949)	(319)	(13,268)
- Rest of income and expense recognised in equity									924		924
<i>Other movements</i>			817	(4,858)			(6,407)		(10,448)	(523)	(10,971)
<i>Changes in non controlling interest (Note 10j)</i>											
- Dividends paid during the year										(4,955)	(4,955)
- Due to changes in scope of consolidation										1,063	1,063
- Due to changes in percentage of consolidation										(27,317)	(27,317)
BALANCE AT DECEMBER 31, 2022	74,065	17,088	121,619	(658,074)	0	(401)	(87,583)	(12,949)	(546,235)	14,075	(532,160)
<i>Conversion of financial liabilities into equity (see note 10c)</i>			(258)		3,044				2,786		2,786
<i>Issuance of equity instruments (see note 10c)</i>					126,003				126,003		126,003
<i>Conversion of financial instruments into equity (see note 10 a-c)</i>	26,762	72,258			(99,020)				0		0
<i>Treasury share transactions (Note 10g)</i>			(812)			(1,048)			(1,860)		(1,860)
<i>Distribution of 2022 results</i>											
- Reserves			(88,554)	75,605				12,949			
<i>Income and expense recognised in net equity</i>											
- Translation differences (Note 10h-10i)				(13,872)			16,854		2,982	794	3,776
- Result for 2023								(32,505)	(32,505)	907	(31,598)
- Rest of income and expense recognised in equity				2,926					2,926	(14)	2,912
<i>Other movements</i>			(412)	3,546					3,134	(233)	2,901
<i>Changes in non controlling interest (Note 10j)</i>											
- Dividends paid during the year										(1,026)	(1,026)
- Due to changes in percentage of consolidation										116	116
BALANCE AT DECEMBER 31, 2023	100,827	89,346	31,583	(589,869)	30,027	(1,449)	(70,729)	(32,505)	(442,769)	14,619	(428,150)

The accompanying Notes 1 to 26 and Appendix I and II are an integral part of the consolidated statement of changes in equity for 2023.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW FOR 2023
(Thousands of euros)



	Notes	Year 2023	Year 2022
RESULT BEFORE TAX FROM CONTINUING OPERATIONS	16	4,188	(2,985)
Depreciation and amortisation charge and provisions		82,658	78,722
Changes in working capital		(51,187)	(12,042)
Inventories	9a	10,994	(34,773)
Accounts receivable	9b	(22,365)	(11,299)
Accounts payable		(39,816)	34,030
Income tax recovered (paid)	17	(9,665)	(15,494)
Other profit adjustments		100,393	59,008
Financial results	15	118,281	72,335
Gains and losses on disposal of assets		(1,711)	(2,189)
Other adjustments		(16,177)	(11,138)
CASH FLOWS FROM OPERATING ACTIVITIES	16	126,387	107,209
Investments in intangible assets	7	(31,573)	(40,641)
Investments in property, plant and equipment	5	(11,878)	(11,163)
Investments in non-current financial assets		(1,551)	(2,200)
Proceeds from disposals		5,404	3,361
Other cash flow from investing activities		9,516	231
CASH FLOWS FROM INVESTING ACTIVITIES	16	(30,082)	(50,412)
Proceeds and payments relating to equity instruments	3	110,654	(30,087)
Proceeds relating to financial liability instruments	11b	9,729	99,826
Payments relating to financial liability instruments	11b	(121,130)	(7,442)
Dividends and returns on other equity instruments paid		(2,141)	(5,196)
Interest paid		(77,463)	(50,714)
Other cash flow from financing activities	11b	(30,872)	(46,506)
CASH FLOWS FROM FINANCING ACTIVITIES	16	(111,223)	(40,119)
Effect of foreign exchange rate changes		2,032	4,146
CHANGE IN CASH FLOWS FROM CONTINUING OPERATIONS	16	(12,886)	20,824
CHANGE IN CASH FLOWS IN THE YEAR		(12,886)	20,824
Cash and cash equivalents at beginning of year	9c	189,496	168,672
Cash and cash equivalents at end of period	9c	176,610	189,496

The accompanying Notes 1 to 26 and Appendix I and II are an integral part of the consolidated statement of cash flow for 2023.

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

Notes to the Consolidated Financial Statement for 2023

Translation of consolidated annual accounts originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see notes 2 and 26). In this sense, this translation has been carried out by the Company, under its sole responsibility, and it is not considered official or regulated information. In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR 2023

(1) GROUP ACTIVITIES AND PERFORMANCE

a) Group activities

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

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

The consolidated financial statements for 2022 were approved by the shareholders at the Annual General Meeting held on June 27, 2023 and are deposited in the Mercantile Register of Madrid.

The Group’s consolidated annual accounts for 2023 were authorized for issue by the Company’s Directors on March 12, 2024, for submission to the approval of the General Meeting of Shareholders, it being estimated that they will be approved without modification.

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

Shares of PRISA are admitted to trading on continuous market of the Spanish Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia). In addition, PRISA has admitted to trading on the AIAF Fixed Income Market subordinated bonds mandatory convertible into newly issued ordinary shares of the Company, as described in section b) below.

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

During last years and in the present the Administrators of PRISA have taken a number of measures to strengthen the Group's financial and asset structure, such as asset sale operations, capital increases or issuance of bonds mandatorily convertible into shares and refinancing of its debt.

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

On June 29, 2020, the PRISA's General Shareholder Meeting agreed to reduce in share capital of the Parent Company in order to re-establish its equity balance. Therefore, since June 30, 2020 and at December 31, 2023, the parent Company's equity is greater than two thirds of the capital stock, which is why it is in a situation of equity balance.

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

On April 19, 2022, the amendment of the Group's syndicated financial debt entered into force (the "Refinancing"), which considered, among other aspects, the extension of the maturity of the financial debt to 2026 and 2027, the 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 debt that will allow, among other improvements, to increase PRISA's operating flexibility and soften the financial ratios required by the previous contracts. Likewise, terms of the Super Senior contract debt of the Company were modified, that among other terms, supposed an extension of the maturity of the debt to June 2026.

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

In January 2023, the Board of Directors of PRISA unanimously agreed to issue subordinated bonds (with pre-emptive subscription rights for PRISA shareholders) mandatorily convertible into newly issued ordinary shares of the Company. 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 (coupons) 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. The issue of this bond mandatorily

convertible into shares has been treated as a compound financial instrument, registered in its mainly as an equity component (*see notes 4 and 10*).

In May and November 2023, and in accordance with the conversion schedule established in the issuance of the aforementioned subordinated bonds (which established semi-annual early conversion windows at the discretion of the holders of said bonds), 267,621 subordinated bonds were converted, which has led to the issuance of 267,621,000 newly issued ordinary shares of the Company, according to the conversion price established (*see note 10*).

This issue was configured an instrument to reduce PRISA's syndicated financial debt, which was linked to a variable interest rate and which was refinanced in April 2022. This has enabled the Company to raise the funds necessary to partially pay off early the tranche of the PRISA's syndicated financial debt that constitutes its largest interest financial expense, i.e. the Junior debt tranche, which is benchmarked at Euribor+8% (including cash and capitalisable cost), which as at December 31, 2022 amounted to EUR 192,013 thousand (*see note 11 b*). In February, 2023 the Group cancelled EUR 110 million of Junior debt. The remaining amount up to EUR 130 million (net of operation costs) was destined to meet the Group's operational needs.

Due to the communication of the second issuance of subordinated bonds mandatorily convertible into newly issued ordinary shares of the PRISA (*see note 25*), the Board of Directors of PRISA agreed on January 30, 2024 to open an extraordinary conversion period for the subordinated bonds issued by PRISA in February 2023 in accordance with its provisions of terms and conditions. This has led a conversion and early amortization of 20,287 subordinated obligations, which has entailed the issuance of 20,287,000 new ordinary shares of PRISA. Consequently, the share capital of PRISA, after the formalization of the corresponding capital increase, has been set at EUR 102,856 thousand and is represented by 1,028,558,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros.

Developments and impacts of the war in Ukraine and the conflict between Israel and Hamas

In recent years, the Group has undertaken its activities 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 as a consequence of different events that have great global repercussions, such as the COVID-19 pandemic and currently the war in Ukraine or the recent conflict between Israel and Hamas.

In February 2022, the Russian invasion of Ukraine took place, which 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. At present, the armed conflict, far from ending, continues in force in the affected region. Likewise, in October 2023, the conflict between Israel and Hamas began, the scope and magnitude of which is unknown today, including the possibility that it will extend to other countries in the region.

In particular, the war in Ukraine has led to a significant increase in inflation rates and higher energy prices since 2022. In addition, as a result of inflationary pressures, Central Banks have been raising interest rates during last quarters, which has led to an increase in the cost of financing for economic agents. All the above led to a slowdown in the global economy in 2022, which has continued in 2023, with the prospects for economic recovery still uncertain, depending on the duration of the war in Ukraine and the Middle East conflict, 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). During 2023 global growth is slowing as a result of the above developments, and although inflation is coming down in the last months (as a result of interest rate hikes by Central Banks), as are food and energy prices, core inflation is not falling at the same pace.

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

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

Considering the complexity of the markets due to their globalization the consequences for the Group's businesses are uncertain and will depend to a large extent on the remaining impact of the events mentioned above. Therefore, at the date of authorized of these consolidated annual accounts we have carried out an assessment of the impacts that the invasion of Ukraine mainly and to a lesser extent the conflict between Israel and Hamas, and its associated adverse macroeconomic impacts have mainly had on the Group as of December 31, 2023. There is still a high level of uncertainty about its consequences in the short and medium term.

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

- Liquidity risk: the situation in the markets has caused an increase in liquidity pressures in the economy and a contraction in the credit market. To face this, the Group has in place a Super Senior debt ("*Super Senior Term & Revolving Facilities Agreement*") to meet operational needs for a maximum amount of EUR 240 million, that were fully drawn as of December 31, 2023. Likewise, the rest of subsidiaries of the Group have undrawn credit facilities and other lines of credit amounting to EUR 19.1 million at December 31, 2023. Additionally, the Group had a cash available of EUR 166.6 million. The foregoing, together with the implemented specific plans for the improvement and efficient management of liquidity, will make it possible to deal with these tensions.
- Risk of changes in certain financial magnitudes: the factors referred to above could adversely affect in the future to the Group's advertising revenues, the revenues of circulation and sale of education to the extent that there is an increase in costs or an adverse impact on revenues due to the current macroeconomic scenario, even though the Group has no trade relations with Ukraine, Russia or Israel. 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 the conflict between Israel and Hamas and its macroeconomic impacts could also have an adverse impact on key indicators for the Group, such as financial leverage ratios and compliance with financial ratios included

in the financial agreements of the Group. In this sense, with the agreed Refinancing in 2022, the Group's financial debt was made more flexible and endowed with a financial structure that makes it possible to meet its financial commitments (including financial ratios (covenants)).

- Balance sheet assets and liabilities measurement risk: a change in the future estimates of the Group's revenue, production costs, finance costs, credit quality of trade receivables, etc. could have an adverse impact on the carrying amount of certain assets (goodwill, intangible assets, deferred tax assets, trade and other receivables, etc.) and on the need to recognize provisions or other liabilities. The appropriate analyses and calculations have been carried out which have allowed, where appropriate, those assets and liabilities to be re-measured with the information available to date. At December 31, 2023 there have not been significant changes in the estimates at the end of 2022 in the aforementioned magnitudes, that have a negative impact on the consolidated financial statements, as consequence of the above events.
- Continuity risk (going concern): in the light of all the above factors, the Directors of the Group consider that the application of the going concern principle remains valid.

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

(2) BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Application of International Financial Reporting Standards (IFRSs)

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

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

- The IFRSs are applied in the preparation of the consolidated financial information of the Group. The financial statements of individual companies that are part of the Group are prepared and presented in accordance with accounting standards in each country.
- In accordance with IFRSs, these consolidated annual accounts include the following consolidated financial statements of the Group:
 - Balance sheet.
 - Income statement.
 - Statement of comprehensive income.
 - Statement of changes in equity.
 - Statement of cash flow.

- As required by IAS 8, uniform accounting policies and measurement bases were applied by the Group for all transactions, events and items in 2023 and 2022.

In 2023 the following amendment to accounting standard came into force which, therefore, was considered when preparing these consolidated financial statements:

- Amendments to IAS 1: Presentation of Financial Statements and disclosure of accounting policies.
- Amendments to IAS 12: Income Taxes: Deferred tax related to assets and liabilities arising from a single transaction.
- Amendments to IAS 8: Accounting policies, changes in accounting estimates and errors: definition of accounting estimates.
- Amendments to IFRS 17: Insurance contracts: Initial Application of IFRS 17 and IFRS 9- Comparative Information.
- IFRS 17: Insurance contracts, including amendments to IFRS 17.

The application of the aforementioned modifications and interpretations in force since January 1, 2023 has not had any significant impact on the Group's consolidated financial statements for the current year. In this regard, IFRS 17 is not relevant to the Group as it does not develop insurance activities. Therefore, the accounting policies used in the preparation of these consolidated financial statements are, in all significant aspects, the same ones applied to the consolidated annual accounts for the fiscal year that ended on December 31, 2022.

In this regard, the entry into force in 2023 of the amendment to IAS 12 "Corporate Tax: Deferred taxes related to assets and liabilities arising from a single transaction", which has led to the recognition of a deferred tax asset as of January 1, 2023 credited to the consolidated net equity of the Group, whose amount has not been significant. This amendment clarifies how entities must record the deferred tax generated in operations such as leases (IFRS 16) and dismantling obligations. The impact of that amendment in PRISA Group is associated solely with the registration of lease contracts in accordance with IFRS 16. The impact of its application has been limited in the Group, mainly because the lease terms of capitalised and deductible contracts are, in general, short to medium term.

Likewise, the modification to IAS 1 has meant that the disclosure of the accounting policies and valuation standards described in note 4 have been modified to disclose, mainly, the accounting policies that are material for the Group.

In relation to the optional early application of other IFRS already issued, but not yet effective, the Group has not opted for such options in any case.

At December 31, 2023, the PRISA Group had not applied the following standards or interpretations issued, since the effective application thereof was required subsequent to that date or they have not been adopted by the European Union.

Standards, amendments, and interpretations		Mandatory application for financial years beginning on or after
Approved for use in the EU		
Amendments to IAS 1	Classification of liabilities as current or non-current. Non-current liabilities and covenants	January 1, 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024
Not yet approved for use in the EU		
Amendments to IAS 7 and IFRS 7	Statements of cash flows and financial instruments, disclosures	January 1, 2024
Amendments to IAS 21	The effects of changes in foreign exchange rates: Lack of exchangeability	January 1, 2025

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

b) Fair presentation and accounting principles

The consolidated annual accounts were obtained from the separate financial statements of PRISA and its subsidiaries and, accordingly, they present fairly the Group's equity and financial position at December 31, 2023, and the results of its operations, the changes in net equity and the cash flows in the year then ended. The Group prepared its financial statements on a going concern basis, as described in note 1b. Also, with the exception of the consolidated statement of cash flow, these consolidated financial statements were prepared in accordance with the accrual basis of accounting.

Given that the accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2023 may differ from those applied by some of the Group companies, the necessary adjustments and reclassifications were made on consolidation to unify these policies and bases and to make them compliant with IFRSs as adopted by the European Union.

c) Responsibility for the information and use of estimates

The information in these consolidated annual accounts is the responsibility of the Company's directors.

In the consolidated financial statements for 2023 estimates were occasionally made by executives of the Group and of the entities in order to quantify certain of the assets, liabilities and obligations reported herein. These estimates relate basically to the following:

- The measurement of financial, non-financial assets, goodwill and investments accounted for using the equity method to determine the possible existence of impairment losses (*see notes 4d, 4f, 4g and 4h*).
- The useful life of property, plant, and equipment and intangible assets (*see notes 4b and 4e*).

- The hypotheses used to calculate the fair value of financial instruments (*see note 4g*).
- The assessment of the likelihood and amount of undetermined or contingent liabilities (*see note 12*).
- Estimated sales returns received after the end of the reporting period (*see note 4j*).
- Provisions for unissued and outstanding invoices.
- The estimates made for the determination of future commitments (*see note 23*).
- The recoverability of deferred tax assets (*see note 17*).
- Determination of the lease term in contracts with renewal option (*see note 4c*).

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

In 2023 there were no significant changes in the accounting estimates made at the end of 2022, that imply a significant adverse impact on the consolidated financial statements of the current fiscal year. With regard to investments accounted for using the equity method, at December 31, 2023, there has been a reversal of the impairment recognised in prior years on the Group's investment in Radiópolis, as detailed in note 8.

d) Basis of consolidation

The consolidation methods applied were as follows:

Full consolidation-

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

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

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

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

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

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

Equity method-

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

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

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

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

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

Other matters -

All related party transactions have taken place under market conditions.

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

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

Venezuela

Venezuela is deemed a hyperinflationary economy since the fiscal year ended on December 31, 2009. The Group regularly evaluates the local economic and exchange rate situation that better

reflects the economic aspects of its activities in the country, taking into account all information available on relevant factors and circumstances at each closing date.

Transactional dollarization and the penetration of dollars into the Venezuelan economy in the last few years are the two factors that have motivated the Group to adopt the dollar as a functional currency for its branch in Venezuela from January 1, 2021. Therefore, it no longer applies IAS 29 "Financial Reporting in Hyperinflationary Economies" as it does not have a hyperinflationary currency as its functional currency.

Argentina

Since the second quarter of 2018 Argentina's economy has been considered, by international authorities, as hyperinflationary. The main reason for this is that since July 1, 2018 the accumulated inflation of the last three years in Argentina exceeded 100%. Until December 31, 2018 a series of indices were applied that combined the Argentine National Consumer Price Index (CPI) published by the National Institute of Statistics and Census ("INDEC") since January 1, 2017 with the Internal Wholesale Price Index ("IPIM") published by INDEC, and from January 2019, it was determined that the official index to be used would be the one issued by the FACPCE (Argentine Federation of Professional Councils of Economic Sciences), which from 2019 coincides with the national CPI. The inflation rate accelerated during 2023 to 211.4% from January to December (94.8% from January to December 2022).

During the 2023 financial year exchange restrictions and difficulties in accessing the MULC (Mercado Único Libre de Cambio) were tightened. This limitation to acquire dollars at the official exchange rate has made it very difficult for importing companies to meet their commercial obligations, as it is only possible to do so by resorting to the CCL (cash with liquidation), which had values up to 3 times higher than the official exchange rate during the year 2023.

The functional currency is the Argentinean peso and the exchange rate used as at December 31, 2023 for the translation of the balance sheet and income statement of the Argentinean subsidiaries was 894.71 Argentinean peso/EUR (189.19 Argentinean peso/EUR as at December 31, 2022). The trend of the official exchange rate during 2023 showed a growth from January to November of 102% and only in December, with the arrival of the new Argentinian government (which carried out a currency devaluation), that exchange rate stood at 129%, thus reducing the gap with the different exchange rates to around 40% as at December 31, 2023.

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

When the operations of an entity that operates in an economy hyperinflationary are translated into the currency of a non-hyperinflationary economy, in this case to euros, paragraph IAS 21.42 (b) states that "comparative amounts shall be those that were presented as current year amounts in the relevant prior year financial statements (i.e. not adjusted for subsequent changes in the price level or subsequent changes in exchange rates)". Non-monetary headings of the balance sheet are adjusted to reflect changes in prices in accordance with local laws, before they are translated to euros, as contained in the notes to these consolidated financial statements separately under the column "*Monetary adjustment*". The effect of inflation for the financial year as to non-monetary assets and liabilities is included under "*Finance costs*" in the attached consolidated income statement. The effect of the adjustment for inflation on the net equity of companies to which this accounting practice applies (Argentina) has been positive amounting

to EUR 2.8 million and the translation differences associated with them have been negative amounting to EUR 8.7 million, that have been registered under the line "*Translation differences*" on the accompanying consolidated statement of comprehensive income. Likewise, these effects have been registered under "*Equity- Accumulated profit for prior years*" on the accompanying consolidated balance sheet.

The operations and investments in Latin America may be affected by various risks typical of investments in countries with emerging economies, such as currency devaluation, inflation and restrictions on the movement of capital. Specifically, in Venezuela and Argentina, the movement of funds out of the country is affected by complex administrative procedures, tax changes, changes in policies and regulations or situations of instability. In this sense, the existing cash as of December 31, 2023 in Argentina and Venezuela amounts to 959 thousand euros and 1,073 thousand euros, respectively (converted at the exchange rate on said date of 894.71 EUR/ARG and 1.11 EUR/USD).

e) Information comparison

In accordance with commercial legislation, the figures for the previous year are presented for comparison purposes with each of the items in the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement, in addition to the figures for 2023. Comparative information for the previous year is also included in the notes to the financial statements, except where an accounting standard specifically states that it is not required.

(3) CHANGES IN THE GROUP STRUCTURE

The most significant changes in the scope of consolidation in 2023 were as follows:

Subsidiaries

In January 2023 Productora Audiovisual de Badajoz, S.A., a company owned by Prisa Participadas, S.L., was dissolved.

In March 2023 El País Brasil Agencia de Noticias e Publicidade, Ltda., a company owned by Diario El País, S.L., was liquidated.

Also, in March 2023 Editorial Nuevo México, S.A. de C.V. merges with Educa Inventia, S.A. de C.V.

In April 2023 the company Sistemas Educativos de Enseñanza S.A.S. (Ecuador), participated in a share by Grupo Santillana Educación Global, S.L.U. and the rest by Santillana Sistemas Educativos, S.L.U. was created.

In July 2023 the merger of Grupo Empresarial de Medios Impresos y Digitales, S.L.U. with Prisa Media, S.A.U. took place.

In November 2023 Santillana Editores, S.A. (Portugal), a company owned by Santillana Latam, S.L.U., was dissolved.

In December 2023 the company Radio Reloj, S.A.S. (formerly Q'Hubo Radio, S.A.S), is consolidated through global integration after the acquisition of the additional 50% of that company.

Associates

In August 2023 the company Canal Club de Distribución de Ocio y Cultura, S.A. was liquidated.

In December 2023 the company As Spotlight Digital, S.L. was liquidated.

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

(4) ACCOUNTING POLICIES

The material accounting policies for the Group used in preparing the consolidated annual accounts for 2023 and comparative information were as follows:

a) Presentation of the consolidated financial statements

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

b) Property, plant, and equipment

Property, plant and equipment are initially value at cost and subsequently at said cost, net of the related accumulated depreciation and of any impairment losses.

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

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

(*) It excludes assets under IFRS 16

c) Leases

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

At the commencement date of the lease, the lessee recognises an asset (property, plant and equipment or intangible) representing the right to use the underlying asset during the lease term and mainly for an amount equal to the initial value of the lease financial liability. The right-to-use asset is subsequently measured at cost, less any accumulated depreciation and recognised impairment losses, and adjusted for any remeasurement of the lease liability. The

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

The financial liability is initially calculated by the current value of the lease payments payable during the lease term, discounted by the incremental rate of indebtedness that would correspond to the companies for a debt of these characteristics. After the commencement date, the lessee values the lease liability by increasing its carrying amount to reflect the interest accrued on the liability and reducing it by the payments made.

The lease term of the contracts has been determined as the non-cancellable period considering the options of extension and termination when there is a reasonable certainty of their execution and it is at the discretion of the lessee.

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

Finally, the Group's main lease contracts, due to their significance (leases of buildings and land), in general do not include variable payments in addition to the fixed amounts established, other than updates of the CPI index, they have renewal options (generally at the discretion of the lessor and the lessee), and have no residual value guarantees. At December 31, 2023 there were no significant lease contracts that had not commenced at that date and were not booked in the consolidated balance sheet, to which the Group was not already committed.

d) Business combinations and goodwill

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

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

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

- If it is attributable to specific intangible assets, by recognizing it explicitly in the consolidated balance sheet provided that the fair value at the date of acquisition can be measured reliably.
- The remaining amount is recognized as goodwill.

Changes in ownership interests in subsidiaries that do not result in a loss or change of control are accounted for as equity transactions.

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

e) Intangible assets

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

Computer software-

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

Prototypes-

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

Advances on copyrights-

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

Other intangible assets-

This account includes basically the amounts paid to acquire administrative concessions for the operation of radio frequencies, which are subject to temporary administrative concessions. These concessions are granted for renewable multi-years periods, in accordance with regulations of each country, and are amortized using the straight-line method over the term of

the arrangement, except in cases where the renewal costs are not significant and the required obligations easily attainable, in which case they are deemed to be assets with an indefinite useful life (the latter mainly affect in Sociedad Española de Radiodifusión, S.L. and Grupo Latino de Radiodifusión Chile, Ltda.).

f) Losses due to impairment of non-financial assets

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

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

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

These projections cover the following five years and include a terminal value that is appropriate for each business and that is calculated as a perpetual income extrapolating the normalized flow of year five using a constant growth rate. These cash flows are discounted to their present value at a rate that reflects the weighted average cost of capital employed adjusted by the country risk and business risk corresponding to each cash-generating unit. Therefore, in 2023 the rates used (excluding Argentina) ranged from 8.0% to 20.0% depending on the business being analysed (from 9.0% to 16.0% in 2022).

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

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

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

g) Financial instruments

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

Non-current financial assets at amortized cost-

This heading includes the following categories:

- *Loans and receivables*: this includes financial assets originating from the sale of goods or from the provision of services during the company's traffic operations or those that, not having have any commercial substance, are not equity instruments or derivatives and have fixed or determinable payments and are not traded in an active market, meaning that the Group intends to keep them to obtain the contractual cash flows.
- *Other assets at amortized cost*: financial assets with fixed or determinable payments and established maturities for which the Group has the intention and ability to hold to maturity to obtain the contractual cash flows.

Impairment and derecognition of financial assets-

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

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

Cash and cash equivalents-

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

Financial liabilities-

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

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

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

Compound financial instruments

The Group distributes the value of its compound financial instruments in accordance with the following criteria which, barring error, will not be subsequently reviewed:

- The liability component is recognised by measuring the fair value of a similar liability that does not have an associated equity component.
- The equity component is measured at the difference between the initial amount of the instrument and the amount assigned to the liability component.
- The transaction costs are distributed in the same proportion.

Derivative financial instruments and hedge accounting--

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

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

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

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 "effective" hedge accounting under IFRSs.

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

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

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

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

h) Investments accounted for using the equity method

As discussed in note 2d, investments in companies over which the Group has significant influence or joint control are accounted for using the equity method.

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

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

i) Inventories

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

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

At the end of each period, an evaluation of the net realizable value of the inventories is carried out, making the appropriate provision when they are overvalued, because the recovery value is lower than the book value of the existence, mainly books. When the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence

of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed.

j) Revenue recognition

Revenue is recognised when control of the goods and services is transferred to the client for the amount at which the Group estimates that the goods and services will be traded.

In accordance with IFRS 15, the accounting policies applied to recognize the revenue of the Group's main businesses are as follows:

- *Advertising revenue* is recognized when the advertisement appears in the media, less the amount of volume rebates offered to the media agencies (rappels). Likewise, the amounts corresponding to commercial discounts will be reduced from the revenue amount. The average collection period is around 90 days, except programmatic advertising that is charged for 30 days.
- *Revenue from book sales* is recognized on the effective delivery thereof. Where the sales of the copies are subject to sales returns, the sales returns that are estimated to be produced are deducted from the revenue recognized. Also, the amounts corresponding to rebates or trade discounts are deducted from revenue. The collection period is variable and is established in the different sales contracts. The sales returns estimation is calculated using historical return percentages.
- *Revenue from digital teaching systems*: the revenue from the goods and services provided is recognised once control thereof is transferred to the client, in accordance with the criteria described below:
 - Printed teaching material and digital content: revenue is reported when ownership is transferred to the school or student.
 - Equipment made available to schools and other services: the respective revenue will be recognised during the school year.

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

- *Revenue from circulation* is recognized on the effective delivery thereof, net of the related estimated provision for sales returns. Also, the amounts relating to distributors' fees are deducted from revenue. The collection for the sale of newspapers and magazines occurs in the month in which the sales are made. Subscription revenue is recognized based on the duration of the subscription contract and are collected in two different ways, at the time it is signed or accrued based on the duration of the contract.

- *Revenue related to intermediation services* is recognized at the amount of the fees received when the goods or services under the transaction are supplied.
- The revenue and costs associated with *audiovisual production* contracts is recognized in the income statement when control of the content sold (episodes ready to be shown by the buyer) is transferred at the moment of delivery, with there being no other significant performance obligations to be fulfilled from this moment onwards. The collection period is set out in the different contracts.
- *Other services*: this item includes music sales, organization and management of events, e-commerce and internet services. Some contracts in relation to events associated with Media business also include advertising services. In these cases, the price of the contract is distributed between the various performance obligations, by means of an analysis of discount margins and selling prices independent of equivalent advertising services but without the associated event.

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

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

k) Tax status

The expense or income due to tax on the year's earnings, is calculated by adding the current tax expense and the deferred tax expense.

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

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

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

Meanwhile, deferred tax assets, identified using deductible temporary differences or negative tax bases, are only recognised if it is deemed likely that the consolidated companies will have sufficient future taxable profits against which to use them. At each accounting period end, recorded deferred taxes (assets and liabilities) are reviewed in order to check whether they are still applicable, making the appropriate adjustments, in accordance with the results of the analyses performed and the applicable tax rate at all times.

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

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

In the case of transactions settled with equity instruments, both the services provided and increases in equity are valued at the fair value of the equity realized, as of the date of the agreement to realize it (date of communication of objectives).

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

m) Dividend policy

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

n) Foreign currency transactions

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

o) Information by segment

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

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

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

p) Consolidated statements of cash flows

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

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

q) Environmental impact

The Group is committed, through its Sustainability Policy and Environmental Policy, approved in December 2018 (amended in November 2020 and February 2022) and February 2021, respectively, to support the fight against climate change through the effective management of resources and taking into consideration the potential risks arising from resources, as well as through the monitoring and assessment of the environmental impact that its activity may generate. It includes the Group's commitment to compliance with applicable environmental legislation, the development of continuous improvement actions, environmental awareness when undertaking its activities and those of its business partners, customers and suppliers. Along these lines, during 2023, the Group designed and implemented an Environmental Management Plan to enable it to accelerate its Net Zero roadmap and has committed to the SBTi (Science Based Targets) initiative, the international benchmark body for science-based greenhouse gas (GHG) emissions reduction. Both actions are part of the Sustainability Master Plan 2022-2025 approved by the Board of Directors of PRISA.

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

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

(5) PROPERTY, PLANT, AND EQUIPMENT

2023-

The changes in 2023 in “Property, plant and equipment” in the consolidated balance sheet were as follows:

	Thousands of euros							Balance at 12/13/2023
	Balance at 12/31/2022	Monetary adjustment	Translation adjustment	Changes in scope of consolidation	Additions	Disposals	Transfers	
Cost:								
Land and buildings	46,200	2,100	(900)	-	147	(1,389)	(5,325)	40,833
Plant and machinery	92,709	3,469	(1,881)	-	1,176	(1,114)	1,310	95,669
Other items of property, plant and equipment	77,198	32,265	(33,441)	1	5,465	(2,915)	19	78,592
Advances and equipment in the course	1,076	-	2	-	841	(200)	(1,452)	267
Total cost	217,183	37,834	(36,220)	1	7,629	(5,618)	(5,448)	215,361
Accumulated depreciation:								
Buildings	(16,301)	(2,100)	2,127	-	(441)	300	2,477	(13,938)
Plant and machinery	(82,154)	(3,166)	1,901	-	(2,483)	936	217	(84,749)
Other items of property, plant and equipment	(67,434)	(29,851)	31,472	(1)	(7,509)	2,737	921	(69,665)
Total accumulated depreciation	(165,889)	(35,117)	35,500	(1)	(10,433)	3,973	3,615	(168,352)
Impairment losses:								
Land and buildings	(7,293)	-	-	-	53	23	-	(7,217)
Plant and machinery	(297)	-	-	-	-	193	-	(104)
Other items of property, plant and equipment	(535)	-	(43)	-	95	-	-	(483)
Total impairment losses	(8,125)	-	(43)	-	148	216	-	(7,804)
Net property, plant and equip.	43,169	2,717	(763)	-	(2,656)	(1,429)	(1,833)	39,205
Cost of property, plant and equipment in lease:								
Land and buildings	82,436	10,870	(10,409)	-	8,321	(4,302)	-	86,916
Other items of property, plant and equipment	35,354	-	2,364	-	6,095	(4,862)	7	38,958
Total cost of property, plant and equipment in lease	117,790	10,870	(8,045)	-	14,416	(9,164)	(7)	125,874
Accumulated depreciation of property, plant and equipment in lease:								
Buildings	(34,996)	(9,084)	10,409	-	(14,969)	3,474	(80)	(45,246)
Other items of property, plant and equipment	(22,669)	-	(1,121)	-	(4,999)	4,312	(892)	(25,369)
Total accumulated depreciation of property, plant and equipment in lease	(57,665)	(9,084)	9,288	-	(19,968)	7,786	(972)	(70,615)
Net property, plant and equipment in lease	60,125	1,786	1,243	-	(5,552)	(1,378)	(965)	55,259
TOTAL NET PROPERTY, PLANT AND EQUIPMENT	103,294	4,503	480	-	(8,208)	(2,807)	(2,798)	94,464

2022-

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

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

Monetary adjustment and translation adjustment-

The column “*Monetary adjustment*” includes the effect of hyperinflation in Argentina in 2023. Furthermore, the column “*Translation adjustment*” includes the impact of exchange rates variation in Latin America, mainly highlighting the contribution in 2023 of the negative effect of Argentina due to the strong devaluation of its currency, and to a lesser extent the positive effect of Colombia, Brazil and Mexico (negative contribution from Argentina and positive contribution from Mexico and Brazil in 2022).

Additions-

The most significant additions in 2023 were as follows:

- “*Plant and machinery*”, in the amount of EUR 1,176 thousand (EUR 1,394 thousand in 2022).
- “*Other items of property, plant and equipment*” (including property, plant and equipment in lease) amounting to EUR 11,560 thousand (EUR 13,183 thousand in 2022), mainly for investments made by Santillana in digital equipment’s and learning systems (EUR 5,741 thousand) and the acquisition of computers to the Group, amounting to EUR 3,336 thousand.
- “*Land and buildings for lease*” amounting to EUR 8,321 thousand (EUR 11,936 thousand euros in 2022), mainly due to the initial activation or renewal of lease contracts for buildings and offices where the Group carries out its activity.

Disposals-

In 2023, the retirements of leased buildings include the derecognition of leases that have expired.

In 2023 and 2022, the withdrawals in fix assets in property were primarily due to the removal of totally depreciated assets.

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

Transfers-

In 2023 the net book value of a warehouse in Santillana México, for an amount of EUR 2,977 thousand has been transferred to the heading of non-current assets held for sale as it was in the process of being sold at December 31, 2023, without it being estimated that this will generate a negative result for the Group.

In addition, in 2023 and 2022, property, plant and equipment under construction are transferred to their respective accounts, according to their nature, as they are in working condition.

Impairment losses-

During 2023, no significant impairments were recognized in property, plant and equipment.

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

Others matters-

The balance in the property, plant and equipment in lease, mainly correspond with the activation of the contract leases of offices and warehouses of the Group for a net amount of EUR 41,670 thousand as of December 31, 2023 (EUR 47,440 thousand as of December 31, 2022). In addition, Education includes technological equipment in lease for use in the classroom by students and teachers integrated into teaching systems for a net amount of EUR 9,404 thousand in the heading "*Other items of property, plant and equipment*" (EUR 7,408 thousand as of December 31, 2022).

The property, plant and equipment amortization expense recorded in 2023 totalled EUR 30,401 thousand (EUR 33,817 thousand in 2022) of which EUR 19,968 thousand corresponding to the amortization of property, plant and equipment held under leases (EUR 24,696 thousand in 2022).

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

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

At December 31, 2023, the PRISA Group's assets included fully amortized property, plant, and equipment amounting to EUR 132,933 thousand (December 31, 2022: EUR 128,097 thousand).

The Group companies take out insurance policies to cover the potential risks to which the various items of property, plant, and equipment are exposed. At December 31, 2023 and at December 31, 2022, the insurance policies taken out sufficiently covered the related risks.

(6) GOODWILL

2023-

The detail of the goodwill relating to fully and proportionately consolidated Group companies and of the changes therein in 2023 is as follows:

	Thousand of euros				
	Balance a 12/31/2022	Translation adjustment	Additions	Impairment	Balance at 12/31/2023
Editora Moderna, Ltda.	14,394	833	-	-	15,227
Santillana Educaçao, Ltda.	24,571	1,421	-	-	25,992
Grupo Latino de Radiodifusión Chile, Ltda.	28,633	(1,830)	-	-	26,803
Propulsora Montañesa, S.A.	8,608	-	-	-	8,608
Sociedad Española de Radiodifusión, S.L.	27,217	-	-	-	27,217
Other companies	13,797	10	155	(155)	13,807
Total	117,220	434	155	(155)	117,654

The detail, by business segment, of the goodwill relating to fully consolidated Group companies and of the changes therein in 2023 is as follows:

	Thousand of euros				
	Balance a 12/31/2022	Translation adjustment	Additions	Impairment	Balance at 12/31/2023
Media	76,545	(1,830)	155	(155)	74,715
Education	40,675	2,264	-	-	42,939
Total	117,220	434	155	(155)	117,654

2022-

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

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

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

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

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

Impairment tests

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

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

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

These projections cover the following five years and include a terminal value that is appropriate for each business, applying a constant expected growth rate ranging from 0% to 2.5%, as in 2022. The expected growth rates that have been used in the most relevant impairment tests are the following:

- Editora Moderna, Ltda.: between 0% and 0.75% in 2023 and 2022.
- Santillana Educação Ltda.: between 0% and 0.75% in 2023 and 2022.
- Grupo Latino de Radiodifusión Chile, Ltda.: between 0.75% and 1.5% in 2023 and 2022.
- Sociedad Española de Radiodifusión, S.L. and Propulsora Montañesa, S.A.: between 0% and 0.75% in 2023 and 2022.

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

In order to calculate the present value of these flows, they are discounted at a rate that reflects the weighted average cost of capital employed adjusted for the country risk and business risk corresponding to each cash-generating unit. Therefore, in 2023 the rates used (excluding Argentina, without any goodwill) ranged from 8.0% y 20.0% (9.0% and 16.0% in 2022) depending on the business being analysed. The rates that have been used for the most relevant impairment tests are the following:

- Editora Moderna, Ltda.: between 14% and 15% in 2023 (between 15% and 16% adjusting the tax rate) and between 15% and 16% in 2022.
- Santillana Educação Ltda.: between 14% and 15% in 2023 (between 15% and 16% adjusting the tax rate) and between 15% and 16% in 2022.
- Grupo Latino de Radiodifusión Chile, Ltda.: between 9% and 10% in 2023 (between 10.5% and 11.5% adjusting the tax rate) and between 11% and 12% in 2022.
- Sociedad Española de Radiodifusión, S.L. and Propulsora Montañesa, S.A.: between 8% and 9% in 2023 (between 9% and 10% adjusting the tax rate) and between 9% and 10% in 2022.

Rates slight decreased in 2023 mainly due to the decrease in the cost of debt, associated with the prevision of decrease of the interest rates, motivated by the evolution of the current macroeconomic environment. In this regard, it should be considered that in fiscal year 2022 the

discount rates grew significantly compared to the previous year, among other factors, due to the increase in the cost of debt.

Key hypothesis-

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

- Editora Moderna Ltda.:

Trend in public procurement cycles – Management has taken account of the historic trend in this variable, chiefly in relation to public procurement orders on Brazil's National Books and Teaching Material Programme – PNLD, which is affected by the aforementioned purchasing programs each year.

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 2023 is approximately four percentage point higher than the ones used in the deterioration test for fiscal year 2022. For this aspect, it must be considered that this business is impacted by educational cycles.

- Santillana Educação, Ltda.:

Trend in the private teaching market – Management adapts the projections for the education market to the circumstances of the macroeconomic environment in Brazil and the educational sector. In this regard, in due consideration of the estimates student growth in education systems and the transformation that education suffered after the pandemic towards more digital models, it has been considered that this market will continue to a slight growth 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 2023 is similar than the ones used in the deterioration test for fiscal year 2022.

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

Trend in the advertising market – Management adapts its projections for the advertising market to the macroeconomic environment in Spain and Chile, and in the advertising sector in particular. In this regard, the market estimates drawn up by PwC in its “Global Entertainment & Media Outlook 2023-2027” report and i2P have been taken into account. Likewise, the Group has also taken its past experience in the radio sector into account and has also considered its positioning in terms of participation shares in the advertising market.

Finally, for information purposes, the CAGR (compound annual growth rate) of advertising revenue of the period considered in the 2023 projections is approximately one and a half percentage point higher than those used in the 2022 impairment test for

Sociedad Española de Radiodifusión, S.L. In the case of Grupo Latino de Radiodifusión Chile, Ltda. the CAGR of the same income for the period considered in the 2023 projections is approximately one and a half percentage point lower than those used in the impairment test for the previous year. In both cases, the macroeconomic environment and the latest market estimates have been considered.

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

Results of the impairment tests-

In accordance with the estimates and projections available to the Company's Directors, the expected future cash flows allocable to the cash-generating units to which goodwill are allocated indicate that the book value of each goodwill allocated as of December 31, 2023 may be recovered.

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

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

– Editora Moderna, Ltda.

To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would exceed the book value by approximately EUR 200 million. In the event that the expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would exceed the book value by approximately EUR 205 million.

Also, assuming a 5% reduction in estimates of growth in earnings from books and training, the recoverable value would exceed the book value at December 31, 2023 by approximately EUR 175 million.

– Santillana Educação, Ltda.

To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would exceed the book value by approximately EUR 50 million. In the event that the expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would exceed the book value by approximately EUR 55 million.

Also, assuming a 5% reduction in estimates of growth in earnings from books and training, the recoverable value would exceed the book value at December 31, 2023 by approximately EUR 25 million.

– Grupo Latino de Radiodifusión Chile, Ltda.

To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would be lower the book value by approximately EUR 2 million. In the event that the expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would be lower the book value by approximately EUR 1 million.

Also, assuming a 5% reduction in estimates of growth in earnings from advertising, the recoverable value would be lower the book value by approximately EUR 9 million at December 31, 2023.

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

To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would exceed the book value by approximately EUR 200 million. In the event that the expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would exceed the book value by approximately EUR 205 million.

Also, assuming a 5% reduction in estimates of growth in earnings from advertising, the recoverable value would exceed the book value by approximately EUR 130 million at December 31, 2023.

(7) INTANGIBLE ASSETS
2023-

The changes in 2023 in “Intangible assets” in the consolidated balance sheet were as follows:

	Thousand of euros						Balance at 12/31/2023
	Balance at 12/31/2022	Monetary adjustment	Translation adjustment	Additions	Disposals	Transfers	
Cost:							
Computer software	111,408	5,103	(4,317)	11,952	(1,266)	13	122,893
Prototypes	230,413	42,790	(42,069)	19,169	(13,545)	8	236,766
Advances on copyrights	2,210	5	139	377	(327)	(699)	1,705
Other intangible assets	41,671	495	119	75	(30)	363	42,693
Total cost	385,702	48,393	(46,128)	31,573	(15,168)	(315)	404,057
Accumulated amortization:							
Computer software	(82,502)	(4,595)	4,356	(10,911)	1,038	-	(92,614)
Prototypes	(182,743)	(40,852)	42,717	(24,433)	11,346	1	(193,964)
Advances on copyrights	(1,204)	-	(519)	(465)	633	690	(865)
Other intangible assets	(18,903)	(495)	862	(173)	15	(350)	(19,044)
Total accumulated amortization	(285,352)	(45,942)	47,416	(35,982)	13,032	341	(306,487)
Impairment losses:							
Computer software	(855)	-	-	(49)	75	-	(829)
Prototypes	(3,687)	-	(18)	(1,348)	1,644	-	(3,409)
Advances on copyrights	(387)	(19)	(1)	69	6	-	(332)
Other intangible assets	(610)	-	(28)	(670)	669	-	(639)
Total impairment losses	(5,539)	(19)	(47)	(1,998)	2,394	-	(5,209)
Net intangible assets	94,811	2,432	1,241	(6,407)	258	26	92,361
Cost of intangible assets in lease:							
Other intangible assets	16,546	-	1,719	4,976	(3,611)	-	19,630
Total cost of intangible assets in lease	16,546	-	1,719	4,976	(3,611)	-	19,630
Accumulated amortization of intangible assets in lease:							
Other intangible assets	(6,414)	-	(1,083)	(3,899)	3,424	-	(7,972)
Total accumulated amortization of intangible assets in lease:	(6,414)	-	(1,083)	(3,899)	3,424	-	(7,972)
Net intangible assets in lease	10,132	-	636	1,077	(187)	-	11,658
TOTAL NET INTAGIBLE ASSETS	104,943	2,432	1,877	(5,330)	71	26	104,019

2022-

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

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

Monetary adjustment and translation adjustment-

The column “Monetary adjustment” includes the effect of hyperinflation in Argentina in 2023. Furthermore, the column “Translation adjustment” includes the impact of exchange rates variation in Latin America, mainly highlighting the contribution in 2023 of the negative effect of Argentina due to the strong devaluation of its currency, and to a lesser extent the positive effect of Colombia, Brazil and Mexico (positive effect of Brazil in 2022).

Additions-

The most significant additions in 2023 were as follows:

- “*Prototypes,*” amounting to EUR 19,169 thousand (EUR 27,184 thousand in 2022), relating to new prototypes for the publication of books at Grupo Santillana, mainly in Brazil and Mexico.
- “*Computer software,*” amounting to EUR 11,952 thousand (EUR 12,742 thousand in 2022), relating to the computer software acquired and/or developed by third parties for Group companies.
- “*Other intangible assets in lease*” amounting to EUR 4,976 thousand (EUR 5,002 thousand in 2022), mainly due to the initial activation or renewal of lease contracts for administrative concessions.

Disposals-

Grupo Santillana derecognized in 2023, EUR 11,346 thousand of fully depreciated prototypes (December 31, 2022: EUR 13,619 thousand) as well as other already deteriorated prototypes.

Additionally, in 2023 and 2022, the different business segments derecognized fully depreciated or impairment computer software.

Withdrawal of other intangible assets on lease in fiscal year 2023 and 2022 corresponds, primarily, to the termination of radio frequency lease contracts that had expired and were completely amortized.

Impairment losses-

In 2023 and 2022 impairments of book prototypes were recorded, mainly in Santillana Brazil, for an amount of EUR 1,348 thousand and EUR 1,721 thousand, respectively.

Others matters-

The net amount of the leases of administrative concessions of Radio amounting to EUR 11,658 thousand at December 31, 2023 (EUR 10,132 thousand in 2022).

The intangible asset amortization expense recorded in 2023 totalled EUR 39,881 thousand (EUR 37,192 thousand in 2022), of which EUR 3,899 thousand corresponding to the amortization of intangible assets held under leases (EUR 4,157 thousand in 2022).

“*Other intangible assets*” include administrative concessions acquired whose net book value amounts to EUR 22,393 thousand in 2023 (EUR 21,589 thousand in 2022), which are considered to be intangible assets with indefinite useful lives because it is highly probable that they will be renewed and the related costs are not material. That concessions correspond mainly to Sociedad Española de Radiodifusión, S.L. and Grupo Latino de Radiodifusión Chile, Ltda. At the end of each reporting period, the residual useful life of these concessions is analyzed in order to ensure that it continues to be indefinite; if this is not the case, the concessions are amortized.

At December 31, 2023, the PRISA Group's assets included fully amortized intangible assets amounting to EUR 228,548 thousand (December 31, 2022: EUR 188,157 thousand).

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

There are no future relevant intangible asset purchase commitments other than those indicated in note 23.

(8) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

2023-

The changes in 2023 in *"Investments accounted for using the equity method"* in the consolidated balance sheet were as follows:

	Thousand of euros					
	Balance at 12/31/2022	Translation adjustment	Changes in scope of consolidation	Dividends	Share of results/ Reversion	Balance at 12/31/2023
Sistema Radiópolis, S.A. de C.V.	32,406	3,678	-	(4,937)	13,262	44,409
Other companies	717	5	(219)	(248)	397	652
Total	33,123	3,683	(219)	(5,185)	13,659	45,061

During 2023, changes in *"Investments accounted for using the equity method"* in the accompanying consolidated balance sheet was mainly due to the results participation in Sistema Radiópolis, S.A. de C.V. for an amount of EUR 3,387 thousand, the reversal of the impairment recorded in previous years as described below for an amount of EUR 9,875 thousand and the positive effect of the exchange rate, reduced by the effect of the dividend distributed by said company in 2023 for an amount of EUR 4,937 thousand.

2022-

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

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

During 2022, changes in *"Investments accounted for using the equity method"* was mainly due to the results participation in Sistema Radiópolis, S.A. de C.V., and the effect of the exchange rate.

Column *"Changes to the scope of consolidation"* and *"Share of results"* of other companies included mainly the effect of withdrawing from the scope of consolidation of El Dorado Broadcasting

Corporation and its investee company WSUA Broadcasting Corporation, as well as Green Emerald Business, Inc. and Planet Events, S.A. The effect on the net result of fiscal year 2022 of the Group was not significant taking into account that, although negative net equity of these subsidiaries was provisioned (*see note 12*), the financial credits that were granted have been written off as described in note 11a.

The impairment test of net investment in Sistema Radiópolis, S.A. de C.V. obtains the recoverable value of this investment, which value in use has been calculated based on the forecasts of the next 5 years, including a terminal value in which a rate of constant expected growth of between 0.5% and 1.5% (between 0.5% and 1.5% in 2022). In order to calculate the present value of these flows, they are discounted at a rate that reflects the weighted average cost of capital employed adjusted for the country risk and business risk corresponding to each cash-generating unit. Therefore, in 2023 the rates used ranged from 12% to 13% (between 13% to 14% in 2022). The rate slight decreased in 2023 mainly due to the decrease in the cost of debt, associated with the prevision of decrease of the interest rates, motivated by the evolution of the current macroeconomic environment. In this regard, it should be considered that in fiscal year 2022 the discount rate grew significantly compared to the previous year, among other factors, due to the increase in the cost of debt.

In the case of Radiópolis, cash flow projections are based on a business plan updated to the year 2023. In this respect, advertising revenue is the main source of earnings for Radiópolis. There follows a description of the main revenue lever for this business, as a key hypothesis for drawing up the projections, with the additional consideration that it is the variable with the largest component of judgment for the estimate:

- Trend in the advertising market – Management has adjusted its projections for the advertising market to the macroeconomic environment in Mexico, and in the sector in particular. In this regard, in due consideration of the market estimates drawn up by PwC in its “Global Entertainment & Media Outlook 2023-2027” report. Likewise, the Group has also taken its past experience in the radio sector into account and has also considered its positioning in terms of participation shares in the advertising market.

For information purposes, the CAGR of advertising revenue of the period considered in 2023 projections is approximately 3 percentage points higher than that used in the impairment test of Radiópolis for the year 2022, according the circumstances said in this section.

The result of the impairment test carried out on the Group's investment in Radiópolis as of December 31, 2023 has meant a reversal of the entire impairment recorded in previous years for an amount of EUR 9,875 thousand. This is mainly due to an improvement in business projections already evident in the 2023 financial year (with an improvement in results and cash flow compared to the proposed budget), and due to the decrease in the discount rate (wacc) compared to the previous year, as mentioned above.

As a result of the above, the recoverable value of the Group's investment in Radiópolis as of December 31, 2023 is slightly higher to the book value.

Additionally, for information purposes, there follows a sensitivity analysis on the recovery of the Group's investment in Radiópolis at December 31, 2023:

- Assuming a 0.5% increase in the discount rate, the recoverable value would be approximately EUR 0.5 million less than the book value.
- Assuming a 0.5% decrease in the perpetual growth rate, the recoverable value would be similar than the book value.
- Assuming a 5% reduction in estimates of growth in earnings from advertising, the recoverable value would be approximately EUR 6 million less than the book value at December 31, 2023.

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

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

(9) CURRENT ASSETS AND LIABILITIES

a) Inventories

The detail of "Inventories," in thousands of euros, at December 31, 2023 and at December 31, 2022, is as follows:

	12/31/2023			12/31/2022		
	Cost	Write-downs	Carrying amount	Cost	Write-downs	Carrying amount
Finished goods	68,632	(19,324)	49,308	73,640	(24,145)	49,495
Work in progress goods	2,121	-	2,121	9,233	-	9,233
Raw materials and other supplies	12,474	(204)	12,270	16,267	(302)	15,965
Total	83,227	(19,528)	63,699	99,140	(24,447)	74,693

At December 31, 2023, the "Finished goods" account contains publishing products for a net amount of EUR 49,308 thousand (EUR 49,495 thousand in 2022). On the other hand, the "Work in progress goods" account also contains publishing goods and audiovisual programmes pending completion for an amount of EUR 882 thousand and EUR 1,239 thousand, respectively (EUR 7,806 thousand in publishing goods and EUR 1,427 thousand in audiovisual programmes in 2022). Lastly, the "Raw materials and other supplies" account includes mostly paper.

The detail of the changes in 2023 and 2022 in "Inventories- Write-downs" is as follows:

Thousands of euros				
Balance at 12/31/2022	Translation adjustment	Charge for the year/Excess	Amounts used	Balance at 12/31/2023
(24,447)	896	1,634	2,389	(19,528)

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

b) Trade and other receivables

The detail of the changes in 2023 and 2022 in “*Trade and other receivables- Allowances*” is as follows:

Thousand of euros				
Balance at 12/31/2022	Translation adjustment	Charge for the year/Excess	Amounts used	Balance at 12/31/2023
(59,490)	(1,253)	(3,625)	1,255	(63,113)

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

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

The most significant heading included in “*Trade and other receivables*” is “*Trade receivables for sale and services*” amounting to EUR 252,005 thousand, net of allowance at December 31, 2023 (EUR 240,356 at December 31, 2022). The details of the aging of this amount is as follows:

	Thousands of euros	
	Balance at 12/31/2023	Balance at 12/31/2022
0-3 months	217,969	209,184
3-6 months	16,428	23,980
6 months - 1 year	14,513	6,458
1 year- 3 years	3,087	722
More than 3 years	8	12
Total	252,005	240,356

The change in “*Trade receivables for sale and services*” is mainly due to higher education sales, mainly in Mexico, and higher advertising sales, booked late in 2023, which were therefore still receivable at December 31, 2023, in comparison to the sales booked during the same period in 2022. The increase in trade receivables in the 1 to 3 year range is mainly due to accounts receivable for services provided to public administrations.

Additionally, section *“Trade debts and other accounts receivable - Other debts”* includes, as of December 31, 2023, EUR 9,790 thousand (EUR 12,620 thousand as of December 31, 2022) of adjustments due to accrual corresponding to invoices pending allocation such as expenses in the consolidated results statement of future periods according to accrual criteria.

c) Cash and cash equivalents

The balance of the heading *“Cash and cash equivalents”* in the accompanying consolidated balance sheet to December 31, 2023 amounts to EUR 176,610 thousand (EUR 189,496 thousand at December 31, 2022). This amount included approximately EUR 98,029 thousand belonging to the companies in the Media and Education segments located outside of Spain.

It also includes EUR 10,000 thousand received by the Company under the escrow agreement associated with the Vertex sale agreement by Cofina in 2019. This amount has been under dispute with Cofina since the breach of the aforementioned sale agreement by Cofina in March 2020, so the company could not have access to this sum until the dispute was resolved. That is the reason the Company maintains accounted a liability as of December 31, 2023 in the heading *“Other non-trade payables”* of the consolidated balance sheet for the same amount (*see note 9d*). This non-compliance meant that the aforementioned sale of Vertex to Cofina did not materialize.

On February 22, 2024 the Portuguese Arbitral Tribunal (which had to resolve the dispute between both parties) has ordered Cofina to pay PRISA the amount deposited in the escrow account (EUR 10,000 thousand) (plus accrued interest), obliging Cofina to take all necessary actions to make this amount available to the Company. On March 1, 2024 the amount deposited in the escrow account has been transferred to another bank account in the name of the Company, being therefore available (*see note 25*).

In 2022, this amount included approximately EUR 76,492 thousand belonging to the companies of Media and Education segments located outside of Spain and EUR 10,000 thousand received under the escrow agreement described above.

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

	Thousands of euros	
	Balance at 12/31/2023	Balance at 12/31/2022
Cash	76,552	109,982
Other cash equivalents	100,058	79,514
Cash and cash equivalents	176,610	189,496

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

d) Other non-trade payables

The heading *“Other non-trade payables”* of the accompanying consolidated balance sheet at December 31, 2023 amounts to EUR 46,995 thousand (EUR 44,082 thousand at December 31, 2022) and mainly include remuneration payable, as well as the financial liability in relation to the escrow account described in section c above.

e) Other current liabilities

The heading “*Other current liabilities*” of the accompanying consolidated balance sheet at December 31, 2023 amounts to EUR 46,888 thousand (EUR 41,503 thousand at December 31, 2022) and includes accrual adjustments generated by unfulfilled obligations, generated both in the Education segment and in the Media segment.

The detail of the changes in 2023 in accrual adjustments is as follows:

Thousand of euros					
Balance at 12/31/2022	Monetary adjustment	Translation adjustment	Additions/ Disposals	Amounts used	Balance at 12/31/2023
41,503	1,649	1,109	72,547	(69,920)	46,888

As of December 31, 2023, the execution obligations pending to be paid amounted to EUR 46,888 thousand, which will mainly be paid and transferred to the consolidated income statement during the year 2024 and correspond, mainly, to recorded collections or invoices issued in 2023 whose income will be accrued, for the most part, over the following year, as the performance obligations associated with the contracts are executed.

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

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

As of December 31, 2022, the execution obligations pending payment amounted to EUR 41,503 thousand, which were mainly paid and transferred to the consolidated income statement during the year 2023 and corresponded, mainly, to recorded collections or invoices issued in 2022 whose income were accrued, for the most part, throughout the year 2023, as the performance obligations associated with the contracts were executed.

(10) EQUITY

a) Share capital

As of January 1, 2023, the share capital of PRISA amounts to EUR 74,065 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 and with the same rights.

Within the framework of the issuance of subordinated notes necessarily convertible into newly issued ordinary shares of the Company which was carried out in February 2023 (see note 1.a): (i) in May 2023 the share capital of PRISA was increased by a nominal amount of EUR 26,752 thousand to attend the conversion of 267,521 subordinated notes, which have been converted and redeemed after the first ordinary conversion period of the issuance and (ii) in November 2023 the share capital of PRISA was increased by a nominal amount of EUR 10 thousand to attend the conversion of 100 subordinated notes, which have been converted and redeemed after the second ordinary conversion period of the issuance (see following section “*Other net equity instruments*”).

Consequently, as of December 31, 2023, the share capital of PRISA amounts 100,827 EUR thousand and is represented by 1,008,271,193 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, 2023, 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)	-	300,041,544	29.76%
VIVENDI, S.E.	118,913,336	-	11.79%
RUCANDIO, S.A.	-	79,471,328	7.88%
GLOBAL ALCONABA, S.L.	73,981,058	-	7.34%
CONTROL EMPRESARIAL DE CAPITALS, S.A. DE CV	70,719,171	-	7.01%
KHALID BIN THANI BIN ABDULLAH AL-THANI (3)	-	36,422,971	3.61%
ROBERTO LÁZARO ALCANTARA ROJAS (4)	18,565	35,570,206	3.53%
BANCO SANTANDER, S.A. (5)	17,239,369	17,017,746	3.40%

(1) The percentages of voting rights have been calculated on the total voting rights in PRISA at December 31, 2023 (i.e. 1,008,271,193 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) 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.

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	249,891,670	24.78%
JOSEPH OUGHOURLIAN	AMBER CAPITAL INVESTMENT MANAGEMENT ICAV - AMBER GLOBAL OPPORTUNITIES FUND	50,149,874	4.97%
RUCANDIO, S.A.	RUCANDIO INVERSIONES, SICAV, S.A.	90,456	0.01%
RUCANDIO, S.A.	PROMOTORA DE PUBLICACIONES, S.L.	125,949	0.01%
RUCANDIO, S.A.	AHERLOW INVERSIONES, S.L.	79,254,923	7.86%
KHALID BIN THANI BIN ABDULLAH AL-THANI	INTERNATIONAL MEDIA GROUP, S.A.R.L	36,422,971	3.61%
ROBERTO LÁZARO ALCANTARA ROJAS	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	35,570,206	3.53%
BANCO SANTANDER, S.A.	SULEYADO 2003, S.L	5,627,382	0.56%
BANCO SANTANDER, S.A.	CANTABRO CATALANA DE INVERSIONES, S.A	5,762,982	0.57%
BANCO SANTANDER, S.A.	CÁNTABRA DE INVERSIONES, S.A.	5,627,382	0.56%

Additionally, as of December 31, 2023 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)	15,491,512	1.54%

- (1) Melqart Asset Management (UK) Ltd. acts as Investment Manager de Melqart Opportunities Master Fund Ltd. Additionally, Melqart Opportunities Master Fund holds 237,263 voting rights, which represent 0.02% of PRISA's share capital.

b) Share premium

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

As a result of the conversions of subordinated bonds mentioned in the previous section, the Company's share premium increased by an amount of EUR 72,231 thousand in May 2023 and EUR 27 thousand in November 2023 (0.27 euros per converted bonds). Consequently, the share premium has been set at EUR 89,346 thousand on December 31, 2023.

c) Other net equity instruments

The issue of the bond mandatorily convertible into shares described in note 1b has been treated and recorded in 2023 as a compound financial instrument, because it is including both liability and equity components (*see note 4*).

Thus, an equity component has been recorded 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 coupons

aforementioned in note 1b. Therefore, as a result of recording the transaction at the fair value of the equity instruments being issued, an initial equity instrument amounting to EUR 126,003 thousand has been accounted, resulting from the difference between the cash received for the issue of the convertible bond and the liability described in the following 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.

Additionally, a liability has been recorded under the heading "*Non-current financial liabilities*" calculated as the present value of the cash coupons payable, considering that the mandatory conversion of the bond would take place at the end of the bond's life, without considering early conversions, insofar as early conversions is out of the Company's control. As a result, an initial financial liability of EUR 3,997 thousand was recorded (*see note 11b*). The difference between the amount of this liability and the face value of the coupons will be recorded and posted in the consolidated income statement during the life of the aforementioned instrument using the effective interest method (*see note 15*).

The transaction costs, for an amount of EUR 2.4 million, 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.

As mentioned above, in May and November 2023 there have been conversions and early conversions of 267,621 subordinated bonds. This has resulted in the reversal of the financial liability associated with the aforementioned converted bonds for the portion corresponding to the coupon that the Company is no longer obliged to pay, insofar as PRISA has only had to pay the accrued coupon corresponding to such bonds from the time of their issue in February 2023 until their early conversion in May and November 2023 for an insignificant amount. Therefore, the amount reversed at December 31, 2023 with a credit to the Group's consolidated net equity amounted to EUR 2,786 thousand.

Finally, the aforementioned early conversions of the subordinated debentures have led to a reclassification within consolidated net equity between the heading "*Other equity instruments*" (where the equity component of the converted debentures was recorded) and share capital and share premium for a total amount of EUR 99,020 thousand.

d) Reserves of parent company

Legal reserve-

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

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

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

The balance of this account at December 31, 2023 amounts to EUR 12,646 thousand (EUR 12,646 thousand at December 31, 2022).

Reserve for treasury shares-

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

The balance of this account at December 31, 2023 amounts to EUR 1,449 thousand (EUR 401 thousand at December 31, 2022).

e) Reserves for first-time application of IFRS

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

f) Accumulated profit - From prior years

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

g) Treasury shares

The changes in "Treasury shares" in 2023 and 2022 were as follows:

	2023		2022	
	Number of shares	Amount (Thousands of euros)	Number of shares	Amount (Thousands of euros)
At beginning of year	1,425,317	401	2,335,568	1,320
Deliveries	(748,677)	(1,600)	(1,060,587)	(2,308)
Purchases	5,047,753	1,899	1,174,355	626
Sales	(727,285)	(249)	(1,024,019)	(539)
Reserve for treasury shares	-	998	-	1,302
At end of year	4,997,108	1,449	1,425,317	401

On December 31, 2023, Promotora de Informaciones, S.A. held a total of 4,997,108 treasury shares, representing 0.496% of its share capital on said date.

Treasury shares are valued at market price on December 31, 2023, 0.29 euros per share. The market value of the treasury shares ad December 31, 2023 amounts to EUR 1,449 thousand.

On December 31, 2023, the Company did not hold any shares on loan.

In July 2019, the Company signed an annual liquidity contract, which is solely intended to encourage liquidity and regularity in the Company's share price, within the limits established by the Company's General Meeting and by the applicable regulations, in particular Circular 1/2017. Aforementioned contract has been renewed annually, the last renewal being in July 2023, valid until July 2024. This contract has been temporarily suspended between March 29, 2023 and September 29, 2023 due to the Buyback programme mentioned in the next paragraph. In the framework of this contract, the Company has purchased a total of 626,039 shares and sold

a total of 727,285, and therefore the net sales in the 2023 financial year have been 101,246 shares and EUR 40 thousand.

On March 28, 2023, the Board of Directors of the Company agreed to a share buyback programme under the authorisation granted by the Ordinary General Shareholders' Meeting of June 28, 2022, with the sole purpose of providing the Company's treasury stock with a sufficient number of shares to cover the settlements of the remuneration plans currently in force for the executive directors and executives of the PRISA Group (*see note 14*). It began on March 29, 2023 and ended on September 29, 2023 after the six-month deadline for implementation. Within the framework of this programme, the Company acquired a total of 4,421,714 shares at a cost of EUR 1,689 thousand.

Also, during 2023, the delivery of treasury shares derived from the 2022-2025 Incentive Plan has been carried out for both CFO of PRISA, the executive presidents of Santillana and Media and the management team (*see notes 14, 20 and 21*). In the framework of this contract, the Company has delivered a total of 748,677 shares net of applicable taxes, that were valued at a cost of EUR 1,600 thousand in the consolidated balance sheet.

Additionally, during 2022, the delivery of treasury shares derived from the Medium-Term Incentive Plan for the period 2018/2020 was carried out, which was approved by the Ordinary General Shareholders Meeting on April 25, 2018 (*see notes 20 and 21*). Within the framework of this operation, the Company has delivered a total of 905,302 shares that were valued at a cost of EUR 1,991 thousand in the consolidated balance sheet.

Also, in 2022, 155,285 shares granted in connection with successful Refinancing, valued at a cost of EUR 317 thousand in the consolidated balance sheet.

h) Translation differences

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

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

Exchange loss on December 31, 2023, amounted to EUR 70,729 thousand (December 31, 2022: exchange loss of EUR 87,583 thousand). In 2023, the most significant translation differences are generated in Brazil, Colombia, México and Chile by the evolution of exchange rates.

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

	12/31/2023	12/31/2022
Mexican peso	3,435	(6,649)
Colombian peso	(13,882)	(20,304)
Brazilian real	(34,235)	(40,035)
Chilean peso	(23,610)	(19,471)
Other currencies	(2,437)	(1,124)
Total	(70,729)	(87,583)

i) Translation differences in accumulated profit from prior years

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

The detail, by currencies, of the translation differences in 2023 and 2022 is as follows:

	Thousand of euros	
	12/31/2023	12/31/2022
Venezuelan Bolivar/ dolar	(49,487)	(48,929)
Mexican peso	(18,844)	(16,309)
Argentine peso	(36,608)	(28,635)
Colombian peso	4,601	4,309
Brazilian real	(4,213)	(3,359)
Chilean peso	(2,044)	(1,908)
Others	(623)	1,485
Total	(107,218)	(93,346)

j) Minority interest

The minority interest is the stake in the equity and income of the Group companies that are fully consolidated. The changes in this line-item in 2023 and 2022 were as follows:

	Thousands of euros						Balance at 12/31/2023
	Balance at 12/31/2022	Translation adjustment	Participation in results	Changes in scope of consolidation /Change in percentage	Dividends paid/ received	Other	
Caracol, S.A.	3,509	671	96	-	-	(14)	4,262
Diario As, S.L.	6,007	-	(508)	-	(49)	(212)	5,238
Prisa Radio, S.A. y and subsidiaries (Spain)	3,832	-	854	-	(592)	(19)	4,075
Other companies	727	123	465	116	(385)	(2)	1,044
Total	14,075	794	907	116	(1,026)	(247)	14,619

	Thousands of euros						Balance at 12/31/2022
	Balance at 12/31/2021	Translation adjustment	Participation in results	Changes in scope of consolidation	Dividends paid/ received	Other	
Caracol, S.A.	7,219	(52)	(162)	(2,679)	(817)	-	3,509
Diario As, S.L.	7,337	-	296	-	(1,533)	(93)	6,007
GLR Chile, Ltda.	9,017	756	212	(9,985)	-	-	-
Prisa Radio, S.A. y and subsidiaries (Spain)	19,877	-	(161)	(12,880)	(2,191)	(813)	3,832
Other companies	1,499	473	(504)	(710)	(414)	383	727
Total	44,949	1,177	(319)	(26,254)	(4,955)	(523)	14,075

In 2022, the decrease in the minority interests of Prisa Radio, S.L. and investee subsidiaries (Spain), as well as Caracol, S.A. and GLR Chile, Ltda. was a consequence of the Group's purchase of 20% of Prisa Radio, S.L. to Grupo Godó.

k) Capital management policy

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

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

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

On October 19, 2020, PRISA, through its subsidiary Grupo Santillana Educación Global, S.L.U. 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.

On April 19, 2022, the amendment of the Group's syndicated financial debt entered into force, which considered, among other aspects, the extension of the maturity of the financial debt to 2026 and 2027, the 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 debt that allowed, among other improvements, to increase PRISA's operating flexibility and soften the financial ratios required by the previous contracts. Likewise, terms of the Super Senior contract debt of the Company were modified, that among other terms, supposed an extension of the maturity of the debt to June 2026.

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. In February 2023, convertible bonds amounting to a total of EUR 130 million were subscribed, i.e. the full amount of the offer. EUR 110 million were earmarked for partial early repayment of the Company's Junior debt tranche.

In May and in November 2023 and in accordance with the conversion schedule established in the issuance of the aforementioned subordinated bonds (which established semi-annual early conversion windows at the discretion of the holders of said bonds), 267,621 subordinated bonds were converted, which has led to the issuance of 267,621,000 newly issued ordinary shares of the Company, according to the conversion price established.

This issuance has improved the equity position of the Group insofar as the aforementioned instrument has been deemed a compound financial instrument, in which virtually the entire amount of the cash received from said issuance has been registered as net equity, given that the stock of debentures is necessarily converted into new shares of the Company at a fixed exchange rate (*see note 1b*).

Following the communication of the second Issuance of subordinated bonds mandatorily

convertible into newly issued ordinary shares of the PRISA (see note 25), the Board of Directors of PRISA agreed, on January 30, 2024, to open an extraordinary conversion period for the subordinated bonds issued by PRISA in February 2023 (see note 1b) in accordance with its provisions of terms and conditions. This has led a conversion and early amortization of 20,287 subordinated obligations, which will entail the issuance of 20,287,000 new ordinary shares of PRISA. Consequently, the share capital of PRISA, after the formalization of the corresponding capital increase, will be set at EUR 102,856 thousand and is represented by 1,028,558,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros.

As of December 31, 2023, the equity of the parent Company is greater than two thirds of total share capital, which is why it was in a situation of equity balance at that date.

(11) NON- CURRENT FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a) Financial investments

The breakdown by category of financial investments of the Group on December 31, 2023 and 2022 is as follows:

2023 -

	Thousand of euros			
	Financial investments at fair value with changes in results	Financial assets at amortized cost		
		Loans and receivables	Other financial assets at amortized cost	Total
Derivated instruments	5,145	-	-	-
Other financial assets	-	1,158	4,850	6,008
Non-current financial investments	5,145	1,158	4,850	6,008
Other financial assets	-	2,540	1,625	4,165
Current financial investments	-	2,540	1,625	4,165
Total	5,145	3,698	6,475	10,173

2022 -

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

Non-current financial assets

The changes in “*Non-current financial assets*” in the consolidated balance sheet in 2023 by type of transaction are as follows:

	Thousand of euros				Balance at 12/31/2023
	Balance at 12/31/2022	Translation / monetary adjustment	Additions / allowance	Disposals / Transfers	
Financial assets at amortized cost	8,386	(20)	1,068	(3,426)	6,008
<i>Loans and receivables</i>	3,310	-	320	(2,472)	1,158
-Loans to associates	200	-	-	(200)	-
-Long-term loans to third parties	3,110	-	360	(2,272)	1,198
-Allowance	-	-	(40)	-	(40)
<i>Other financial assets at amortized cost</i>	5,076	(20)	748	(954)	4,850
- Other financial assets at amortized cost	7,087	(6)	748	(954)	6,875
- Allowance	(2,011)	(14)	-	-	(2,025)
Financial investments at fair value with changes in results	3,977	-	3,660	(2,492)	5,145
<i>Derivated instruments</i>	3,977	-	3,660	(2,492)	5,145
Total	12,363	(20)	4,728	(5,918)	11,153

In 2023, the decrease in “*Loans and receivables*” is mainly due to the advance collection of some of the registered loans and the transfer to the short term of those that mature in 2024.

The additions in “*Financial investments at fair value with changes in results*” is mainly due to the recording of two interest rate hedges contracted by PRISA, the first, in January 2023, on a nominal amount of EUR 150 million which limits the impact of any rise in the three-month Euribor (“cap”) above 2.5% and the second, in March 2023, on a nominal amount of EUR 100 million limiting Euribor increases to three months above 3% and up to a maximum of 5%. In accordance with applicable accounting regulations, and based on the Company’s analysis, it is considered that the products contracted do not meet the requirements to be considered effective from an accounting point of view, and therefore the change in the fair value of the aforementioned hedges is taken to the consolidated income statement for each period. Therefore, the amount recognised at December 31, 2023 corresponds to the fair value of these instruments at that date, or, in other words, to the amounts paid to contract these hedges, together with the hedge contracted in 2022, adjusted by the changes in the fair value of these hedges until December 31, 2023, and which are therefore pending to be taken to the consolidated income statement during the term of the hedges (until June 2025) (see section *Market risk - interest rate*).). In this regard, the expense recorded in 2023 totaled EUR 2,492 thousand and it is shown in the column of disposals and transfers of the previous table (see note 15).

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

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

In 2022, in “*Financial assets at amortized cost*”, the decrease in “*Loans and receivables*” was mainly due to the cancellation of the loans granted to Green Emerald Business, after the sale of the company, for a net amount of EUR 2,405 thousand.

The decrease in “*Other financial assets at amortized cost*” was mainly due to the written off a financial investment related to the participation of Prisa Radio in the associated companies El Dorado Broadcasting Corporation and WSUA Broadcasting Corporation as a result of their sale for an amount of EUR 1,411 thousand.

The relation to the addition in “*Financial investments at fair value with changes in results*” was due to an interest rate hedge arranged by PRISA of a nominal amount of EUR 150 million which caps the three-month Euribor at 2.25%. The accounting treatment of this coverage is the same as that indicated above for the interest rate hedges contracted in 2023. In this regard, the expense recorded in 2022 totaled EUR 823 thousand (*see note 15*)

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

Current financial assets

The changes in "Current financial assets" in the consolidated balance sheet in 2023 by type of transaction are as follows:

	Thousands of euros				
	Balance at 12/31/2022	Translation / monetary adjustment	Additions / allowance	Disposals / Transfers	Balance at 12/31/2023
Financial assets at amortized cost	1,528	132	3,053	(548)	4,165
<i>Loans and receivables</i>	1,112	129	1,485	(186)	2,540
-Short-term loans to third parties	1,112	129	1,485	(186)	2,540
<i>Other financial assets at amortized cost</i>	416	3	1,568	(362)	1,625
- Minority equity investments	50	(1)	-	(10)	39
- Other financial assets at amortized cost	366	4	1,568	(352)	1,586
Total	1,528	132	3,053	(548)	4,165

The increase in "Other financial assets at amortised cost" is mainly due to the recognition of accrued and deferred interest payable to PRISA arising from interest rate hedges (described above) pending settlement by financial institutions amounting to EUR 1,185 thousand.

The changes in "Current financial assets" in the consolidated balance sheet in 2022 by type of transaction were as follows:

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

b) Financial liabilities

The breakdown by category of financial liabilities at December 31, 2023 and 2022 is as follows:

	Thousands of euros	
	12/31/2023	12/31/2022
Bank borrowings	885,351	980,848
Financial liabilities for leases	49,216	52,006
Other financial liabilities	1,026	1,929
Non-current financial liabilities	935,593	1,034,783
Bank borrowings	37,578	30,824
Financial liabilities for leases	16,062	17,150
Other financial liabilities	1,830	15,682
Current financial liabilities	55,470	63,656
Total	991,063	1,098,439

The decrease in "*Other current financial liabilities*" is mainly due to the payment of the pending part amounting to EUR 15,000 thousand from the acquisition of 20% of Prisa Radio, S.A. to Grupo Godó in April 2022.

Bank borrowings

The detail, in thousands of euros, of the bank borrowings at December 31, 2023, of the credit limits and of the scheduled maturities is as follows:

	Maturity	Limit	Drawn-down amount maturing at short term	Drawn-down amount maturing at long term
Junior Syndicated Loan (*)	2027	86,967	-	86,967
Senior Syndicated Loan	2026	575,105	-	575,105
Super Senior debt	2026	240,000	-	240,000
Credit facilities	2024-2025	14,943	-	-
Loans	2024-2027	12,025	8,577	3,447
Finance leases, interest and other	2024-2027	36,825	29,001	3,649
Fair value of debt/ Loan arrangement costs	2027	-	-	(23,817)
Total		965,865	37,578	885,351

(*) The long-term amount drawn down includes capitalized interests as of December 31, 2023 (EUR 11,207 thousand)

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

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

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

The changes in bank borrowings in 2023 and 2022 were as follows:

	Thousands of euros	
	12/31/2023	12/31/2022
Bank borrowings at beginning of year	1,011,672	949,260
Amortization / debt disposition (*)	(111,401)	92,384
Loan arrangement costs	-	(2,400)
Fair/Present value in financial instruments	11,982	(55,805)
Change in unpaid accrued interest	4,564	5,852
Capitalizable fixed cost (PIK)	4,954	10,979
Effect of foreign exchange rate changes in debt	909	1,510
Others	249	9,892
Bank borrowings at end of year	922,929	1,011,672

(*) Movement that generates cash flow.

Of the total bank borrowings on December 31, 2023, 97.59% were denominated in euros (98.30% at December 31, 2022) and the remainder in foreign currencies.

The nominal average interest rates on the Group's bank borrowings were 8.71% in 2023 and 6.53% in 2022. This is a "alternative performance measure" and it is defined as the quotient between the interest expense associated with bank debt (on a 360 basis) and the average of the average monthly balances drawn down (gross) from banks. PRISA uses this APM to measure the average cost of bank debt, which is the Group's main financial liability. The reconciliation of the average interest rate of the Group's bank borrowings for 2023 and 2022 are presented below (thousands of euros):

	12/31/2023	12/31/2022
Interest expense on bank borrowings (based on 360 basis) ⁽¹⁾	82,427	62,854
Bank borrowing ⁽²⁾	946,635	961,820
Average interest on bank debt	8.71%	6.53%

(1) Interest expense on a 360 basis is calculated by multiplying the interest expense associated with bank borrowings by 360 and dividing by the number of days elapsed in the reporting period, i.e. 365/366 days for annual periods.

(2) Calculated as the average of the average monthly balances drawn with credit institutions (gross). Therefore, the amounts do not coincide with the balance at the end of each year. The bank borrowings drawn down are from the Group's internal accounts. In its calculation, the Company has followed the same accounting policies as those applied in the financial statements prepared in accordance with the applicable financial reporting framework.

Of the total bank borrowings on December 31, 2023, 96.32% were linked to floating interest rates and the rest to fixed ones (97.67% to floating interest on December 31, 2022).

In accordance with IFRS 13, to determine the theoretical calculation of the fair value of the financial debt we used the listed value of the debt on the secondary market as reported by an independent third party (level 1 variable: estimates using prices listed in active markets) has been used. The fair value of the Junior and Senior Syndicated Loan, Super Senior debt and of the accrued interest pending to be paid, according to this calculation, would amount to EUR 878,975 thousand on December 31, 2023 considering a 4.31% average discount over the real principal payment obligation and accrued interests to the creditor entities.

Refinancing-

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

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

- The amount of the Senior debt was set at EUR 575,105 thousand, included EUR 5,633 thousand of refinancing expenses with the lenders which was incorporated as an increased financial liability, and the maturity was extended to December 31, 2026.
- The amount of the Junior debt was initially set at EUR 185,349 thousand, included EUR 3,707 thousand of refinancing expenses with the lenders which was incorporated as an increased financial liability, and the maturity of was 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 allowed, among other improvements, to increase PRISA's operating flexibility and soften the financial ratios required by its current contracts.
- A refinancing, structuring and insurance commission was agreed, which the Company could pay in cash or by issuing shares. The Company chose to pay the aforementioned commission through the issuance of shares, for which it proceeded to issue 32 million new shares of the Company, which granted to the creditor entities and those that acted as structurers and/or insurers of the Refinancing, and who have the subscription right. The new shares, which represented 4.3% of the share capital after the increase, allowed 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 made the Company's financial debt more flexible and provided 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 entailed a reorganisation of the debt in terms of borrowers, so that the financial debt previously held by Prisa Activos Educativos, S.A.U. was transferred to PRISA.

The decrease in the Junior syndicated loan in 2023 is due to the amortization of EUR 110,000 thousand, in February 2023 (including pro-rata share of interest capitalisable during 2023 and up to the redemption date), with the funds from the issuance of convertible bonds (*see note 1b*) offset by the increase for the accrual of the PIK (capitalizable interest).

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

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

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

Other aspects of debt-

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

Personal guarantees

The Senior and Junior Debt, as it was refinanced in April 2022, is jointly and severally guaranteed by Promotora de Informaciones, S.A. and the companies Prisa Activos Educativos, S.A.U. Diario El País, S.L., Grupo Santillana Educación Global, S.L.U., Santillana Latam, S.L.U., 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.U. (Sole proprietorship), Prisa Media, S.A.U. (Sole proprietorship), Prisa Gestión Financiera, S.L.U. (Sole proprietorship) and Grupo Santillana Educación Global, S.L.U insuring syndicated debt. Similarly, given its significance in the group, a real guarantee was constituted over 100% of the shares of Editora Moderna Ltda. (Brazil).

Accounting aspects of refinancing in 2022

The Company carried out an analysis of the terms agreed in the framework of the Refinancing, concluding that they constituted 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 meant that the original financial liability was cancelled, and a new liability from the Refinancing was recognised. The initial recognition of the financial liability was at fair value, which led to the recognition of financial income in the amount of EUR 38,285 thousand in the heading "*Value variation of financial instruments*" of the consolidated income statements, for the difference between the nominal value of the debt and its fair value on the date of initial recognition. For this purpose, the listed value of the debt in the secondary market had 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 is expensed in the consolidated income statement using the effective interest method.

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

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

Super senior loan –

In addition to the above Senior and Junior loans, the Company signed on April 8, 2022 a Super Senior Term & Revolving Facilities Agreement for a maximum amount of up to EUR 240,000 thousand, that modified the Super Senior debt of 2018. This agreement implied 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 led to a change of lender.

Out of the total amount of super senior debt, EUR 160,000 thousand was for the new Super Senior term loan facility, drawn down at the time of the Refinancing and used to fully cancel the previous Super Senior debt, for the amount on April 19, 2022, and EUR 80,000 thousand were for a renewable credit facility, the Super Senior revolving facility, used to meet operational needs. In the last quarter of 2022, the Company drawn down all of the revolving facility amounting to EUR 80,000 thousand, meaning that as of December 31, 2022 and 2023 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 recorded in the heading "*Other financial costs*" of the accompanying consolidated income statement as a financial expense in 2022 (*see note 15*). The costs associated with arranging the debt with the new lender capitalized and are taken to the income statement over the life of the loan using the effective interest method.

Credit facilities-

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

Nature and risks of financial instruments

Credit risk

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

Liquidity risk

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

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

The table below details the liquidity analysis of the PRISA Group as of December 31, 2023 in relation to its bank borrowings, which represent substantially all the financial liabilities. The table has been prepared using the cash outflows of the contractually stipulated maturities and the early amortization of the Junior debt in February 2023 for an amount of EUR 110 million. The flows include both the expected repayments and interest payments. When the settlement is not fixed, the amount was determined using the underlings calculated based on the most recent available interest rate curve:

Maturity	Thousands of euros	Floating euro rates
Within 3 months	31,708	3.97%
From 3 to 12 months	70,487	3.67%
From 1 to 3 years	953,611	2.41%
From 3 to 5 years	106,635	2.40%
After 5 years	-	-
Total	1,162,441	

The Group's main financial liabilities are the Junior and Senior debt and the Super Senior Debt, which are linked to the Euribor. An increase in the Euribor would directly impact interest paid, as a result of multiplying said increase by the nominal of past loans, except for a debt nominal covered by the following interest rate hedges: the first contracted in September 2022 for a nominal amount of EUR 150 million, that limit the increase of the Euribor in 3 months to 2.25%, the second, contracted in January 2023, for a nominal amount of EUR 150 million and a 2.5% cap (3-month Euribor) and the third contracted in March 2023 for a nominal of EUR 100 million which limits Euribor increases to three months above 3% and up to a maximum of 5%. Therefore, as of the authorized of these consolidated annual accounts, the notional value of the debt covered by previous coverages amounts to EUR 400 million. Therefore, each increase in the Euribor by one point would mean a higher annual interest payment of approximately EUR 5 million (over the notional non covered).

Market risk - exchange rate

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

The impact on the Group's operating income and operating profit for the year 2023 in the event of a change of +/-10% in the exchange rate of the main currencies is presented below:

	Millions of euros			
	10%		-10%	
	Impact on operating income	Impact on operating profit	Impact on operating income	Impact on operating profit
Brazilian real vs EUR	(21.9)	(3.5)	21.9	3.5
Mexican peso vs EUR	(10.4)	(0.8)	10.4	0.8
Colombian peso vs EUR	(8.3)	(1.1)	8.3	1.1
Chilean peso vs EUR	(4.1)	(1.0)	4.1	1.0
Argentine peso vs EUR	(3.9)	(1.6)	3.9	1.6
Total	(48.6)	(8.0)	48.6	8.0

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

Market risk - interest rate

The Group is exposed to changes in interest rates as around 96.32% of its bank borrowings bear interest at floating rates.

In this regard, the Group assess the need to execute interest rate coverage contracts based on its forecasts. At the end of 2023 and within the scope of the debt associated to Refinancing, the Company have a contracted the interest rate hedges described in the previous section. Should the Euribor drop below what was contracted for the coverage, the aforementioned hedges would not apply.

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

Derivative financial instruments

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

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

Foreign currency derivatives-

In 2023, the Group arranged foreign currency hedges in order to mitigate exposure to exchange rate fluctuations.

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

The detail of the foreign currency hedges as of December 31, 2023 is as follows:

Company	Instrument	Expiry	Local currency	Hedge currency	(thousands of euros)	
					Nominal value	Fair value
Editora Moderna, LTDA. (Brasil)	NDF	Feb 24 - Jul 24	BRL	EUR	4,350	(53)
Educactiva Ediciones (Colombia)	Forward non delivery	Jan 24	COP	USD	250	(20)
Santillana (Colombia)	Forward delivery	Jan 24	COP	USD	15	(1)
Grupo Santillana Educación Global (España)	Barrier option (European Knock Out/ Knock In)	Feb 24 - Dec 24	EUR	USD	400	94
Grupo Santillana Educación Global (España)	Barrier option (European Knock Out/ Knock In)	Dec 24 - Jan 25	EUR	BRL	4,500	(335)
Grupo Santillana Educación Global (España)	Barrier option (European Knock Out/ Knock In)	Jan 24 - Mar 24	EUR	USD	400	9
Grupo Santillana Educación Global (España)	Barrier option (European Knock Out/ Knock In)	Jan 24 - Jul 24	EUR	BRL	400	(106)
					10,315	(412)

Analysis of sensitivity to exchange rates

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

Following is a detail, in thousands of euros, of the sensitivity of the foreign currency hedges:

Sensitivity (before tax)	12/31/2023
+10% (increase in USD exchange rate)	(37)
-10% (decrease in USD exchange rate)	46

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

Financial liabilities for leases

The application of IFRS 16 Leases implies the registered of financial liabilities associated with the leases, amounting on December 31, 2023 to EUR 49,216 thousand in the long term and EUR 16,062 thousand in the short term (EUR 52,006 thousand in the long term and EUR 17,150 thousand in the short term at December 31, 2022).

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

Maturity	Thousands of euros
Within 6 months	10,399
From 6 to 12 months	9,327
From 1 to 3 years	28,383
From 3 to 5 years	21,610
After 5 years	11,045
Total	80,764

In 2023, the payment associated with financial liabilities for leases (under IFRS 16) for all the Group amounts to EUR 23.8 million, included in “*Other cash flow from financing activities*” of the consolidated statement of cash flow (EUR 24.3 million in 2022).

(12) LONG-TERM PROVISIONS

The changes in 2023 in “*Long-term provisions*” were as follows:

	Thousands of euros						Balance at 12/31/2023
	Balance at 12/31/2022	Translation adjustment	Changes in scope of consolidation	Charge/excess for the year	Amounts used	Transfers	
For taxes	698	(2)	-	124	(70)	-	750
For indemnities	6,243	66	-	633	(1,272)	(1,225)	4,445
For third-party liability and other	8,367	491	(624)	1,126	(3,497)	-	5,863
Total	15,308	555	(624)	1,883	(4,839)	(1,225)	11,058

The changes in 2022 in “*Long-term provisions*” were as follows:

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

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

The “*Provision for indemnities*” includes the provision booked in the previous years to record the probable or certain responsibilities arising from workers' compensation to terminate their labor

relations which are payable in future years, but for which a valid expectation has been created among the affected employees in the year in which they are endowed (*see note 14*).

During 2023 the Group has accounted a provision for this item amounting to EUR 633 thousand (EUR 1,221 million during fiscal year 2022), has applied EUR 1,272 thousand (EUR 97 thousand in fiscal year 2022) mainly due to the payment of compensation in Santillana Portugal as a result of the company being dissolved, and has transferred EUR 1,225 thousand to short-term that will be paid in 2024. The Group expects to apply this provision over the next seven years.

The *“Provision for third-party liability and other”* relates to the estimated amount required to meet probable claims and litigation brought against Group companies and other future obligations to employees. Additionally, in 2022 this heading included the Group's holdings in companies accounted for using the equity method whose net equity value was negative at the end of the period (due to their percentage of ownership) and as long as the Group participated in them for an amount of EUR 624 thousand.

During 2023, the change in the *“Provision third-party liability and other”* is mainly due to the reversal of provision for pension plans that are estimated not to be paid.

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

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

(13) OPERATING INCOME

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

	Thousands of euros	
	2023	2022
Advertising sales	325,109	309,616
Education sales	511,916	441,277
Circulation	55,551	53,709
Sales of add-ons and collections	1,410	4,237
Sales of audiovisual right and programs	10,657	2,518
Intermediation services	9,770	6,576
Other services	15,027	12,831
Revenue	929,440	830,764
Income from non-current assets	1,761	2,289
Other income	16,209	17,136
Other income	17,970	19,425
Total operating income	947,410	850,189

The most significant exchange transactions occur under “Advertising sales” in the segment of Media, whose exchanges with third parties amounted to EUR 2,653 thousand in 2023 (December 31, 2022: EUR 1,938 thousand).

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

	Advertising sales		Education sales		Circulation		Others		Total operating income	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Europe	248,248	237,064	75	1,691	55,551	53,709	45,619	36,385	349,493	328,849
Spain	248,248	237,064	-	-	55,551	53,709	45,611	36,287	349,410	327,060
Rest of Europe	-	-	75	1,691	-	-	8	98	83	1,789
America	76,861	72,552	511,841	439,586	-	-	9,215	9,202	597,917	521,340
Colombia	47,556	48,677	34,553	33,548	-	-	791	674	82,900	82,899
Brazil	-	-	218,271	170,939	-	-	1,196	1,412	219,467	172,351
Mexico	2,441	977	100,759	92,667	-	-	755	929	103,955	94,573
Chile	22,327	19,357	18,235	15,420	-	-	756	838	41,318	35,615
Argentina	-	-	38,390	36,143	-	-	153	57	38,543	36,200
Rest of America	4,537	3,541	101,633	90,869	-	-	5,564	5,292	111,734	99,702
Total	325,109	309,616	511,916	441,277	55,551	53,709	54,834	45,587	947,410	850,189

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

	2023	2022
Advertising sales	325,109	309,616
Digital	80,871	73,912
Non digital	244,238	235,704
Education sales	511,916	441,277
Learning system	211,358	192,555
Didactic sales	119,126	114,214
Public sales	181,432	134,508
Circulation	55,551	53,709
Digital	18,281	14,244
Non digital	37,270	39,465
Others	54,834	45,587
Total	947,410	850,189

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

	Thousands of euros	
	2023	2022
Trade and other receivables (<i>see note 9b</i>)	300,027	285,536
Allowances (<i>see note 9b</i>)	(48,022)	(45,180)
Other current liabilities- performance obligations pending to satisfied (<i>see note 9e</i>)	46,888	41,503
Provisions for returns (<i>see note 14</i>)	(9,869)	(9,894)

(14) OPERATING EXPENSES

Staff costs

The detail of staff costs is as follows:

	Thousands of euros	
	2023	2022
Wages and salaries	243,955	227,490
Severances	51,363	47,857
Termination benefits	8,262	9,024
Other employee benefit costs	16,131	13,511
Total	319,711	297,882

Transactions with payments based on equity instruments-

Medium Term Incentive Plans 2022-2025:

These plans are linked to the achievement of certain quantitative financial targets in fiscal years 2022, 2023, 2024 and 2025 and are payable in PRISA's shares. If any of the objectives are met in those years, the shares will be delivered to the beneficiaries in three thirds, in the years 2024, 2025, 2026, 2027 and 2028, in accordance as established. These are the following:

- i. PRISA CFO's Medium Term Incentive Plan 2022-2025, Ms. Pilar Gil (executive director of PRISA) (*see note 21*).
- ii. Executive Chairman of Santillana's Medium-Term Incentive Plan 2022-2025 (executive director of PRISA) (*see note 21*).
- iii. Executive Chairman of PRISA Media's Medium-term Incentive Plan 2022-2025 (executive director of PRISA) (*see note 21*).
- iv. Management Team's Medium Term Incentive Plan 2022-2025 (PRISA Media, Santillana and PRISA):

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 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 Grupo PRISA, 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 calculation of the theoretical shares has been made considering the average stock market value of PRISA shares during the last quarter of 2021.

In 2023, an expense of EUR 875 thousand has been recorded for this Plan (considering the degree of achievement of the objectives corresponding to fiscal years 2023 and 2022 and valuing the shares at PRISA's trading price on the measurement date).

Additionally, it is noted that in the first half of 2023, 364,158 net shares (653,249 gross shares) have been settled with the aforementioned group of directors of PRISA Media, Santillana and PRISA, that is, one third of the incentive resulting from 2022 in accordance with the conditions of the Plan. This delivery of shares has not had any impact on the consolidated income statement for 2023. It is noted that it has not been possible to deliver all of the shares to be settled in 2023 to the Management Team, for various reasons beyond the control of the Company, which are the responsibility of the beneficiaries.

Achievement of 2022 objectives. Settlement:

In 2023 PRISA Board of Directors has verified achievement of the objectives corresponding to the 2022 financial year for the above incentive plans and, at the proposal of the CNRGC, has determined the incentive resulting from the 2022 financial year with the consequent number of shares to be delivered to each of the beneficiaries, in accordance with the following detail:

	Total number of gross shares to be delivered (compliance with incentive plan in 2022)	No. gross shares settled in 2023 (1/3) (*)	No. gross shares to be settled in 2024 (1/3) (**)	No. gross shares to be settled in 2025 (1/3) (**)
CFO PRISA	748,031	249,344	249,344	249,343
Executive Chairman PRISA Media	339,538	113,179	113,179	113,180
Executive Chairman Santillana	992,294	330,765	330,765	330,764
Management Team	1,926,679	653,249	636,711	636,719

(*) The annual accounts for the 2022 financial year were authorized on March 28, 2023 and, in accordance with the conditions of the incentives, one third of the incentive resulting from the 2022 financial year was to be paid within 60 calendar days following such preparation. That third was paid on May 25, 2023.

(**) In 2024 and 2025, within 60 calendar days following the authorization of the annual accounts corresponding to the years 2023 and 2024, respectively, the remaining 2/3 will be settled, if the rest of the conditions provided in the Plan Regulations are met.

Number of employees

The average number of employees of the Group and the final number of employees as of December 31, 2023 and 2022, by professional categories, was as follows:

	2023		2022	
	Average	Final	Average	Final
Executives	269	274	272	271
Middle management	921	914	962	944
Other employees	5,976	5,964	5,762	6,007
Total	7,166	7,152	6,996	7,222

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

	2023		2022	
	Women	Men	Women	Men
Executives	101	168	101	171
Middle management	396	525	416	546
Other employees	2,982	2,994	2,908	2,854
Total	3,479	3,687	3,425	3,571

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

	2023		2022	
	Women	Men	Women	Men
Executives	102	172	102	169
Middle management	395	519	403	541
Other employees	2,959	3,005	2,994	3,013
Total	3,456	3,696	3,499	3,723

During 2023 the average number of employees with a disability greater than or equal to 33% was 28 (31 during 2022).

Outside services

The detail of outside services in 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
Independent professional services	68,495	69,238
Leases and fees	12,820	11,524
Advertising	29,965	29,768
Intellectual property	25,839	23,660
Transport	23,446	23,405
Other outside services	129,319	124,980
Total	289,884	282,575

The heading "Other external services" includes an expense of EUR 393 thousand corresponding to the liability insurance of executives and directors (EUR 389 thousand in 2022).

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

Fees paid to auditors

The fees for financial audit services relating to the 2023 financial statements of the various companies composing the PRISA Group and subsidiaries provided by Ernst & Young, S.L. and by other entities related to the auditor amounted to EUR 1,545 thousand (2022: EUR 1,356 thousand), of which EUR 355 thousand relate to PRISA (2022: EUR 294 thousand). Furthermore, the fees relating to other auditors involved in the 2023 audit of the various Group companies amounted to EUR 9 thousand (2022: EUR 9 thousand).

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

	2023		2022	
	Principal auditor and related entities	Other audit firms	Principal auditor and related entities	Other audit firms
Other audit-related services	53	-	130	-
Other verification services	309	125	460	290
Tax advisory services	-	222	21	336
Other services	1	632	-	238
Total other professional services	363	979	611	864

Change in allowances, write-downs and provisions

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

	Thousands of euros	
	2023	2022
Change in operating allowances	5,573	861
Change in inventory write-downs	5,170	3,700
Change in provision for sales returns	(372)	(46)
Total	10,371	4,515

(15) FINANCIAL RESULT

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

	Thousands of euros	
	2023	2022
Income from current financial assets	3,734	3,156
Financial income from hedging operations	3,091	-
Other finance income	2,109	2,406
Finance income	8,934	5,562
Interest of debt	(86,622)	(71,487)
Adjustments for inflation	(11,993)	(5,177)
Loan arrangement costs	314	(43,793)
Other finance costs	(14,795)	(11,769)
Finance costs	(113,096)	(132,226)
Exchange gains	57,177	47,083
Exchange losses	(56,483)	(48,559)
Exchange differences (net)	694	(1,476)
Value variation of financial instruments	(14,813)	55,805
Financial loss	(118,281)	(72,335)

The heading "*Income from current financial assets*" mainly includes interest income associated with short-term deposits made with cash surpluses in the Education and Others business.

The heading "*Financial income from hedging operations*" includes the gain associated with the interest savings due to the periodic settlement of the contracted interest rate hedges (*see note 11a*).

The increase in "*Interest on debt*" is mainly explained by the significant increase in the Euribor on the cost of the Group's financial debt, which is mostly pegged to this indicator, even though EUR 110,000 thousand of Junior debt have been amortized in February 2023 with the funds from the issuance of convertible bonds (*see note 1b*).

As of December 31, 2023, the heading "*Other financial costs*" includes EUR 6,416 thousand for the effect of updating the financial liability associated with the lease agreements (EUR 4,912 thousand as of December 31, 2022). It also included, as of December 31, 2022, the expense for the derecognition of a financial investment related to the participation of PRISA Radio in the associated companies El Dorado Broadcasting Corporation and WSUA Broadcasting Corporation, as a result of their sale.

As of December 31, 2022, the heading "*Loan arrangement costs*" included all expenses and fees related to the Refinancing, including the refinancing, structuring and underwriting fee which the Company decided to pay through the issue of shares. Additionally, as of December 31, 2022, a positive impact was accounted under the heading "*Value variation of financial instruments*" of the financial result for an amount of EUR 23,434 thousand, associated with the derecognition of the original financial liability (the syndicated debt under the Refinancing agreement) for interests accrued in previous periods (which accrues at effective interest rate ("TIE")) that finally did not have to be paid.

Also, on December 31, 2022, the heading “*Value variation of financial instruments*” included a positive impact of EUR 38,285 thousand for the difference between the nominal value of the Refinancing debt and its fair value on the date of initial recognition (see note 11b). From that moment on, the difference between the nominal value of the debt and its initial fair value is recognized as an expense in the consolidated income statement using the effective interest method, so that EUR 11,982 thousand was recorded in 2023. This amount includes approximately EUR 5.5 million of interest expense associated with the portion of the Junior debt that was partially repaid early in February 2023 in the amount of EUR 110 million (see notes 1b and 11b), which at that date had not yet been taken to the consolidated income statement during the period of the Refinancing. Finally, this heading also includes the financial expense during 2023 from the change in fair value of the interest rate hedges contracted in 2022 and in 2023 (see note 11a).

(16) BUSINESS SEGMENTS

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

At December 31, 2023, PRISA’s operations are divided into two main segments each of which has a person in charge:

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

The column “*Others*” includes Promotora de Informaciones, S.A., Promotora de Actividades América 2010, S.L., Promotora de Actividades América 2010 México, S.A. de C.V., Prisa Participadas, S.L., Vertix, SGPS, S.A., Promotora de Actividades Audiovisuales de Colombia, Ltda., Prisa Activos Educativos, S.A.U., Prisa Gestión Financiera, S.L.U., Productora Audiovisual de Badajoz, S.A. (until January 2023) and Productora Extremeña de Televisión, S.A.

Segment information about these businesses for 2023 and 2022 is presented below. The column “*Eliminations and adjustments*” mainly includes transactions between group companies:

	EDUCATION		MEDIA		OTHERS		ELIMINATIONS AND ADJUSTMENTS		PRISA GROUP	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Operating income	515,223	447,435	431,558	403,775	6,605	5,217	(5,976)	(6,238)	947,410	850,189
- External sales	515,212	447,351	430,437	402,417	1,760	798	1	(377)	947,410	850,189
- Advertising	0	0	325,109	309,616	0	0	0	0	325,109	309,616
- Education sales	511,916	441,277	0	0	0	0	0	0	511,916	441,277
- Circulation	0	0	55,551	53,709	0	0	0	0	55,551	53,709
- Other	3,296	6,074	49,777	39,092	1,760	798	1	(377)	54,834	45,587
- Intersegment sales	11	84	1,121	1,358	4,845	4,419	(5,977)	(5,861)	0	0
- Advertising	0	0	2	2	0	0	(2)	(2)	0	0
- Education sales	0	0	0	0	0	0	0	0	0	0
- Circulation	0	0	0	0	0	0	0	0	0	0
- Other	11	84	1,119	1,356	4,845	4,419	(5,975)	(5,859)	0	0
Operating expenses	(427,143)	(396,314)	(406,071)	(383,431)	(11,363)	(13,316)	5,977	6,236	(838,600)	(786,825)
- Cost of materials used	(110,763)	(97,219)	(35,552)	(30,421)	0	0	0	0	(146,315)	(127,640)
- Staff costs	(121,431)	(115,463)	(192,855)	(177,613)	(5,425)	(4,806)	0	0	(319,711)	(297,882)
- Depreciations and amortisation charge	(44,811)	(43,408)	(24,928)	(26,096)	(543)	(1,506)	0	0	(70,282)	(71,010)
- Outside services	(139,576)	(133,100)	(150,889)	(148,503)	(5,402)	(7,211)	5,983	6,239	(289,884)	(282,575)
- Change in operating provisions	(8,659)	(5,274)	(1,712)	555	0	204	0	0	(10,371)	(4,515)
- Changes in valuation allowances to Group companies	0	0	0	0	8	3	(8)	(3)	0	0
- Impairment of goodwill/assets	(1,903)	(1,850)	(135)	(1,353)	0	0	1	0	(2,037)	(3,203)
Result from operations	88,080	51,121	25,487	20,344	(4,758)	(8,099)	1	(2)	108,810	63,364
Finance income	7,999	6,634	5,354	2,448	24,697	38,443	(29,116)	(41,963)	8,934	5,562
- Interest income	4,157	2,992	4,786	2,090	20,189	9,697	(29,117)	(13,462)	15	1,317
- Other financial income	3,842	3,642	568	358	4,508	28,746	1	(28,501)	8,919	4,245
Finance costs	(27,863)	(21,760)	(18,482)	(11,604)	(95,868)	(111,659)	29,117	12,797	(113,096)	(132,226)
- Interest expenses	(7,075)	(12,427)	(12,583)	(5,661)	(96,081)	(66,858)	29,117	13,459	(86,622)	(71,487)
- Other financial expenses	(20,788)	(9,333)	(5,899)	(5,943)	213	(44,801)	0	(662)	(26,474)	(60,739)
Change in value of financial instruments	(338)	0	(2)	(5)	(14,473)	55,810	0	0	(14,813)	55,805
Exchange differences (net)	725	(630)	(28)	(1,027)	(3)	5	0	176	694	(1,476)
Financial result	(19,477)	(15,756)	(13,158)	(10,188)	(85,647)	(17,401)	1	(28,990)	(118,281)	(72,335)
Result of companies accounted for using the equity method	0	0	13,661	2,575	(2)	16	0	3,395	13,659	5,986
Result before tax from continuing operations	68,603	35,365	25,990	12,730	(90,407)	(25,484)	2	(25,596)	4,188	(2,985)
Expense tax	(28,420)	(9,043)	(10,553)	(5,793)	3,552	4,553	0	0	(35,421)	(10,283)
Result from continuing operations	40,183	26,322	15,437	6,937	(86,855)	(20,931)	2	(25,596)	(31,233)	(13,268)
Result after tax from discontinued operations	0	0	0	0	(365)	0	0	0	(365)	0
Consolidated result for the year	40,183	26,322	15,437	6,937	(87,220)	(20,931)	2	(25,596)	(31,598)	(13,268)
Non-controlling interests	(22)	60	(892)	(257)	0	0	7	516	(907)	319
Result attributable to the Parent	40,161	26,382	14,545	6,680	(87,220)	(20,931)	9	(25,080)	(32,505)	(12,949)

	EDUCATION		MEDIA		OTHERS		ELIMINATIONS AND ADJUSTMENTS		PRISA GROUP	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022	12.31.2023	12.31.2022	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Assets	572,821	530,039	489,349	465,943	2,441,905	2,467,171	(2,529,308)	(2,480,480)	974,767	982,673
- Non-current (except accounted for using the equity method)	170,483	174,939	215,897	219,275	1,975,103	2,030,261	(1,975,858)	(2,031,664)	385,625	392,811
- Investments accounted for using the equity method	0	0	44,968	33,092	0	0	93	31	45,061	33,123
- Current	399,361	355,100	228,320	213,079	466,717	436,700	(553,788)	(448,981)	540,610	555,898
- Assets classified as held for sale	2,977	0	164	497	85	210	245	134	3,471	841
Equity and liabilities	572,821	530,039	489,349	465,943	2,441,905	2,467,171	(2,529,308)	(2,480,480)	974,767	982,673
- Equity	272,477	226,682	68,390	49,567	1,203,872	1,220,514	(1,972,889)	(2,028,923)	(428,150)	(532,160)
- Non-current	30,528	37,795	59,625	62,224	888,699	980,534	(7,422)	(7,208)	971,430	1,073,345
- Current	269,816	265,562	361,326	353,805	349,334	266,123	(549,212)	(444,426)	431,264	441,064
- Liabilities classified as held for sale	0	0	8	347	0	0	215	77	223	424

The main adjustments and eliminations in the consolidated income statement relate to inter-segment sales and service transactions as well as interest income and expenses associated with intercompany financing. With regard to the consolidated balance sheet, the nature of the adjustments and eliminations is mainly due to the elimination of long-term investments in Group companies as well as short-term financial and tax balances.

Revenues from the Group's top 10 customers represent approximately 28% of the Group's total operating revenues, corresponding to the Education (institutional campaigns in Brazil and Argentina) and Media (mainly advertising agencies) segments. In this regard, revenues from the Brazilian government's "PNLD" (Programa Nacional de Livro y material Didáctico) campaign (Education segment) in 2023 accounted for approximately 10% of the Group's operating revenues in said financial year. It should be noted that the significance of this customer in the Group's operating revenues depends on the Brazilian government's news publications.

The next table breaks down the cash flow statement for the continuing operations by segment in 2023 (in thousands of euros):

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Effect of foreign exchange rate changes	Change in cash flows in the year
Education	92,542	(29,020)	(16,716)	2,226	49,032
Media	33,648	(2,451)	(41,136)	(194)	(10,133)
Others	197	1,389	(53,371)	0	(51,785)
Total	126,387	(30,082)	(111,223)	2,032	(12,886)

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

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

The detail of capex for the continuing operations in 2023 and 2022 by business segment is as follows (in thousands of euros):

	2023			2022		
	Property, plant and equipment	Intangible assets	Total	Property, plant and equipment	Intangible assets	Total
Education	7,970	25,151	33,121	6,347	33,239	39,586
Media	3,896	6,404	10,300	4,612	7,382	11,994
Other	12	18	30	204	20	224
Total	11,878	31,573	43,451	11,163	40,641	51,804

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

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

	Thousands of euros					
	Revenue		Other income		Profit before tax from continuing operations	
	2023	2022	2023	2022	2023	2022
Europe	335,287	314,886	14,206	13,963	(94,951)	(63,099)
Spain	335,213	313,195	14,197	13,865	(94,612)	(62,378)
Rest of Europe	74	1,691	9	98	(339)	(721)
America	594,153	515,878	3,764	5,462	99,139	60,114
Colombia	82,124	82,393	776	506	7,023	6,820
Brazil	218,414	171,061	1,053	1,290	28,015	1,782
Mexico	103,214	94,118	741	455	20,689	15,604
Chile	40,893	35,049	425	566	7,917	6,202
Argentina	38,534	36,190	9	10	6,394	3,255
Rest of America	110,974	97,067	760	2,635	29,101	26,451
Total	929,440	830,764	17,970	19,425	4,188	(2,985)

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

	Thousands of euros			
	Non- current assets (*)		Total assets	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Europe	136,391	144,143	333,684	383,388
Spain	136,391	144,142	333,355	381,276
Rest of Europe	0	1	329	2,112
America	224,822	214,449	641,083	599,285
Colombia	30,584	23,575	82,621	65,140
Brazil	78,987	84,479	244,967	241,981
Mexico	66,577	54,623	134,732	105,739
Chile	36,975	38,783	75,179	80,279
Argentina	917	1,534	10,750	23,469
Rest of America	10,782	11,455	92,834	82,677
Total	361,213	358,592	974,767	982,673

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

(17) TAX MATTERS

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

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

In financial year 2023, as in prior years, certain Group companies performed or participated in corporate restructuring operations under the special tax neutrality regime. The disclosures required by the tax legislation that arises from the application of the aforementioned transactions are included in the notes to the annual accounts of the related Group companies for the year in which these transactions were carried out.

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

a) Reconciliation of the accounting profit to the taxable profit

The following table shows reconciliation, in thousands of euros, of the result of applying the current standard tax rate in Spain to the consolidated profit before tax of continuing operations, calculated under IFRS and the consolidated Group's income tax expense for 2023 and 2022 corresponding to the accounting consolidation group.

	Income statement (*)	
	2023	2022
CONSOLIDATED PROFIT UNDER IFRS BEFORE TAX FROM CONTINUED OPERATIONS	4,188	(2,985)
Tax charge at 25%	1,047	(746)
Consolidation adjustments	(3,537)	(6,358)
Temporary differences	(828)	5,031
Permanent differences (1)	9,212	6,940
Tax loss carry forwards	(569)	(308)
Deductions and bonuses	59	74
Non-activation effect of tax income (2)	14,295	10,364
Effect of applying different tax rates (3)	4,900	(4,543)
Current income tax expense	24,579	10,454
Deferred tax expense for temporary differences	828	(5,031)
Previous income tax	25,407	5,423
Adjustment of prior years' tax (4)	3,457	(1,391)
Foreign tax expense (5)	2,947	3,354
Employee profit sharing and other expense concepts (6)	2,949	2,153
Adjustments to consolidated tax	661	744
TOTAL INCOME TAX	35,421	10,283

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

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

b) Deferred tax assets and liabilities
2023-

The following table shows the origin and amount of the deferred tax assets and liabilities recognized at year-end 2023 (in thousands of euros):

DEFERRED TAX ASSETS ARISING FROM:	Balance at 12/31/2022	Translation adjustment	Additions	Disposals	Balance at 12/31/2023
Tax loss carry forwards	13,614	841	2,969	(3,697)	13,727
Other temporary differences	41,365	935	7,760	(5,467)	44,593
Total	54,979	1,776	10,729	(9,164)	58,320

DEFERRED TAX LIABILITIES ARISING FROM:	Balance at 12/31/2022	Translation & monetary adjustment	Additions	Disposals	Balance at 12/31/2023
Deferral for reinvestment of extraordinary income	968	-	-	(38)	930
Accelerated amortization	2,422	543	338	(88)	3,215
Different accounting and tax recognition criteria for income and expenses	5,511	21	3,066	-	8,598
Other	10,993	(1,333)	270	(536)	9,394
Total	19,894	(769)	3,674	(662)	22,137

2022-

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

DEFERRED TAX ASSETS ARISING FROM:	Balance at 12/31/2021	Translation adjustment	Additions	Disposals	Balance at 12/31/2022
Tax loss carry forwards	8,914	451	4,948	(699)	13,614
Other temporary differences	36,687	2,315	2,644	(281)	41,365
Total	45,601	2,766	7,592	(980)	54,979

DEFERRED TAX LIABILITIES ARISING FROM:	Balance at 12/31/2021	Translation adjustment	Additions	Disposals	Balance at 12/31/2022
Deferral for reinvestment of extraordinary income	1,006	0	-	(38)	968
Accelerated amortization	2,924	(276)	15	(241)	2,422
Different accounting and tax recognition criteria for income and expenses	7,275	324	744	(2,832)	5,511
Other	10,130	(10)	912	(39)	10,993
Total	21,335	38	1,671	(3,150)	19,894

In the fiscal year 2023, the net increase of EUR 3,341 thousand in *“Deferred tax assets”* derives from the recording of tax credits for tax losses generated in some Santillana companies in Latin America, timing differences accounted and exchange rate fluctuations.

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

Following the analysis of the recovery of tax credits in December 2023, in accordance with the criteria established by accounting regulations, there are no tax credits for tax deductions or negative tax bases activated in the consolidated balance sheet related with the Spanish tax perimeter.

The tax credit recovery analysis is based on business plans and the tax treatment of operations. The business plans consider the operating performance of the companies, the development of the Group's medium and long-term strategy and the macroeconomic and industry forecasts affecting the Group's various businesses. Forecasts and studies carried out by third parties have been taken into account when preparing the business plans.

With regard to the macroeconomic outlook, the overall environment in the 2023 financial year has continued to be volatile, uncertain and complex during the year, and the global economic outlook according to the most recent World Bank reports indicates that growth is slowing due to monetary policies, tight financial conditions, as well as low global trade and investment. Macroeconomic forecasts of GDP and inflation have also been taken into account in the business plans.

For the advertising revenue forecasts of the Group's businesses (Media), the projections of the latest published industry reports, such as the PwC Media Outlook 2023-2027 or the i2P advertising report, have been taken into account.

As a whole, Radio forecasts advertising growth based on sector forecasts and market share improvement based on the leading position of the brands. In addition, projections foresee growth associated with the boost of digital audio through the development of podcasting.

Additionally, in News, projections see a more digital business model and leveraging the growth of digital subscriptions and digital advertising.

In addition, costs are expected to remain stable in the medium to long term, despite the inflation.

In Santillana Latin America, the expansion of learning systems is expected to continue, with subscriptions increasing steadily. Educational sales, which have gradually recovered after the COVID-19 pandemic, are expected to remain stable in the coming years with slight growth. For public sales, the projections are based on the historical trends of public sales cycles in each country and a business-as-usual development has been considered for the future, considering that they are affected by the educational cycles of teaching.

The evolution of Media and Santillana's businesses in Latin America impacts the dividends that those subsidiaries can distribute to the Group in Spain, affected in turn by their cash needs.

Finally, corporate services will continue to reduce their costs over the projection period.

In 2023, the net increase of EUR 2,243 thousand in "*Deferred tax liabilities*" mainly reflects the different accounting and tax allocation criteria for certain intangible amortisation expenses and certain institutional sales in Brazil.

In 2022, the net variation in "*Deferred tax liabilities*" mainly reflected the different accounting and tax allocation criteria for certain intangible amortisation expenses and certain institutional sales in Brazil.

The Group did not record any deferred tax liabilities in relation to the 5% taxation of dividends to be received from 2024 onwards by Spanish companies as no tax liability was expected to arise in this regard based on the best estimate of the taxable profit.

The tax assets and liabilities on the consolidated balance sheet at year-end 2023 are recognized at their estimated recoverable or cancellable amount.

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

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

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

Year incurred	2023		
	Amount	Recognized	Not recognized
1999	84		84
2000	1,200		1,200
2001	744		744
2002	890		890
2003	1,435		1,435
2004	1,676		1,676
2005	752		752
2006	1,306		1,306
2007	71		71
2008	524		524
2009	212		212
2010	58		58
2011	137,503		137,503
2012	249,239		249,239
2013	43,880		43,880
2014	36,823		36,823
2015	626,769		626,769
2016	68		68
2017	155,874		155,874
2018	42,984	27	42,957
2019	31,141	343	30,798
2020	60,294	271	60,023
2021	65,584		65,584
2022	41,681		41,681
2023	7,232		7,232
2023 (AD 19ITL)	50,267		50,267
Total	1,558,291	641	1,557,650

Law 38/2022, which amends certain tax regulations, introduced the 19th Additional Provision (DA in Spanish) of the Corporate Income Tax Law (LIS in Spanish), which lays down that with effect from 2023, the taxable income of the tax group will be determined by adding the taxable income and 50 per cent of the individual tax losses. The amount of individual tax losses not included in the taxable income of the tax group as a result of the application of this Provision will be included in the taxable income of the Group in equal parts in each of the first ten tax periods beginning on or after January 1, 2024. The amount generated in the Group by this temporary measure for determining the taxable income of the tax group amounts to EUR 50,267 thousand.

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

2023-

Year incurred	Argentina	Brazil	Chile	Colombia	Ecuador	Mexico	Peru	Puerto Rico	Dominican Republic	USA	TOTAL
2003	-	-	-	-	-	-	-	-	-	74	74
2004	-	-	-	-	-	-	-	-	-	584	584
2005	-	-	343	-	-	-	-	-	-	1,638	1,981
2006	-	-	1	-	-	-	-	-	-	6,345	6,346
2007	-	-	22	-	-	-	-	-	-	5,022	5,044
2008	-	-	28	-	-	-	-	-	-	3,668	3,696
2009	-	-	21	-	-	-	-	-	-	3,730	3,751
2010	-	-	181	-	-	-	-	-	-	1,932	2,113
2011	-	-	794	-	-	-	-	-	-	1,555	2,349
2012	-	7	438	-	-	-	-	-	-	3,488	3,933
2013	-	632	805	-	-	-	-	-	-	3,184	4,621
2014	-	2,610	1,519	-	-	982	-	-	-	3,125	8,236
2015	-	26	830	127	-	1,422	-	-	-	3,643	6,048
2016	-	42	501	86	-	2,039	-	-	-	2,236	4,904
2017	-	184	574	525	-	2,591	-	-	-	1,951	5,825
2018	-	92	1,081	589	-	5,121	-	-	-	5,249	12,132
2019	25	-	433	229	-	6,583	-	-	-	2,088	9,358
2020	19	245	2,505	5,486	1,273	5,402	-	-	69	1,254	16,253
2021	68	-	1,437	92	-	277	1,070	-	-	625	3,569
2022	71	6,707	2,936	122	-	26	-	19	-	-	9,881
2023	-	10,884	1,145	416	-	3,761	-	-	-	171	16,377
Total	183	21,429	15,594	7,672	1,273	28,204	1,070	19	69	51,562	127,075
Recognized	-	15,511	10,102	6,261	1,273	10,095	-	19	69	0	43,330
Not Recognized	183	5,918	5,492	1,411	-	18,109	1,070	-	-	51,562	83,745
Period for offset	5 years	Unlimited	Unlimited	12 years	5 years	10 years	4 years	10 years	5 years	20 years/unlimited	

c) Years open for review by the tax authorities

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

The resolutions of the Supreme Court relating to inspections of Corporate Income Tax for the financial years 2006-2008 and 2009-2011 were implemented during 2023. This resulted in the Group recognising an increased negative tax base of EUR 4,342 thousand and higher deductions amounting to EUR 819 thousand, without impact on the consolidated income statement for the year, as they were not activated.

In 2019, the 2012 and 2013 Corporate Income Tax inspections for the Group 194/09 of which Prisa Radio, S.A. was the dominant company, and the Corporate Income Tax inspection for 2012 to 2015 for the Fiscal Consolidation Group 2/91, of which Promotora de Informaciones, S.A. is the dominant company, were completed, with the signing of two economic-administrative appeals from which no payable fee has been derived, and whose main effect has been a redistribution in tax credits from one category to another. The companies filed the corresponding administrative appeal to the Central Economic-Administrative Tribunal (TEAC) and then filed administrative appeals before the Audiencia Nacional (National High Court). At the date of authorization of these consolidated annual accounts, a ruling has been handed down approving the appeal filed against the inspection procedure relating to Tax Consolidation Group 194/09. The appeal relating to Tax Consolidation Group 2/91 is pending resolution before the National High Court.

In 2021, the inspections relating to Value Added Tax for the periods 2016-2018 for VAT Group 105/08 were completed, with the signing of (i) a notice of agreement for the 2017 and 2018 financial years from which no tax liability arose; and (ii) a decision upholding the tax assessment for the 2016 financial year, for an amount of EUR 147 thousand, which the Company has paid and against which an appeal to the TEAC has been filed. At the date of authorization of these consolidated annual accounts, a resolution has been handed down by the TEAC dismissing the appeal. This will now be the subject of an administrative appeal in the National High Court.

During 2023, the start of partial tax inspections was reported. These actions are limited to the verification of the double taxation tax credit regulated in article 31 of the Corporate Income Tax Law generated in 2019, as well as the adjustments to the positive and negative accounting results associated with the aforementioned tax credit, for both Promotora de Informaciones, S.A. and certain subsidiaries. It is not estimated that these inspections will result in a significant negative equity impact for the Group.

In 2023 the subsidiary Grupo Latino Radiodifusión SpA (Chile) received a rejection ruling from the Chilean Supreme Court for assessments in which the Chilean Internal Revenue Service denied the deduction of certain expenses. Therefore, the Group has made a provision of EUR 3.7 million in the consolidated income statement for 2023, mainly associated with the estimated payment to be made in 2024 derived from this ruling.

The provision for taxes (*see note 12*) includes an amount of EUR 750 thousand to cover, mainly, the impact of probable unfavorable rulings upheld during the various tax proceedings described above.

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

d) Pillar 2

On December 19, 2023, the Council of Ministers of Spain approved the Draft Law that regulates the so-called "Pillar 2" which, after its enactment, will apply to PRISA, as the parent entity of the Group, for the Group's financial years starting from January 1, 2024. The Group has carried out an assessment to determine if it is potentially exposed to Pillar 2 taxes.

The assessment of potential exposure to these new taxes is based on financial and tax information for the entities that make up the Group. According to this evaluation, it is estimated that the effective Pillar 2 tax rates in the jurisdictions in which the Group operates are above 15% and, therefore, it will be able to avail itself of the temporary "safe harbors" contained in the regulation, which establish that the tax obligation is zero. Therefore, it will not be exposed to the tax or, if it is applicable, it will be immaterial.

(18) ALLOCATION OF RESULTS

The proposal for the allocation of the result of Promotora de Informaciones, S.A. for 2023 (under the Spanish General Accounting Plan) approved by its Directors is as follows (in thousands of euros):

	Amount
Basis of appropriation	
Result for the year	(85,725)
Distribution-	
To negative results from previous years	(85,725)

During 2023, the Company has not distributed dividends to its shareholders.

(19) RESULT PER SHARE

Basic result per share has been calculated by dividing the result for the year attributable to shareholders of the dominant Company by the weighted average number of ordinary shares in circulation during the period.

The basic result per share attributed to shareholders of the dominant Company corresponding to continuing and discontinued operations in 2023 and 2022 is the following:

	Thousands of euros	
	12/31/2023	12/31/2022
Result for the year from continuing operations attributable to the Company	(32,140)	(12,949)
Result after tax from discontinued operations attributable to the Company	(365)	-
Result for the year attributable to the Company	(32,505)	(12,949)
Weighted average number of ordinary shares outstanding (thousands of shares)	905,291	723,395
Basic result per share of continuing operations (euros)	(0.04)	(0.02)
Basic result per share (euros)	(0.04)	(0.02)
Diluted result per share (euros)	(0.04)	(0.02)

In 2022, considering the same weighted average number of ordinary shares outstanding as in 2023, the basic loss per share from continuing operations would be -0.01 euros.

For 2023 and 2022, the effect of the medium-term incentive (*see note 14*) has not been considered for the calculation of diluted earnings per share since it would have an anti-dilution effect by reducing losses per share.

Weighted average number of ordinary shares outstanding in 2023 and 2022:

	Thousands of shares	
	2023	2022
Ordinary shares at December 31	740,650	708,650
Capital increase (weighted) (<i>see note 10a</i>)	167,855	16,307
Weighted average of treasury shares	(3,214)	(1,562)
Weighted average number of ordinary shares outstanding for basic earnings per share	905,291	723,395

(20) RELATED PARTY TRANSACTIONS

The detail of the balances receivable from and payable to associates and related parties in 2023 and 2022 is as follows (in thousands of euros):

	12/31/2023			12/31/2022		
	Directors and executives	Group employees, companies or entities	Significant shareholders	Directors and executives	Group employees, companies or entities	Significant shareholders
Trade receivables	-	3,420	9,015	-	4,027	14,800
Receivables- loans	-	-	-	-	200	-
Total receivables	-	3,420	9,015	-	4,227	14,800
Trade payables	66	895	537	5	571	1,024
Total payables	66	895	537	5	571	1,024

Balances with Directors and executives -

The amount of EUR 66 thousand includes outstanding payables to the law firm ECIJA, related to non-current legal advisory services provided to PRISA during 2023. Mr. Pablo Jiménez de Parga (Secretary of the Board of Directors of PRISA and member of the Senior Management) is Executive Vice President of ECIJA.

Balance with Group employees, companies or entities-

The amount of EUR 3,420 thousand includes the amounts pending of collection with associated companies, mainly Wemass Media Audience Safe Solutions, S.L. for the sale of advertising, respectively.

Balance with significant shareholders-

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

The aggregate amount of EUR 9,015 thousand (EUR 14,800 thousand as of December 31, 2022) includes the amounts pending of collection for advertising services of PRISA Group companies to the Vivendi Group. In this regard, the balance shown reflects the accounting information recorded in the consolidated balance sheet of the PRISA Group. This amount derives practically entirely from contractual relationships prior to which Vivendi had a significant stake in PRISA's capital stock and was represented on PRISA's Board of Directors.

The aggregate amount of EUR 537 thousand includes the amounts pending of payable with companies of Vivendi Group for the purchase of advertising space and the receipt of strategy services, market research, creativity and identification of consumption habits and consumer product niches.

The transactions performed with related parties in 2023 and 2022 were as follows (in thousands of euros):

	12/31/2023			12/31/2022		
	Directors and executives	Group employees, companies or entities	Significant shareholders	Directors and executives	Group employees, companies or entities	Significant shareholders
Services received	131	750	2,039	22	886	2,512
Finance expenses	-	13	-	-	20	-
Leases	-	-	-	-	6	-
Other expenses	5,497	4	-	4,140	311	-
Total expenses	5,628	767	2,039	4,162	1,223	2,512
Finance income	-	15	-	-	-	-
Dividends received	-	5,184	-	-	197	-
Provision of services	1	9,549	27,993	-	13,119	30,056
Leases	-	-	-	-	6	-
Other income	-	445	-	-	325	3
Total revenues	1	15,193	27,993	-	13,647	30,059

All related party transactions have taken place under market conditions.

Transactions between with Directors and executives -

The amount of EUR 131 thousand corresponds to:

- i. Non-current legal advisory services provided by the law firm ECIJA to PRISA during 2023.
- ii. The services of searching for artists and directing work for TV programs, provided to Lacoproductora, S.L. (PRISA Group company) by The Pool Guest, S.L. and The Pool Talent Management S.L., companies owned by PRISA director Mr. Andrés Varela Entrecanales (who is also director and President of these companies).

The amount of EUR 5,497 thousand relates to the accrued salaries of Directors for an amount of EUR 3,905 thousand (see note 21) and senior managers for an amount of EUR 1,592 thousand.

Senior management compensation:

The aggregate compensation of the senior managers is the accounting reflection of the overall compensation of members of senior management who are not executive directors of PRISA. In 2023 amounts to EUR 1,592 thousand and in 2022 amounted to EUR 1,740 thousand.

Regarding 2023:

- i. The compensation included is for the following managers: the CFO Ms. Pilar Gil (only for January and February 2023, until her appointment as executive director of PRISA), the Secretary to the Board of Directors Mr. Pablo Jiménez de Parga, the Head of Corporate and Institutional Relations Mr. Jorge Rivera, the Chief Sustainability Officer Ms. Rosa Junquera, the Head of Communication, Ms. Ana Ortas (since joining this position in April 2023), the former Head of Communication, Ms. Cristina Zoilo (until her cessation in April 2023), the Head of People and Talent Ms. Marta Bretos, and the PRISA's Director of Internal Audits Ms. Virginia Fernández.

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 provided to the Company consists exclusively of a fixed monthly amount.

- ii. The remuneration of the senior management includes, inter alia:
 - o Annual variable compensation (bonus): reflection of the amount corresponding to theoretical annual variable compensation of the executives if 2023 management objectives are achieved. However, since this compensation is subject to achievement of the management objectives at the end of the year 2023, 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 2023 annual accounts of the Group are approved, based on the level of achievement of the established objectives.
 - o Recalculation of the 2022 bonus paid in 2023.
 - o "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 member of the senior management 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 Grupo PRISA.

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

In 2023 and in relation to the only senior manager who is a beneficiary of this Plan, expenditure for this Plan has been recorded of EUR 22 thousand, considering the degree of achievement of the objectives for the years 2023 and 2022 and valuing the shares at the PRISA quotation price at the measurement date.

- o An expense for the termination of the contractual relationship of Mrs. Zoilo.

Regarding 2022:

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

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

- ii. The remuneration of the senior management includes, inter alia:
 - o Annual variable compensation (bonus): reflection of the amount corresponding to theoretical annual variable compensation of the executives if 2022 management objectives are achieved.
 - o Recalculation of the 2021 bonus paid in 2022.
 - o "Medium-term Incentive Plan 2020-2025, linked to the creation of value in Santillana through the implementation of a corporate transaction": it is registered the reversion in first half 2022 of the provision that was registered for this Plan in relation to the former CFO, Mr. Mesonero.
 - o "PRISA 2022-2025 Incentive Plan of the former CFO Mr. David Mesonero": PRISA's former CFO Mr. David Mesonero was 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), payable in shares.

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 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.

- “PRISA 2022-2025 Incentive Plan of the CFO Ms. Pilar Gil”: It was 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 measurement.
- “2022-2025 Incentive Plan for PRISA Media, Santillana and PRISA’s executives”: In 2022, and in relation to the only senior management executive who is beneficiary of this Plan, an expense amounting to EUR 6 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 measurement.
- In the 2022 an expense amounting to EUR 49 thousand was recorded for the termination of the contractual relationship of Mr. Mesonero.

Transactions between Group employees, companies or entities-

The aggregate amount of EUR 767 thousand (EUR 1,223 thousand at December 31, 2022) is mainly includes the advertising commission expense with Wemass Media Audience Safe Solutions, S.L.

The amount of EUR 9,549 thousand (EUR 13,119 thousand at December 31, 2022) mainly includes the income received for commercialization of advertising with Wemass Media Audience Safe Solutions, S.L.

Finally, the amount of EUR 5,184 thousand mainly includes the income dividends received by Sociedad Española de Radiodifusión, S.L. from its stake in Sistema Radiópolis, S.A. de C.V.

Transactions between with significant shareholders -

The aggregate amount of EUR 2,039 thousand consists, mainly, of the expense for the purchase of advertising space and the receipt of strategy services, market research, creativity and identification of consumption habits and consumer product niches with Vivendi Group companies (EUR 2,512 thousand at December 31, 2022).

Meanwhile, the aggregate amount of EUR 27,993 thousand (EUR 30,059 thousand at December 31, 2022) consists, mainly, of income of PRISA Group companies for advertising services with Vivendi Group companies. This amount derives practically entirely from contractual relationships prior to which Vivendi had a significant stake in PRISA's capital stock and was represented on PRISA's Board of Directors.

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

Additional Information note

PRISA director Mr. Joseph Oughourlian holds a significant stake in the share capital of Indra Sistemas, S.A., through Amber Capital UK, LLP, from 2022.

In December 2022, the service contracts that Indra had been providing to PRISA Group companies since 2017 expired. Santillana and PRISA Media have contracted new IT services from Indra for the 2023-2025 period. Additionally, during 2023, Indra and PRISA Group companies have maintained other commercial relationships in the normal course of their business. Although these transactions do not qualify as related party transactions under IAS 24 and are not included in the table above, for information purposes and for the sake of transparency, it is noted that the expense recorded in PRISA's consolidated financial statements in 2023 amounts to approximately EUR 5 million.

Finally, the detail of other transactions performed with related parties during 2023 is as follows, in thousands of euros:

	12/31/2023	
	Directors and executives	Significant shareholders
Other transactions	190	74,553

Transactions with directors and executives

The amount of EUR 190 thousand corresponds to the non-current legal advisory services, linked to the issuance convertible bonds, provided by the law firm ECIJA to PRISA during 2023.

Transactions with significant shareholders

The amount of EUR 74,553 thousand corresponds to the amount of convertible bonds subscribed.

(21) REMUNERATION AND OTHER BENEFITS OF BOARD OF DIRECTORS

In 2023 and 2022, the companies of the Group registered the following amounts in respect of remuneration to Group's Board members:

	Thousands of euros	
	12/31/2023	12/31/2022
Compensation for belonging to the Board and/ or Board Committees	1,164	1,100
Salaries	1,167	875
Variable compensation in cash	695	187
Compensation systems based on shares	849	226
Other	30	12
Total	3,905	2,400

General considerations:

The aggregated remuneration of directors of PRISA reflected in the table above corresponds to the accounting expenses made by PRISA and other companies of its Group and

consequently corresponds to the accounting provisions registered in the consolidated 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 2023 and in the Annual Report on Corporate Governance 2023, in which it is followed the criteria required by the "Circular 3/2021 of the CNMV (by which the annual corporate governance reports and annual remuneration report of the directors of public companies are modified), which is not the accounting provision basis.

Regarding the fiscal year 2023:

- i. At the beginning of the COVID-19 crisis 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 continued to be applied to non-executive directors of PRISA in the 2022 and continue in 2023 financial year as explained in the Director Remuneration Report sent to the CNMV on March 29, 2023 (registration number: 21602).
- ii. The remuneration of the Executive Director Ms. Pilar Gil (CFO of the Company), who joined the Board of Directors in February 2023, has been reflected as follows: the remuneration for the period from March 1, 2023 to December 31, 2023 is included in the board members remuneration, while the remuneration for January and February 2023 is included in the senior management's remuneration, except for its Incentive Plan, which has been fully included in the board members' remuneration.
- iii. Within the compensation for belonging to the Board and/or Board Committees are included the following items:
 - o Remuneration for Ms. Maria Teresa Ballester, Amber Capital UK LLP, Mr. Rosaura Varo and Mr. Khalid Thani Abdullah Al Thani up to the time of their cessation as directors in June (for the first two), May and February 2023, respectively.
 - o The remuneration corresponding to the following directors, since joining the Board, on June 27, 2023: Mr. Miguel Barroso Ayats, Mr. Fernando Carrillo Flórez, Ms. Margarita Garijo-Bettencourt and Ms. Isabel Sánchez García.
- iv. Within the "Variable remuneration in cash" are included the following items:
 - o The reflection of the amount corresponding to theoretical annual variable compensation of the executive directors Ms. Pilar Gil, Mr. Francisco Cuadrado and Mr. Carlos Nuñez, if 2023 management objectives are achieved, in their capacities as CFO, Executive President of Santillana and Executive President of PRISA Media, respectively.

However, since this compensation is subject to achievement of the management objectives at the end of the year 2023, 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 2023 annual accounts of the Group are approved, based on the level of achievement of the objectives established by the Board of Directors. In 2023, an expense of EUR 682 thousand was recorded for this item.

- Regularization of the 2022 bonus of the executive directors, Ms. Pilar Gil, Mr. Francisco Cuadrado and Mr. Carlos Nuñez, for an amount of EUR 13 thousand.

v. In relation to the "*Compensation systems based on shares*" it is noted the following:

- "PRISA CFO's incentive Plan 2022-2025":

PRISA's CFO Ms. Pilar Gil is the beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in PRISA's budget (linked to adjusted Cash Flow) in fiscal years 2022, 2023, 2024 and 2025, which is payable in shares. The plan was approved by the Board of Directors of PRISA on July 26, 2022, and was also approved at the Ordinary Shareholders Meeting held on June 27, 2023.

Ms. Gil has been granted with a theoretical number of shares equivalent to EUR 300 thousand gross for each year of the Plan's duration (she has been assigned 554,097 theoretical shares for each year of the Plan, that is, a total of 2,216,388 theoretical shares). The above calculation has been made considering the average stock market value of PRISA shares during the last quarter of 2021. In addition, the incentive may be increased depending on the evolution of PRISA's share price.

In 2023, an expense of EUR 270 thousand has been recorded for this Plan (considering the degree of achievement of the objectives for the years 2023 and 2022 and valuing the shares at the PRISA quotation price at the measurement dates).

In addition, it is noted that in 2023 Ms. Gil has received 139,234 net shares (249,344 gross shares), in settlement of one third of the amount earned in 2022, in accordance with the terms of the Plan. This delivery of shares has had no impact on the consolidated income statement for the year 2023.

- "Santillana's incentive Plan 2022-2025":

The Executive Director of Santillana, Mr. Francisco Cuadrado, 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 above calculation has been made considering the average

stock market value of PRISA shares during the last quarter of 2021. In addition, the incentive may be increased depending on the evolution of PRISA's share price.

In 2023, an expense of EUR 360 thousand has been recorded for this Plan (considering the degree of achievement of the objectives for the years 2023 and 2022 and valuing the shares at the PRISA quotation price at the measurement dates).

In addition, it is noted that in 2023 Mr. Cuadrado has received 182,153 net shares (330,765 gross shares), in settlement of one third of the amount earned in 2022, in accordance with the terms of the Plan. This delivery of shares has had no impact on the consolidated income statement for the year 2023.

- o "PRISA Media's incentive Plan 2022-2025":

The Executive Director of PRISA Media, Mr. Carlos Nuñez, 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 of PRISA 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 above calculation has been made considering the average stock market value of PRISA shares during the last quarter of 2021. In addition, the incentive may be increased depending on the evolution of PRISA's share price.

In 2023, an expense of EUR 219 thousand has been recorded for this Plan (considering the degree of achievement of the objectives for the years 2023 and 2022 and valuing the shares at the PRISA quotation price at the measurement dates).

In addition, it is noted that in 2023 Mr. Nuñez has received 63,132 net shares (113,179 gross shares), in settlement of one third of the amount earned in 2022, in accordance with the terms of the Plan. This delivery of shares has had no impact on the consolidated income statement for the year 2023.

- vi. "Others" includes health and life/accident insurance for the executive directors Ms. Pilar Gil, Mr. Carlos Nuñez and Mr. Francisco Cuadrado.
- vii. No other credits, advances or loans occurred, nor were pension obligations incurred, in respect of the Board of Directors during 2023.

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 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 above table also includes the remuneration corresponding to the members of said Commission from June 28, 2022.

- ii. Within the “variable remuneration in cash” of the directors, are included the following items:
 - o Annual variable compensation (bonus): is the reflection of the amount corresponding to theoretical annual variable compensation of Mr. Francisco Cuadrado and Mr. Carlos Nuñez, both executive directors of the Company, if 2022 management objectives are achieved. In 2022, an expense of EUR 438 thousand was recorded for this item.
 - o Regularization of the 2021 bonus of the two executive directors, Mr. Francisco Cuadrado and Mr. Carlos Nuñez, for an amount of EUR -3 thousand.
 - o Medium-term Incentive Plan 2020-2025, linked to the creation of value in Santillana through the implementation of a corporate transaction:

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

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

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

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

- iii. "Compensation systems based on shares": in relation to "Santillana's Executive Chairman (Mr. Francisco Cuadrado) medium-term incentive Plan 2022-2025" and "PRISA Media's Executive Chairman (Mr. Carlos Nuñez) medium-term incentive Plan 2022-2025", in 2022 an expense of EUR 226 thousand was recorded, based on the level of performance of objectives and considering the listed price of PRISA's shares at the time of measurement.
- iv. "Others" includes health and life/accident insurance for the executive directors Carlos Nuñez and Francisco Cuadrado.
- v. No other credits, advances or loans occurred, nor were pension obligations incurred, in respect of the Board of Directors during 2022.

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 2023, the Board of Directors had not been advised of direct or indirect conflict situations that directors or persons related thereto (in accordance with article 231 of the aforesaid Act) might have had with the interests of the Company.

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

Director	Activity	Person related to the Director	Activity
Joseph Oughourlian	See note below (*)	-	-
Javier Santiso Guimaras	CEO and General Partner of Mundi Ventures, a Venture Capital firm focused on technology-based companies. See note below (**)	-	-

(*) Mr. Joseph Oughourlian controls Amber Capital, its affiliates and subsidiaries (together "Amber Capital"), which act as investment manager, general partners, managing members and managers to funds, accounts, and other investment vehicles (together, the "Amber Funds") that invest in public and private companies in Europe, North America and Latin America,

which includes trading in entities with activities the same, similar or complementary to Prisa. Mr. Oughourlian also act as a managing partner to Amber Capital and as a portfolio manager to various Amber Funds.

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

The companies in the PRISA Group are not included in this list. As already indicated in the Annual Corporate Governance Report of the Company, as of December 31, 2023, the directors Pilar Gil, Francisco Cuadrado, Carlos Nuñez, Manuel Polanco Moreno, Miguel Barroso, 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.

(22) GUARANTEE COMMITMENTS TO THIRD PARTIES

At December 31, 2023, PRISA had furnished personal guarantees (including counter-guarantees) amounting to EUR 2,002 thousand.

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

(23) FUTURE COMMITMENTS

The Group's main future commitment is the contract signed with Axion for the use of radio frequencies, which expires in June 2031 for EUR 64 million. The remaining commitments are mainly contracts with technology service providers, the largest being the contract signed with Indra in 2023 for a three-year period and an approximate amount of EUR 12 million.

On December 31, 2023, the Group had payment obligations and collection rights for a net amount payable of approximately EUR 98,122 thousand. This amount does not include the payment commitments derived from the contract leases, which are detailed in note 11b. The net amounts payable in relation to these obligations fall due as follows:

Year	Thousands of euros
2024	26,138
2025	21,517
2026	10,056
2027	8,579
2028	8,817
2029 and subsequent years	23,015
	98,122

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

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

Past-due payments to creditors-

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

	12/31/2023	12/31/2022
	Days	
Average period of payment to suppliers	71	71
Ratio of settled transactions	72	73
Ratio of transactions pending payment	60	51
	%	
Ratio of operations paid in a period of less than 60 days	42%	45%
Ratio of invoices paid in less than 60 days	64%	70%
	Thousand euros	
Total payments made	228,513	235,562
Total payments made within a period of less than 60 days	96,383	105,670
Total pending payments	26,262	24,566
	Number	
Total number of invoices paid	88,579	86,170
Total number of invoices paid in less than 60 days	56,756	60,378

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

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

The maximum legal period of payment applicable in 2023 and 2022 under Law 3/2004, of December 29 and its modification by the Law 15/2010 of July 5, for combating late payment in commercial transactions, is by default 60 days. The average period of payment to the Group's suppliers exceeds the statutory maximum period partially on account of agreements arrived at with suppliers to defer payments or, where relevant, to initiate expenditure.

In 2023, the average supplier payment period remains the same as in 2022. This is greater than 60 days, mainly due to the agreements reached with technology suppliers and associated radio stations to extend invoice payment deadlines.

During the next financial year, the Directors will take the appropriate measures to reduce, as far as possible, the average period of payment to suppliers to the levels permitted by Law, except in those cases in which there are specific agreements with suppliers that establish a longer term.

(24) ONGOING LITIGATIONS AND CLAIMS

A) CNMC - Santillana

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

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

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

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

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

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

The process is currently pending voting and decision.

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

B) CNMC - DTS

The Group maintains accounted a provision associated with an unfavorable ruling received by Telefónica and communicated to PRISA by the latter in January 2022, which was appealed by Telefonica, 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 the said provision of EUR 3,320 thousand is maintained as of December 31, 2023, because it is considered probable that an outflow of resources will be required. At the date, the appellation is pending of vote and ruling by the Supreme Court.

C) Other litigations

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

(25) EVENTS AFTER THE BALANCE SHEET DATE

New issuance of subordinated notes

On January 30, 2024 the Board of Directors of PRISA, within the framework of the analysis of different strategic alternatives in order to continue reducing the financial debt of the PRISA Group and the financial costs associated therewith, has unanimously agreed to carry out in the near future an issuance of subordinated notes mandatorily convertible into newly issued shares of PRISA, with recognition of the preemptive subscription rights of the Company's shareholders, for a nominal amount of approximately EUR 100 million (the "New Issuance"), which will be implemented through a public subscription offer (the "Offer"). The purpose of the Offer will be to obtain funds mainly for, on the one hand, to cancel the Junior tranche of the syndicated financial debt of the PRISA Group which is tied to Euribor+8% and, on the other hand, to foster the growth opportunities of the business units of PRISA Group. In this regard, as of December 31, 2023, the Junior syndicated loan amounts to EUR 86,967 thousand (*see note 11 b*).

The final terms and conditions of the New Issuance will be fixed at the meeting of the Board of Directors of PRISA that will be held on March 12, 2024, after the authorization of issue of these consolidated annual accounts. Details of the Offer, including its limitations and restrictions, as well as the definitive terms and conditions of the New Issuance will be published prior to the commencement of the Offer, following the publication of the aforementioned PRISA's audited consolidated annual accounts for the year 2023.

Following the communication of the New Issuance, the Board of Directors of PRISA also agreed, at its meeting also held on January 30, 2024, to open an extraordinary conversion period for the

subordinated bonds issued by PRISA in February 2023 (*see note 1b*) in accordance with its provisions of terms and conditions. A conversion and early amortization of 20,287 subordinated obligations has been requested, which has entailed the issuance of 20,287,000 new ordinary shares of PRISA. Consequently, the share capital of PRISA, after the formalization of the corresponding capital increase, has been set at EUR 102,856 thousand and is represented by 1,028,558,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros.

Ruling on the award between Prisa and Cofina

In September, 2019 the Board of Directors of Prisa agreed to sell to Cofina SGPS, S.A. (“Cofina”) its 100% stake in Vertix SGPS, S.A. (“Vertix”), owner of a 94.69% interest in the Portuguese listed company Grupo Media Capital SGPS, S.A. (“Media Capital”). The purchase and sale agreement between both parties included, among other things, the deposit of EUR 10,000 thousand by Cofina in an escrow account as a guarantee for the transaction and the advance payment of the agreed price, which has not been available since then and until December 31, 2023, as indicated in note 9c.

On March 11, 2020 Cofina voluntarily waived to continue with the share capital increase approved by Cofina’s shareholders on January 29, 2020 to finance part of the purchase price, which implied a breach of the share purchase agreement and its termination. In this regard, on April 15, 2020 the Company filed an arbitration request before the *Centro de Arbitragem Comercial da Câmara do Comércio e Indústria Portuguesa* (“Arbitral Tribunal”) in accordance with the sale and purchase agreement.

On February 22, 2024 the aforementioned Arbitral Tribunal has unanimously issued the award that declares that Cofina breached its obligations under the share purchase agreement signed between PRISA and Cofina in September 2019, regarding the sale of all the shares from Vertix SGPS, S.A. and that agreement was therefore automatically terminated on March 11, 2020, so PRISA is entitled to receive the down payment in the amount of EUR 10,000 thousand, obliging Cofina to take all necessary actions to make this amount available to the Company. On March 1, 2024 the amount deposited in the escrow account has been transferred to another bank account in the name of the Company, being therefore available.

This will have a positive impact on the Group's 2024 consolidated income statement in the amount of EUR 10,000 thousand (derecognising the liability recorded under “*Other non-trade payables*” (*see note 9d*)), reduced by arbitration and similar costs to the extent that following said resolution, and not before, the realisation of the income is virtually certain and is no longer contingent.

This resolution and the availability in favour of PRISA of the amount that was deposited in the escrow account is independent of the Media Capital sale process that was executed after March 11, 2020.

Furthermore, the Arbitration Court has ordered Cofina to pay PRISA the interest accrued from March 11, 2020 until the final date of payment of the amount deposited in the escrow account.

The Arbitral Tribunal dismiss all the remaining claims of the parties.

(26) EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

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

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2023	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
EDUCATION					
<i>Full Consolidation</i>					
Activa Educa, S.A. (Guatemala)	26 Avenida 2-20 zona 14 . Guatemala – Guatemala	Publishing	Santillana Educación Pacífico, S.L	97.203%	
Avalia Qualidade Educacional Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	Santillana Sistemas Educativos, S.L.U.	2.797%	
Distribuidora y Editora Richmond, S.A.S.	Edificio Punto 99, Carrera 11ª N°98-50 Oficina 501. Bogotá. Colombia	Publishing	Santillana Latam, S.L.U	99.99%	
Ediciones Santillana Inc. (Puerto Rico)	1506 Roosevelt Avenue. Guaynabo. Puerto Rico	Publishing	Grupo Santillana Educación Global, S.L.U.	1 acción	
Ediciones Santillana, S.A. (Argentina)	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	Santillana Sistemas Educativos, S.L.U	98.44%	
Ediciones Santillana, S.A. (Uruguay)	Juan Manuel Blanes 1132 Montevideo Uruguay	Publishing	Grupo Santillana Educación Global, S.L.U.	1.53%	
Editora Altea Ltda.	Avenida Papa João Paulo I, nº 2258, Galpão 1 Papa, Sala 02 São Paulo. Brasil	Publishing	Santillana Educación Pacífico, S.L.	0.03%	
Editora Moderna Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	Santillana Latam, S.L.U	100%	
Editora Pitagüá Ltda.	Avenida Papa João Paulo I, nº 2258, Galpão 1 Papa, Sala 01, São Paulo. Brasil	Publishing	Santillana Sistemas Educativos, S.L.U.	95.00%	
Editorial Santillana, S.A. (Guatemala)	26 Avenida 2-20 zona 14 . Guatemala - Guatemala	Publishing	Grupo Santillana Educación Global, S.L.U.	5.00%	
Editorial Santillana, S.A. (Honduras)	Colonia los Profesionales Boulevard Suyapa, Metropolis Torre 20501, Tegucigalpa Honduras	Publishing	Santillana Latam, S.L.U	100%	
Editorial Santillana, S.A. (Rep. Dominicana)	Juan Sánchez Ramírez, 9. Gazcue. Santo Domingo. República Dominicana	Publishing	Grupo Santillana Educación Global, S.L.U.	99.952%	
Editorial Santillana, S.A. (Venezuela)	Avenida Rómulo Gallegos. Edificio Zulia 1º. Caracas. Venezuela	Publishing	Ediciones Santillana Inc. (Puerto Rico)	0.040%	
Editorial Santillana, S.A. de C.V. (México)	Avenida Río Mixcoac 274 Col Acacias. México DF. México	Publishing	Santillana Latam, S.L.U	0.008%	
Editorial Santillana, S.A. de C.V. (El Salvador)	3a. Calle Poniente Y 87 Avenida Norte, No. 311, colonia Escalon San Salvador	Publishing	Santillana Latam, S.L.U	100%	
Editorial Santillana, S.A.S (Colombia)	Edificio Punto 99, Carrera 11ª N°98-50 Oficina 501. Bogotá. Colombia	Publishing	Educa Inventia, S.A. de C.V.	1 acción	
Educa Inventia, S.A. de C.V. (México)	Avenida Río Mixcoac 274 Col Acacias. México DF. México	Publishing	Santillana Sistemas Educativos, S.L.U.	99.95%	
Educactiva Ediciones, S.A.S. (Colombia)	Avenida El Dorado No. 90 - 10 Bogotá, Colombia	Publishing	Grupo Santillana Educación Global, S.L.U.	0.05%	
Educactiva, S.A. (Chile)	Avenida Andrés Bello 2299 Oficina 1001 Providencia. Santiago Chile	Publishing	Santillana Sistemas Educativos, S.L.U	94.64%	
Educactiva, S.A.C. (Perú)	Avenida Primavera 2160 Santiago de Surco - Lima	Publishing	Distribuidora y Editora Richmond, S.A.S	3.31%	
Educactiva, S.A.S. (Colombia)	Avenida El Dorado No. 90 - 10 Bogotá, Colombia	Publishing	Grupo Santillana Educación Global, S.L.U.	2.05%	
Grupo Santillana Educación Global, S.L.U.	Gran Vía, 32. Madrid	Publishing	Santillana Latam, S.L.U	99.99%	
Improve Education Services, S.A.S. (Colombia)	Cr 11 No. 98 50 Of 504, Bogotá	Publishing	Editorial Santillana S.A. de C.V. México	1 acción	
Improve Learning, S.A.S. (Colombia)	Cr 11 No. 98 50 Of 504, Bogotá	Publishing	Santillana Sistemas Educativos, S.L.U.	100%	
			Santillana Educación Pacífico, S.L	93.52%	
			Santillana Sistemas Educativos, S.L.U.	6.48%	
			Santillana Educación Pacífico, S.L	99.998%	
			Santillana Sistemas Educativos, S.L.U.	0.002%	
			Santillana Educación Pacífico, S.L	87.12%	
			Santillana Sistemas Educativos, S.L.U.	12.88%	
			Prisa Activos Educativos, S.A.U	100%	2/91
			Distribuidora y Editora Richmond, S.A.S.	50.00%	
			Educactiva Ediciones, S.A.S.	50.00%	
			Distribuidora y Editora Richmond, S.A.S.	50.00%	
			Educactiva Ediciones, S.A.S.	50.00%	

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

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2023	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
Kapelusz Editora, S.A. (Argentina)	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	Santillana Educación Pacífico, S.L Santillana Sistemas Educativos, S.L.U.	99.90% 0.10%	
Pleno Internacional, SPA	Avenida Andres Bello N° 2299 Oficina 1001 Providencia - Santiago	Advice and consulting, development and sale of software	Santillana Educación Chile, S.A.	70.00%	
Programas de Innovación Educativa, S.A de C.V (antes Richmond Publishing S.A. de C.V.)	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	Santillana Sistemas Educativos, S.L.U. Santillana Educación Pacífico, S.L Santillana Educación México, S.A. de C.V.	87.472% 12.513% 0.015%	
Richmond Educação, Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	Editora Moderna, Ltda. Grupo Santillana Educación Global, S.L.U.	100% 1 acción	
Salamandra Editorial, Ltda.	Rua Urbano Santos 755, Sao Paulo. Brasil	Publishing	Editora Moderna, Ltda. Grupo Santillana Educación Global, S.L.U.	100% 1 acción	
Santillana de Ediciones, S.A. (Bolivia)	Av.Pedro Rivera N° 3095. Santa Cruz. Bolivia	Publishing	Santillana Sistemas Educativos, S.L.U. Santillana Educación Pacífico, S.L Grupo Santillana Educación Global, S.L.U.	99.70% 0.15% 0.15%	
Santillana del Pacífico, S.A. de Ediciones.	Avenida Andres Bello 2299 Oficina 1001-1002 Providencia. Santiago Chile	Publishing	Santillana Latam, S.L.U Grupo Santillana Educación Global, S.L.U.	100% 1 acción	
Santillana Educacao, Ltda. (Brasil)	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	100% 1 acción	
Santillana Educación Chile, S.A.	Avenida Andrés Bello 2299 1001 - 1002 Providencia, Santiago de Chile	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	99.99% 0.01%	
Santillana Educación México, S.A. de C.V.	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	Programas de Innovación Educativa, S.A de C.V Santillana Educación Pacífico, S.L.	99.99% 0.01%	
Santillana Educación Pacífico, S.L.	Gran Vía, 32. Madrid	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	99.996% 0.004%	2/91
Santillana Latam, S.L.U.	Gran Vía, 32. Madrid	Publishing	Grupo Santillana Educación Global, S.L.U.	100%	2/91
Santillana Sistemas Educativos, S.L.U.	Gran Vía, 32. Madrid	Publishing	Grupo Santillana Educación Global, S.L.U.	100%	2/91
Santillana, S.A. (Costa Rica)	La Uruca. 200 m Oeste de Aviación Civil. San José. Costa Rica	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	99.992% 0.008%	
Santillana, S.A. (Ecuador)	Calle De las Higueras 118 y Julio Arellano. Quito. Ecuador	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	100% 1 acción	
Santillana, S.A. (Paraguay)	Avenida Venezuela. 276. Asunción. Paraguay	Publishing	Santillana Sistemas Educativos, S.L.U. Ediciones Santillana, S.A. (Argentina)	99.89% 0.11%	
Santillana, S.A. (Perú)	Avenida de Primavera 2160 Santiago de Surco -Lima	Publishing	Santillana Sistemas Educativos, S.L.U.	95.00%	
Sistemas Educativos de Enseñanza, S.A.S.	Calle Robles, piso E4-13. Edificio Proinco Calisto. Quito Distrito Metropolitano.	Publishing	Santillana Sistemas Educativos, S.L.U Grupo Santillana Educación Global, S.L.U	100% 1 acción	
Soluções Moderna Editora e Serviços Educacionais, Ltda.	Rua Padre Adelino, 758. Sala Avalia, Quarta Parada, - Sao Paulo. Brasil	Publishing	Santillana Latam, S.L.U. Grupo Santillana Educación Global, S.L.U.	100% 1 acción	

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

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2023	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
MEDIA					
<i>Full Consolidation</i>					
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	Prisa Media, S.A.U	70,60%	
Mobvious Corp.	7742 N. Kendall Drive, 101 Miami Florida 33156-8550. EE.UU	Marketer's advertising in digital media.	Prisa Media USA, Inc.	60.00%	
Podium Podcast, S.L.U.	Gran Vía, 32. Madrid	Provision of music services	Prisa Media, S.A.U	100%	2/91
Prisa Media México, S.A. de C.V. (antes Prisa Brand Solutions Mexico s.a. de C.V)	Avenida Paseo de la Reforma 231. Piso 6 Colonia Cuauthemoc. Ciudad de México 06500	Marketer's advertising in digital media.	Prisa Media USA, Inc. Prisa Media, S.A.U..	99.99% 0.01%	
Prisa Media USA, Inc. (Antes Prisa Brand Solution USA, Inc.)	7742 N. Kendall Drive 101. Miami. Florida. 33156-8550. EE.UU.	Marketer of advertising in media.	Prisa Media, S.A.U.	100%	
Prisa Media, S.A.U.	Gran Vía, 32. Madrid	The allowance, or self-employed, of any kind of services, directly or indirectly, related broadcasting. Advice and provision of services to media companies in the field of advertising, programming, administration, marketing and technical issues, computer and commercial and any other related activity. Production, operation and management-account or self-employed, by whatever means, of all kinds of programs and radio and audiovisual products.	Promotora de Informaciones, S.A.	100%	2/91
<i>Equity Method</i>					
Por Hache o por B la Serie, S.L.	Avenida Diagonal, 177 - 183, planta 12, 08018 Barcelona	Audiovisual production of a television series.	Lacoproductora, S.L.	25,00%	
Wemass Media Audience Safe Solutions, S.L.	Calle Juan Ignacio Luca de Tena, nº7.	Hiring advertising in the media. Design, organization, management and marketing of all kinds of cultural, sports, promotional and leisure activities and events.	Prisa Media, S.A.U.	33.33%	
MEDIA- RADIO					
Radio in Spain					
<i>Full Consolidation</i>					
Antena 3 de Radio de León, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	99.56%	2/91
Compañía Aragonesa de Radiodifusión, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	97.03%	2/91
Ediciones LM, S.L.	Plaza de Cervantes, 6. Ciudad Real	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	50,00%	
Iniciativas Radiofónicas de Castilla La Mancha, S.A.	Carreteros, 1. Toledo	Operation of radio broadcasting stations	Ediciones LM, S.L. Sociedad Española de Radiodifusión, S.L.U.	40.00% 50.00%	
Ondas Galicia, S.A.	San Pedro de Mezonzo, 3. Santiago de Compostela	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	51.14%	
Prisa Radio, S.A.U.	Gran Vía, 32. Madrid	Provision of business radio services	Prisa Media, S.A.U	100%	2/91
Propulsora Montañesa, S. A.	Pasaje de Peña. Nº 2. Interior. 39008. Santander	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	99.94%	2/91
Radio Club Canarias, S.A.	Plaza Santa Cruz de la Sierra 2. Santa Cruz de Tenerife	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	95,00%	2/91
Radio Lleida, S.L.	Calle Vila Antonia. Nº 5. Lleida	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	66,50%	
Radio Murcia, S.A.	Radio Murcia, 4. Murcia	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	83.33%	2/91
Radio Zaragoza, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	Compañía Aragonesa de Radiodifusión, S.A. Sociedad Española de Radiodifusión, S.L.U.	57.11% 20.77%	2/91
Sociedad Española de Radiodifusión, S.L.U.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Prisa Radio, S.A.U	100%	2/91

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

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2023	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
Sociedad Independiente Comunicación Castilla La Mancha, S.A.	Avenida de la Estación, 5 Bajo. Albacete	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	74,77%	2/91
Sonido e Imagen de Canarias, S.A.	Caldera de Bandama, 5. Arrecife. Lanzarote	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	50,00%	
Teleser, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	81,46%	
<i>Equity Method</i>			Radio Zaragoza,S.A.	0,65%	
Radio Jaén, S.L.	Obispo Aguilar, 1. Jaén	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	35,99%	
International Radio					
<i>Full Consolidation</i>					
Blaya y Vega, S.A.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Multimedios GLP Chile , SpA.	99,98%	
Caracol Estéreo, S.A.S	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Prisa Media Chile, S.A.	0,02%	
Caracol, S.A.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.U.	77,04%	
Prisa Media Colombia, S.A.S. (Antes Comercializadora de Eventos y Deportes, S.A.S)	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Production and organization of shows and events	Prisa Radio, S.A.U.	2 acciones	
Prisa Media Chile, S.A. (Antes Comercializadora Iberoamericana Radio Chile S.A.)	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Production and organization of shows and events	Sociedad Española de Radiodifusión, S.L.U.	77,05%	
Compañía de Comunicaciones de Colombia,S.A.S	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Prisa Radio, S.A.U.	2 acciones	
Compañía de Radios, S.A.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	100%	
Consortio Radial de Panamá, S.A	Urbanización Obarrio, Calle 54 Edificio Caracol. Panamá	Consulting services and marketing of products and services	Grupo Latino de Radiodifusión Chile, SpA	99,90%	
Corporación Argentina de Radiodifusión, S.A.	Rivadavia 835. Ciudad de Buenos Aires. Argentina	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	0,10%	
Ecos de la Montaña Cadena Radial Andina, S.A.	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Caracol, S.A.	43,45%	
Emisora Mil Veinte, S.A.	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Promotora de Publicidad Radial, S.A.S.	19,27%	
Fast Net Comunicaciones, S.A.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	16,76%	
GLR Services Inc.	2100 Coral Way - Miami 33145 - Florida, EE.UU.	Provision of services to radio broadcasting companies	Caracol Estéreo, S.A.S.	11,13%	
Grupo Latino de Radiodifusión Chile, SpA (**)	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Ecos de la Montaña Cadena Radial Andina, S.A.	4,42%	
Iberoamerican Radio Holdings Chile, S.A.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Sociedad Radiodifusora del Norte, SpA.	44,32%	
Iberoamericana de Noticias Ltda.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of media and communication services	Iberoamerican Radio Holdings Chile, S.A.	40,88%	
La Voz de Colombia, S.A.	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Prisa Media Chile, S.A.	14,80%	
			Sociedad Española de Radiodifusión, S.L.U.	100%	
			GLR Services Inc.	76,20%	
			Sociedad Española de Radiodifusión, S.L.U.	23,80%	
			Sociedad Española de Radiodifusión, S.L.U.	76,80%	
			Prisa Radio, S.A.U.	1 acción	
			Sociedad Española de Radiodifusión, S.L.U.	75,72%	
			Prisa Radio, S.A.U.	1 acción	
			Prisa Media Chile, S.A.	99,86%	
			Compañías de Radio,S.A.	0,14%	
			Sociedad Española de Radiodifusión, S.L.U.	100%	
			Sociedad Española de Radiodifusión, S.L.U.	99,9986%	
			Caracol, S.A.	0,0014%	
			Prisa Media Chile, S.A	100%	
			Grupo Latino de Radiodifusión Chile, SpA	1 acción	
			Grupo Latino de Radiodifusión Chile SpA.	99,9996%	
			Prisa Media Chile, S.A.	0,0004%	
			Sociedad Española de Radiodifusión, S.L.U.	75,64%	
			Caracol, S.A.	0,01%	

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

(**) Consolidated data

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2023	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
Multimedios GLP Chile SPA	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Chile	Operation of media and communication services	Prisa Media Chile, S.A.	100%	
Promotora de Publicidad Radial, S.A.S	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.U. Prisa Radio, S.A.U.	77.04% 2 acciones	
Radio Reloj, S.A.S (Antes Q'Hubo Radio, SAS)	CL 57 No 17 - 48 Bogotá, Colombia	Operation of the business of broadcasting and advertising	Caracol, S.A.	100.00%	
Sociedad Radiodifusora del Norte, SpA. Societat de Comunicacio i Publicitat, S.L.	Eliodoro Yáñez. N° 1783. Comuna Providencia Santiago. Parc. de la Mola, 10 Torre Caldea, 6º Escalde. Engordany. Andorra	Operation of radio broadcasting stations Operation of radio broadcasting stations	Prisa Media Chile, S.A. Sociedad Española de Radiodifusión, S.L.U. Unión Radio del Pirineu, S.A.	100% 99.00% 1.00%	
<u>Equity Method</u>					
Cadena Radiodifusora Mexicana, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	Sistema Radiópolis, S.A. de C.V. Cadena Radiópolis, S.A. de C.V.	100% 353 acciones	
Cadena Radiópolis, S.A. de C.V.	Calzada de Tlalpan número 3000, Colonia Espartaco, Delegación Coyoacán, Código Postal 04870, Ciudad de México.	Providing all kinds of public telecommunications and broadcasting services	Sistema Radiópolis, S.A. de C.V. Cadena Radiodifusora Mexicana, S.A. de C.V.	99.90% 0.10%	
Caja Radiópolis, S.C	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Business management services	Servicios Radiópolis, S.A. de C.V. Radio Comerciales, S.A. de C.V. Xezz, S.A. de C.V.	67.00% 31.00% 2.00%	
Fondo Radiópolis, S.C.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Business management services	Servicios Radiópolis, S.A. de C.V. Radio Comerciales, S.A. de C.V. Xezz, S.A. de C.V.	67.00% 31.00% 2.00%	
Promotora Radial del Llano, LTDA	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial broadcasting services	Caracol, S.A. Promotora de Publicidad Radial, S.A.S	25.00% 25.00%	
Radio Comerciales, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. México	Exploitation of broadcasting stations	Sistema Radiópolis, S.A. de C.V. Cadena Radiópolis, S.A. de C.V.	99.97% 0.03%	
Radio Melodía, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. México	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V. Cadena Radiópolis, S.A. de CV	99.00% 1.00%	
Radio Tapatía, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. México	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V. Cadena Radiópolis, S.A. de CV	99.00% 1.00%	
Radiotelevisora de Mexicali, S.A. de C.V.	Avenida Reforma 1270. Mexicali Baja California. México	Operation of radio broadcasting stations	Sistema Radiópolis, S.A. de C.V. Cadena Radiópolis, S.A. de C.V.	100% 11 acciones	
Servicios Radiópolis, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	Sistema Radiópolis, S.A. de C.V. Radio Comerciales, S.A. de C.V.	99.998% 0.002%	
Servicios Xezz, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	Xezz, S.A. de C.V. Radio Comerciales, S.A. de C.V.	99.998% 0.002%	
Sistema Radiópolis, S.A. de C.V. (**)	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	50.00%	
Unión Radio del Pirineu, S.A. Xezz, S.A. de C.V.	Carrer Prat del Creu, 32. Andorra Rubén Darío n° 158. Guadalajara. México	Operation of radio broadcasting stations Operation of radio broadcasting stations	Prisa Radio, S.A.U. Cadena Radiodifusora Mexicana, S.A. de C.V. Cadena Radiópolis, S.A. de C.V.	33.00% 99.00% 1.00%	
MEDIA - PRESS					
<u>Full Consolidation</u>					
As Chile SPA	Eliodoro Yáñez 1783, Providencia. Santiago. Chile	Publication and operation of As newspaper in Chile.	Diario As, S.L.	100%	
Diario AS Colombia, SAS	CI 98, n° 1871 OF401. Bogotá D.C.	Publication and operation of As newspaper in Colombia.	Diario As, S.L.	100%	
Diario As USA, Inc.	2100 Coral Way Suite 603. 33145 Miami, Florida	Publication and operation of As newspaper in USA.	Diario As, S.L.	100%	
Diario As, S.L.	Valentín Beato, 44. Madrid	Publication and operation of As newspaper.	Prisa Media, S.A.U.	75.00%	2/91
Diario Cinco Días, S.A	Miguel Yuste, 42. Madrid	Publication and operation of Cinco Días newspaper.	Prisa Media, S.A.U.	100%	2/91
Diario El País Argentina, S.A.	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Operation of El País newspaper in Argentina.	Diario El País, S.L. Diario El País México, S.A. de C.V.	95.65% 4.35%	

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

(**) Consolidated data

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2023

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2023	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
Diario El País México, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. México D.F. México	Operation of El País newspaper in Mexico.	Diario El País, S.L. Promotora de Informaciones, S.A.	98.39, 1.61%	
Diario El País, S.L.	Miguel Yuste, 40. Madrid	Publication and operation of El País newspaper.	Prisa Media, S.A.U	100%	2/91
Ediciones El País, S.L.	Miguel Yuste, 40. Madrid	Publication, operation and sale of El País newspaper.	Diario El País, S.L. Prisa Media, S.A.U	99.994, 0.006%	2/91
Espacio Digital Editorial, S.L.	Gran Vía, 32. Madrid	Edition and exploitation of Huffinton Post digital for Spain.	Prisa Media, S.A.U	100%	2/91
Factoría Prisa Noticias, S.L.	Valentín Beato, 44. Madrid	Administrative, technological and legal services and the distribution of written and digital media.	Prisa Media, S.A.U	100%	2/91
Noticias AS México S.A. de C.V.	Rio Lerma 196 BIS TORRE B 503, Ciudad de México DF	Publication and operation of As newspaper in Mexico.	Diario As, S.L. Prisa Media, S.A.U	99.00, 1.00%	
<u>Equity Method</u>					
Kioskoymás, Sociedad Gestora de la Plataforma Tecnológica, S.L.	Juan Ignacio Luca de Tena, 7. Madrid	Publication and operation of newspapers, magazines in digital format.	Prisa Media, S.A.U	50.00%	
Le Monde Libre	17, Place de la Madeleine. París	Holding of shares in publishing companies.	Prisa Media, S.A.U	20.00%	

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

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2023

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2023	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
<u>OTHERS</u>					
<i>Full Consolidation</i>					
Prisa Activos Educativos, S.A.U	Gran Vía, 32. Madrid	The realization of the activities inherent to the publishing business in its broadest sense and, in particular, editing marketing and distribution of all kinds of publications and the provision of editorial, education, leisure services and entertainment.	Promotora de Informaciones, S.A.	100%	2/91
Prisa Gestión Financiera, S.L.U.	Gran Vía, 32. Madrid	Management and exploitation of information and social communication media whatever their technical support. The action in the capital and monetary market.	Promotora de Informaciones, S.A.	100%	2/91
Prisa Participadas, S.L.	Gran Vía, 32. Madrid	Management and exploitation of audiovisual and printed mass media, participation in companies and businesses, and providing all kinds of services.	Promotora de Informaciones, S.A.	100%	2/91
Productora Extremeña de Televisión, S.A. (En liquidación)	Gran Vía, 32. Madrid	Local television services	Prisa Participadas, S.L.	70,00%	
Promotora de Actividades América 2010 - México, S.A. de C.V. U (En liquidación)	Avenida Paseo de la Reforma 300. Piso 9. Col. Juárez. 06600. México. D.F. México	Development, coordination and management of projects of all kinds, national and international, related to the commemoration of the bicentenary of the independence of the American Nations	Promotora de Actividades América 2010, S.L. Prisa Participadas, S.L.	99,998% 1 acción	
Promotora de Actividades América 2010, S.L. (En liquidación)	Gran Vía, 32. Madrid	Production and organization of activities and projects related to the commemoration of the bicentenary of the independence of the American Nations.	Promotora de Informaciones, S.A.	100%	2/91
Promotora de Actividades Audiovisuales de Colombia, Ltda.	Calle 80, 10 23 . Bogotá. Colombia	Production and distribution of audiovisual	Prisa Participadas, S.L. Promotora de Informaciones, S.A.	99,00% 1,00%	
Vertix, SGPS, S.A.	Rua Mario Castelhana, nº 40, Queluz de Baixo. Portugal	Holding of shares in companies.	Promotora de Informaciones, S.A.	100,00%	

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

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

APPENDIX II

INVESTEES	December 2023							
	TOTAL ASSETS	CURRENTS ASSETS	NON CURRENT ASSETS	CURRENT LIABILITIES	NON CURRENT LIABILITIES	EQUITY	OPERATING INCOME	NET PROFIT
<i>(Thousands of euros)</i>								
MEDIA								
Por Hache o por B la Serie, S.L.	470	470	0	135	0	335	1,169	(9)
Wemass Media Audience Safe Solutions, S.L.	7,438	7,305	133	6,844	0	594	28,124	202
MEDIA- RADIO								
Radio in Spain								
Radio Jaén, S.L.	766	380	386	424	0	342	944	(322)
International Radio								
Cadena Radiodifusora Mexicana, S.A. de C.V.	38,146	31,346	6,800	27,608	3,646	6,892	43,307	3,772
Cadena Radiópolis, S.A. de C.V.	5,954	2,011	3,943	122	126	5,706	525	(415)
Caja Radiópolis, S.C	193	193	0	194	0	(0)	0	(1)
Fondo Radiópolis, S.C.	(86)	(86)	0	(85)	0	(1)	0	(1)
Promotora Radial del Llano, LTDA	72	62	9	10	0	62	68	(3)
Radio Comerciales, S.A. de C.V.	2,742	141	2,601	577	687	1,478	375	12
Radio Melodía, S.A. de C.V.	1,535	669	866	235	537	763	1,163	(6)
Radio Tapatía, S.A. de C.V.	2,085	1,010	1,075	422	723	940	1,313	50
Radiotelevisora de Mexicali, S.A. de C.V.	1,874	1,436	438	1,315	274	285	720	2
Servicios Radiópolis, S.A. de C.V.	1,491	1,488	4	840	57	595	2,171	33
Servicios Xezz, S.A. de C.V.	210	210	0	59	0	151	0	(28)
Sistema Radiópolis, S.A. de C.V.	57,859	30,767	27,092	17,547	3,955	36,358	44,361	6,773
Unión Radio del Pirineu, S.A.	338	324	15	117	0	221	336	(11)
Xezz, S.A. de C.V.	369	167	202	116	97	156	332	20
MEDIA- PRESS								
Kioskoymás, Sociedad Gestora de la Plataforma Tecnológica, S.L.	1,247	1,236	11	962	0	285	1,298	522
Le Monde Libre (1)	152,523	7	152,516	189,150	0	(36,627)	0	(8,607)

(1) Figures as of 12/31/2022

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

Consolidated Directors' Report for 2023

1. BUSINESS PERFORMANCE

The Group's businesses have continued to move forward with its strategic roadmap presented at Capital Markets Day in March 2022, focusing on digital transformation, the acceleration of subscription models and the development of new digital formats, within a framework of continuous efficiency improvement plans.

By the end of 2023, the Education business reached 2.8 million subscriptions in its education systems. In the Media business, there was an average of 209 million unique browsers per month, along with a monthly average of 51 million audio content downloads and 88 million total listening hours. El País exceeded 350,000 subscribers in total.

PRISA's social mission has remained a cornerstone of its roadmap, as a business group focused on two essential sectors: Education and Media. Reliable and accurate information and access to better education play a more significant role than ever before. The Group always gives top priority to the continuity, with the best possible performance, of its activities, reaffirming its social commitment. In support of Spanish and Latin American society, PRISA remains committed to guaranteeing access to: comprehensive, accurate and truthful information; quality entertainment; and, of course, a wide range of educational services.

In 2023, the economic environment has remained uncertain, adverse and complex: both interest rates and inflation moderated, although levels remained high, worsening the global growth outlook. Against this backdrop, the summary of the Group's results, compared to the 2022 results, is as follows:

- Operating income amounted to EUR 947.4 million (+11.4% vs 2022; +11.4% in local currency). Santillana's business has shown a significant improvement, thanks to the increase in the private business driven by the expansion of subscription models based on educational systems and improved sales of traditional educational material, including the completion of an extraordinary institutional sale in Argentina (for primary and secondary school). Santillana's public business has also grown compared to 2022 as higher sales in Brazil and the Dominican Republic offset lower public sales in Mexico (Conaliteg). The Media business has shown an improvement in advertising revenues in radio and press, both digital and offline, and growth in El País' digital pay-per-subscription model and Lacoproductora's audiovisual productions.
- Operating expenses (excluding depreciation and amortisation charge, goodwill impairment and impairment and losses on fixed assets) amounted to EUR 766.3 million (+7.5% vs 2022; +7.9% in local currency). The growth in expenses is primarily due to higher variable expenses (in line with the increase in income), the impact of inflation and pressure on costs due to increases in CPIs, regulatory frameworks and agreement negotiations that have had an impact on personnel expenses. The efficiency measures that the Group continues to implement have partly mitigated the increase in expenses and have allowed margins to rise.
- EBITDA increased significantly compared to 2022, reaching EUR 181.1 million (+31.6% vs 2022; +29.6% in local currency). Excluding severance payments, EBITDA grew by 29.0% year-on-year (+27.2% in local currency). The Group uses EBITDA as a benchmark, among others, 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 2023 and 2022 (in millions of euros):

	12.31.2023			
	Education	Media	Others	PRISA Group
PROFIT FROM OPERATIONS	88.1	25.5	(4.8)	108.8
Depreciations and amortisation charge	44.8	24.9	0.6	70.3
Impairment of goodwill	0.0	0.2	0.0	0.2
Impairment of assets	1.9	(0.1)	0.0	1.8
EBITDA	134.8	50.5	(4.2)	181.1

	12.31.2022			
	Education	Media	Others	PRISA Group
PROFIT FROM OPERATIONS	51.1	20.3	(8.0)	63.4
Depreciations and amortisation charge	43.4	26.1	1.5	71.0
Impairment of goodwill	0.0	0.0	0.0	0.0
Impairment of assets	1.9	1.4	(0.1)	3.2
EBITDA	96.4	47.8	(6.6)	137.6

Exchange rates have had a minor impact on the progress of the Group's results in 2023, mainly because the appreciation of the Mexican peso and the Brazilian real has been offset by the depreciation of the Colombian peso and the accounting effect of hyperinflation in Argentina: EUR -0.1 million in income and EUR +2.7 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 2023 and 2022 (in millions of euros):

	2023	Exchange rate effect	2023 excluding exchange rate effect	2022	Var. excluding Exchange rate effect	Var. (%) excluding exchange rate effect
Education						
Operating income	515.2	0.8	514.4	447.4	67.0	15.0
EBITDA	134.8	1.4	133.4	96.4	37.0	38.4
Media						
Operating income	431.6	(0.9)	432.5	403.8	28.7	7.1
EBITDA	50.5	1.3	49.2	47.8	1.4	2.9
PRISA Group						
Operating income	947.4	(0.1)	947.5	850.2	97.3	11.4
EBITDA	181.1	2.7	178.4	137.6	40.8	29.6

The Education business has continued to develop with a focus on market transformation and the expansion of subscription models based on education systems. In 2023, the number of subscriptions has grown by +7% to 2,809 thousand subscriptions and the private sale of systems has also grown compared to 2022 in the same line (+9.8%). Private educational sales have also grown compared to 2022 (+4.3%), mainly due to the extraordinary institutional sale in Argentina. Public sales have increased significantly compared to 2022 (+34.9%) thanks mainly to growth in Brazil. Furthermore, the improvement in the Dominican Republic is of particular relevance. These improvements offset the lower public sales in Mexico (Conaliteg).

- Operating revenues reached EUR 515.2 million in 2023, with an increase of +15.2% compared to 2022 (+15.0% in local currency terms). This growth is due to both the growth of private sales (+7.7%, due to the expansion of education systems and the extraordinary institutional sale in Argentina (for primary and secondary schools)) and the growth of public sales (+34.9% thanks to the fact that the growth in Brazil and the Dominican Republic offset the lower public sales in Mexico (Conaliteg)).
- Turning to operating expenses (excluding depreciation and amortisation charges, goodwill impairment and impairment and losses on fixed assets), these amounted to EUR 380.4 million in 2023, up from 2022 (+8.4% in euros, and +8.6% in local currency). The increase is mainly due to the increase in variable expenses (in line with the increase in income), in addition to the impact of inflation and the appreciation of Latin American currencies. The implementation of efficiency measures partly offsets the increase in costs.
- EBITDA amounted to EUR 134.8 million in 2023, up +39.9% compared to 2022 (+38.4% in local currency).
- The impact of exchange rates in 2023 compared to 2022 is not very significant: EUR +0.8 million in operating income and EUR +1.4 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. 2023 saw a monthly average of 51 million audio downloads (an increase of 13%), while hours of streaming listening (TLH) stood at 88 million (up by 10%). In addition, Prisa Media reached a monthly average of 209 million unique browsers. Furthermore, the pay-per-subscription business of El País reached 315,000

digital-only subscribers at the end of December 2023. In terms of revenues, the 2023 financial year has shown growth, driven mainly by advertising growth (print and radio in Spain and Chile) and the development of the El País subscription model. Notice should also be made of the diversification of digital income (agreements with platforms for innovative projects) and the increase in Lacoproductora's income, which generates audiovisual production income and drives the growth of other income (in the scope of consolidation throughout 2023, compared to 2022 when it was incorporated in the second quarter).

- Operating revenue stood at EUR 431.6 million in 2023, up by 6.9%, mainly due to increase in advertising revenue, which rose by 5%. Growth is also explained by El País' digital subscription model, which has grown +28% in revenue, by digital revenue and the incorporation of Lacoproductora's activity throughout 2023 (compared to 2022 when it was incorporated into the consolidation scope in the second trimester).
- Turning to operating expenses (excluding depreciation and amortisation charges, goodwill impairment and impairment and losses on fixed assets), these stood at EUR 381.0 million in 2023, up by 7.0% against 2022 (+7.1% disregarding severance payments). Efficiency measures partially offset the increase in variable expenses (in line with the increase in income), the impact of inflation and pressure on costs due to increases in CPIs, regulatory frameworks and agreement negotiations that have had an impact on personnel expenses.
- EBITDA was EUR 50.5 million in 2023 compared to EUR 47.8 million in 2022, an improvement of 5.7%, thanks to the recovery of the advertising market. Excluding severance payments, EBITDA reached EUR 54.7 million, an increase of +5.1% compared to 2022.

The Group's net bank debt decreased by EUR 89.4 million during 2023 and amounted to EUR 767.0 million at December 31, 2023, due to the cash inflow derived from the issuance of bonds mandatorily convertible (net of transaction costs) amounting to EUR 127.5 million, offset by the Group's cash needs during the year, which includes the last payment of the acquisition, in April 2022, of 20% stake of Prisa Radio, for EUR 15 million. 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) and the convertible notes coupon liability 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, 2023 and at December 31, 2022:

	Million of euros	
	12/31/23	12/31/22
Non-current bank borrowings	885.4	980.8
Current bank borrowings	37.6	30.8
Present value/refinancing costs	23.8	35.8
Convertible notes coupon liability	1.0	-
Current financial assets	(4.2)	(1.5)
Cash and cash equivalents	(176.6)	(189.5)
NET BANK DEBT	767.0	856.4

The Group has taken steps to maximize its liquidity, with an available cash at the end of December 31, 2023 amounting to EUR 166.6 million and with available and undrawn credit facilities and other lines of credit for an amount of EUR 19.1 million.

2. FORESEEABLE DEVELOPMENT: BUSINESS DEVELOPMENT PROSPECTS: KEY FACTORS AND TRENDS

The Group's outlook is to continue with its strategic roadmap, with a priority focus on generating added value through digital transformation and the commitment to subscription models, in order to maximise the results of its businesses in the future, strengthen the balance sheet structure, generate cash flow and reduce debt.

Recent years have been marked by a general climate of almost constant volatility, uncertainty, complexity and ambiguity. This makes it difficult to predict future business performance, especially in the medium and long term.

According to the most recent edition of the World Bank's "Global Economic Prospects" report (January 2024), global growth is slowing down due to the tight monetary policy environment and financial conditions, as well as a low level of global trade and investment. Risks to the baseline macroeconomic projections include an escalation of the recent conflict in the Middle East, financial tensions, further persistence of inflation, fragmentation of global trade and climate-related disasters. Global growth is expected to slow from 2.6% in 2023 to 2.4% in 2024. In all emerging markets and developing economies, appropriate macroeconomic and structural policies, and well-functioning institutions, will play a key role in helping to boost investment and long-term prospects.

In general, in the Group, both the Education and Media businesses are influenced by the macroeconomic environment, and variables such as GDP, inflation, exchange rate developments and interest rates affect the performance of both businesses in terms of revenues, expenses and cash generation. However, the Education business is more resilient and less linked to the economic cycle of the countries in which it operates than the Media business.

In addition to macroeconomic developments, the Media business is particularly affected by the performance of the advertising market in Spain and Latin America, which in turn is impacted by how the economy is progressing in these areas.

On the macroeconomic front, according to IMF projections for 2024 (October 2023 data), the GDP growth rate of advanced economies will be +1.4% (up from 1.5% in 2023). For Spain, the IMF expects growth of +1.7% (2.5% in 2023); although the Bank of Spain, in its latest forecasts released in December, has revised down the growth forecast for 2024 to 1.6%. Meanwhile, the main countries in which PRISA is present in Latin America will experience the following growth according to IMF projections: Brazil will grow by +1.5% (+3.1% in 2023), Mexico by +2.1% (+3.2% in 2023), Colombia by +2.0% (+1.4% in 2023), Peru by +2.7% (+1.1% in 2023), Argentina by +2.8% (-2.5% in 2023) and Chile by +1.6% (-0.5% in 2023). For Latin America as a whole, growth is estimated at +2.3% in 2024, in line with 2023.

In line with the development of economic indicators in Latin America, the Group's results are also affected by exchange rate volatility. In 2023, however, the exchange rate effect has not had a relevant impact since the appreciation of the Mexican peso and the Brazilian real has been offset by the depreciation of the Colombian peso and the accounting effect of hyperinflation in Argentina.

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: cost containment (allowing for the absorption of inflation increases), 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. 34.3% of the Group's operating income in 2023 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, after the drastic drop in advertising investment in 2020 due to the COVID-19 pandemic, the advertising market has partly recovered thanks to growth in 2021 and 2022 (although 2022 was somewhat affected by the macroeconomic consequences of the war in Ukraine). In 2023, the advertising market in general has continued to grow year-on-year. The Group's advertising grew by +5.0% in 2023 compared to the previous year.

According to the latest i2P report for December 2023, the total advertising market in Spain has grown by +3.3% in 2023, and the market in which PRISA's media are present has grown by +0.9%. The Group's advertising revenue in Spain has grown by +3.7% (gross advertising) in 2023 compared to 2022, which represents an increase in market share. By 2024, i2P (December 2023 report) expects the market to grow by +4.9%, while the market in which PRISA media are present is expected to grow by +3.3%. PRISA Media expects to improve its share of the advertising market in Spain in 2024 in the markets where it is present thanks to the leadership of its brands.

In Latin America, the advertising market also recovered throughout 2021 and 2022 from the impact of the pandemic. In 2023, the advertising market has performed as follows: -0.1% in Colombia (according to Asomédios, December 2023) and +2% in Chile (according to the Asociación de Agencias de Medios, December 2023). Meanwhile, PRISA has grown in 2023 by 0.4% in Colombia above the market, while in Chile it has grown by +12% compared to 2022, increasing its market share (gross advertising data, in local currency). By 2024, according to reports from Asomédios in Colombia and the Asociación de Agencias de Medios in Chile, advertising is expected to grow by +6% and decrease by -2% respectively. PRISA Media plans to improve its advertising market share in both countries.

According to the strategic roadmap on which the Group has been working, Media businesses will continue to develop and reduce their dependence on the performance of the offline advertising market and traditional formats. It will place more and more focus not only on the traditional advertiser, but also on the consumer of content and new digital formats. It is worth mentioning the commitment to digital transformation and the development of subscription models. Significant events such as the launch of the digital subscription payment model of El País, which has reached 315,000 digital-only subscribers, or the development of the value proposition around the concepts of "audio" and "video", highlight the importance of this trend.

In addition, PRISA has the Education business, not so dependent on the economic cycle, which in 2023 represented 54.4% of the Group's operating income. Although the Education business is generally more resilient to the economic cycle, the COVID-19 pandemic had a negative impact, especially on the trends of sales campaigns of traditional educational material. However, the pandemic was also an opportunity to accelerate the digital transformation towards subscription models through the increased use of online platforms for education,

which has been driven precisely during this time when a face-to-face delivery model was not possible.

In 2022, the reopening of schools allowed for a more efficient commercial campaign with increasing demand for digital models, which has led to a recovery in Santillana's revenues. Subscription models (educational systems), based on a hybrid teaching methodology (online and offline, classroom and distance, paper and digital, school and home, etc.), have continued to grow in 2023, confirming the importance of the transformation strategy at Santillana. However, the pace of growth in subscription models has moderated and the trend expected in the future is that the transformation of schools from traditional teaching models to digital models will continue, but in a more moderate, albeit gradual fashion.

In any of the development scenarios, the strategic roadmap for the Education business will focus on maintaining its leadership position and maximising growth leveraged on subscription models, with a commitment to these increasingly hybrid formats and methodologies, with a growing weight of the digital component.

An important part of the Group's strategy and its business is based on digital development: from continuously developing the value proposition (increasingly digital) to business models more focused on monetisation in the digital sphere (subscription models and new formats), to, for example, the implementation of technological platforms adapted to the reality of the businesses, the development of management and use of user data, or the promotion of opportunities derived from advances around artificial intelligence.

The Group's digital audiences continue to show relevant figures. In 2023, PRISA Media reached a monthly average of 211 million unique browsers, 10 million registered users (+34% compared to 2022) and 51 million audio downloads (+13% compared to 2022), in addition to the 315 thousand digital subscribers to El País. Meanwhile, Santillana's digital educational ecosystem continues to expand by evolving and enriching its offer and adapting to the return of face-to-face teaching in the classroom, as well as maintaining levels of use of the educational platform that are higher than before the pandemic. The pandemic has contributed to increased use of technologies for information consumption, education or entertainment, leading to the growth of the Group's digital audiences.

The Group's strategy for the coming years will also continue to be committed to digital development in two of its business units, Media and Education.

3. MAIN RISKS ASSOCIATED TO THE BUSINESS

The businesses of Group subsidiaries and, therefore, their operation and earnings are subject to risks that may be grouped into the following categories:

- Risks relating to the financial and equity situation.
- Strategic and operational risks.
- ESG risks.
- Criminal compliance risks.
- Reputational risks.

In the Corporate Governance Report (*see Section E of that report*) are detailed specific actions and bodies used to identify, value and manage these risks.

3.1. Risks relating to the financial and equity situation.

1. *Financing risk due to the high level of debt of PRISA, that significantly limits their financial capacity.*

The Group's financial obligations are set out in note 11.b) "*Financial liabilities*" in the attached consolidated notes of the year 2023.

As of December 31, 2023, the Group's net bank debt level stood at EUR 767.0 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.

On April 19, 2022, the 2022 Refinancing came into force, once the agreements reached with all of its creditors were made public. Note 11b "*Financial liabilities*" of PRISA's consolidated notes describes the main characteristics of the aforementioned Refinancing, as well as the partial and early amortization of the debt of the Junior tranche carried out in February 2023 for an amount of 110 million euros, with the funds obtained from the issuance of the bond that is mandatory convertible into shares, which reduces the Group's leverage level.

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 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 was 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 globalization of the markets and the global impact that recent events have on macroeconomic variables.

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, depending on the interest settlement period chosen by the Group for each refinancing contract.

On December 31, 2023 96.32% 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 had 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 was contracted, in this case, on a nominal of EUR 150 million and a cap of 2.5% (three-month Euribor) and in March 2023, on a nominal amount of EUR 100 million limiting three months Euribor increases above 3% and up to a maximum of 5%. 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. In this regard, during 2023, 27.7% of revenues of the Company came from the distribution of dividends of its subsidiaries (46.2% in 2022).

An adverse development of the PRISA Group's business for any reason could have a negative impact on the dividend income received by the Company. In addition, a significant part of the Group's companies is located in Latin America and therefore the aforementioned dividends are subject, inter alia, to exchange rate risk and devaluation of the foreign currencies of the countries in which the Group operates. Furthermore, the Refinancing has entailed a reorganisation of the debt in terms of borrowers, which has meant that the entire financial expense associated with the refinanced debt is now recorded in the Company. In this respect, the interest rate of this debt is benchmarked to a variable interest rate, Euribor. There is also a risk that PRISA, as the parent company of a group of subsidiaries, may record possible impairment losses on the carrying amount of its investments when the value in use of the investments is lower than their carrying amount.

In this regard, like what happened in 2023 and 2022, in which PRISA had losses (as a separate Company) amounting to 85,725 and EUR 90,956 thousand respectively, 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 additional 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 100,827 thousand at December 31, 2023), a new situation of equity imbalance could arise, in accordance with the provisions of the Capital Companies Act. On December 31, 2023 the net equity of PRISA (as a sole company) amounts to EUR 323 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 428,150 thousand as at December 31, 2023.

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. On December 31, 2023, 63.1% 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 and the geopolitical tensions 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. On December 31, 2023 advertising revenues represent 34.3% 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, 2023. Likewise, the rest of subsidiaries of the Group have at December 31, 2023 undrawn credit facilities and other credit lines amounting to EUR 19.1 million (*see note 11.b) of the consolidated notes*). In addition, as of December 31, 2023, the Group had a cash available of EUR 166.6 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, 2023 the group had recognised in its consolidated balance sheet intangible assets amounting to EUR 104 million (10.7% of total assets), goodwill amounting to EUR 118 million (12.1% of total assets) and deferred tax assets of EUR 58 million (6.0% 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 2023 63.1% 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 36.9% of the Group's operating revenues for 2023.

Any adverse change affecting the Spanish and Latin American economy (such as the tensions and military developments around Ukraine, as well as in the Middle East (particularly the conflict between Israel and Hamas), the tensions of recent years, mainly commercial, 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.*

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 new market disruptions, instability and volatility, further disturbing delays in global supply chains, which has translated into a tendency towards moderation to a greater or lesser extent (even negative) in the growth of economies (GDP) and an increase in inflation.

Although the Group has no direct exposure to Russia, the tensions surrounding the Russia-Ukraine conflict could adversely affect the Group (mainly the advertising revenues). Factors such as inflation, the volatility of energy prices, the increase in the cost of raw materials and other industrial costs and the extension of delivery times by suppliers or the limited supply of goods due to lack of inventories (stock), have the effect of worsening the general economic situation and consumption in particular, which could have a negative impact on the PRISA Group. Therefore, the aforementioned conflict and its macroeconomic impacts, which will depend on future and uncertain events, including their intensity and persistence over time, could adversely impact key indicators for the Group. 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. During 2023 advertising revenues from the Group's Media division accounted for 34.3% 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 and its cash's generation capacity.

13. Risk related to Group's dependence on IT systems (cybersecurity).

The businesses in which the Group operates are heavily reliant on information technology ("IT") both in terms of "back office" (systems that businesses use to operate their businesses: Enterprise Resource Planning (ERP), content management, advertising, broadcasting, etc.), as

well as in the front office and the solutions that the Group's businesses offer the market as part of their value proposition: from the websites and apps of digital properties in the area of Media, to the technological platform and educational systems in the area of Education.

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

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

14. Risk for the proliferation of sectoral regulation.

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

In particular, the Group's radio business is subject to the obligation to hold concessions or licences depending on the country in which the Group operates to undertake this activity. These concessions and licences are obtained directly by the Group or through third parties by entering into licence lease agreements. There is therefore a risk that existing licences may not be renewed due to various factors (some of which may be beyond the Group's control), that they may be modified or revoked, as well as that upon termination of existing licence leases the relevant third parties may not wish to renew them with the Group or may renew them on less favourable terms.

In addition, the Group's Education business is subject to the education policies approved by the governments of the countries in which operates. In this respect, the Education business could be affected by legislative changes arising, for example, from the succession of governments, changes in contracting procedures with public administrations or the need to obtain prior administrative authorisations regarding its content. Curricular changes require the Group to modify its educational content, which in turn requires additional investments, and there is a risk that the return on these investments may be lower than expected.

15. Regulation risk to extensive antitrust and merger control regulations.

PRISA businesses are subject to many regulations in terms of fair competition, control of economic mergers or anti-monopolistic legislation at a global or local level.

In this regard, the Group is exposed to the risk of potential non-compliance with applicable antitrust or merger control regulations, which in turn exposes the Group to the risk that the competition authorities and agencies of the countries in which the Group operates may initiate disciplinary proceedings against the Group. This could eventually lead to the imposition of economic sanctions on the Group and damage its reputation in the markets in which it operates.

16. *Litigations and third parties claim risks.*

PRISA Group companies are exposed to claims from third parties, as well as to administrative, judicial and arbitration proceedings arising as a result of undertaking their activities and business, the scope, content or outcome of which cannot be predicted. Moreover, when running its activities and businesses, the Group is exposed to potential liabilities and claims in the area of employment relations. PRISA is also exposed to liability for the content in its publications and programmes.

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

17. *Intellectual property risk.*

The Group's businesses largely depend on the intellectual and industrial property rights over, among other items, brands, literary content or technology wholly developed by the Group. Brands and other intellectual and industrial property rights comprise one of the pillars of success and maintenance of the Group's competitive advantage. However, there is a risk that third parties, without the Company's authorisation, may attempt to copy or otherwise obtain and misuse content, services or technology developed by the Group.

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

18. *Risk related to the increase in royalties for the use of third party intellectual property rights.*

In order to use third-party intellectual property rights, the Group has non-exclusive paid-for permission from management companies servicing the owners of these rights.

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

19. *Data protection risk.*

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

The growing digital activity of the Group's businesses entails a particular risk related to the IT management of personal data, which could result in security breaches of varying scope and severity occurring.

Failure to comply could result in reputational damage to the Group and the payment of significant fines. In addition, any disclosure of such personal information by unauthorised third parties or employees could affect the Group's reputation, limit its ability to attract and retain

consumers or expose it to claims for damages suffered by individuals to whom the personal information relates.

3.3. ESG risks

See section 5 of the Consolidated Directors' Report of 2023.

3.4. Criminal compliance risks

See section 5 of the Consolidated Directors' Report of 2023.

3.5. Reputational risks

See section 5 of the Consolidated Directors' Report of 2023.

4. CORPORATE GOVERNANCE

In compliance with commercial law, the Annual Corporate Governance Report (ACGR), which details all corporate governance aspects at PRISA, forms part of this management report, and was authorized for issue by the Board of Directors. The ACGR is available at www.prisa.com.

The Annual General Meeting and Board of Directors are the Company's most senior governance bodies, and their operation and decision-making process are described in detail in the ACGR.

Without prejudice to the above, some of the key aspects of PRISA's corporate governance are set forth below, as well as the important changes that have occurred during the 2023 financial year:

i. Board of Directors and Board Committees:

- During the first half of the year, resigned the proprietary director Mr. Khalid bin Thani bin Abdullah Al Thani as well as independent directors Ms. María Teresa Ballester and Mr. Rosauro Varo.
- In February 2023, and to fill the vacancy on the Board following the resignation of Mr. Al Thani, Ms. Pilar Gil Miguel (CFO of Grupo PRISA) was appointed director, with the category of executive, by cooptation.
- At the Ordinary Shareholders' Meeting held in June 27, 2023, the following agreements were adopted: (i) increase the number of directors from 14 to 15 (ii) Re-election of the proprietary directors Mr. Joseph Oughourlian and Mr. Manuel Polanco and re-election of the independent director Mrs. Béatrice de Clermont-Tonnerre, (iii) ratify the appointment by co-optation of Ms. Gil (who was also re-elected as a director for a new 3-year term), (iv) appointment of Mr. Fernando Carrillo Flórez and Mrs. Isabel Sánchez García as independent directors and (v) appointment of Mr. Miguel Barroso Ayats as proprietary director. Since March 2021, Mr. Barroso was the natural person representing the director Amber Capital UK, LLP on the Board of Directors of PRISA but, being a legal entity, could not be re-elected as a director in accordance with current law.

- At the meeting of the Board of Directors held on June 27, following the Shareholders' Meeting, Ms. Margarita Garijo-Bettencour was appointed director, by cooptation, with the category of independent director to fill the vacancy of Mr. Rosauro Varo (who had resigned after the call of the General Meeting).

Likewise, at the aforementioned meeting of the Board of Directors, it was agreed to appoint the independent director Mr. Fernando Carrillo as First Vice-Chairman of the Board of Directors and as Coordinating Director, as well as to appoint the executive director Ms. Pilar Gil as Second Vice-Chairwoman of the Board of Directors.

Thus, at the end of 2023, PRISA's Board of Directors had 15 members (3 Executive Directors, 5 proprietary directors and 7 independent directors), with different academic profiles and respectable track records (profiles and bios available at: www.prisa.com).

The Board of Directors has a non-executive chairman, a non-executive first vice president (who is also the coordinating director) and an executive second vicepresident. 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

The Senior Management is made up of the following executives: PRISA CFO (who also is executive director of PRISA); Executive Chairmen of Santillana and PRISA Media (who are, in turn, executive directors of PRISA); Secretary of PRISA Board of Directors; Head of Corporate and Institutional Relations, Head of Communication, Chief Sustainability Officer, Head of People and Talent and Head of Internal Audit.

The only change in this group during 2023 was the replacement of Ms. Cristina Zoilo by Ms. Ana Ortas as Head of Communication.

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.).

Grupo PRISA's activities are grouped into two main business areas: Education (Santillana) and Media (Radio and News). In addition to the aforementioned business units, Grupo PRISA has a Corporate Center (PRISA) that defines the Group's strategy and ensures the alignment of its businesses with this corporate strategy.

Two of the executive directors (Mr. Francisco Cuadrado and Mr. Carlos Nuñez) are, respectively, the heads and Executive Chairmen of the Group's two businesses (Santillana and

PRISA Media) and are responsible for overseeing the management of those businesses and leading senior managers within the scope of the business units with whose management they have been entrusted. Ms. Pilar Gil (also an executive director) is the Group's Chief Financial Officer. Her position is located at the PRISA Corporate Center and she is responsible, hierarchically and functionally, for several areas of great strategic importance for the Company. The Board of Directors of PRISA has a Delegated Committee which has been granted all the powers and competencies of the Board that can be delegated, in accordance with the Law and with the limitations established in the Regulations of the Board of Directors.

Senior managers are appointed by the Board and they report directly to the Board.

Each of the commissions of the Board (Delegated Committee, Audit, Risk and Compliance Committee; Nominations, Compensation and Corporate Governance Committee and Sustainability Commission) has functions in their respective areas. The composition and functions of these committees are described in the ACGR.

5. NON-FINANCIAL INFORMATION STATEMENT

Non-financial information statement 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 and www.prisa.es.

6. RESEARCH, DEVELOPMENT AND INNOVATION ACTIVITIES

The Group does not directly conduct specific research and development activities. Nevertheless, it 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 a world where education is rapidly evolving towards more flexible and accessible formats, **Santillana's** platforms continue to be leaders in facilitating teaching and learning.

With tools such as e-stela and RLP (Richmond Learning Platform), which simplify collaboration, communication and effective learning in all subjects; Pleno, which provides detailed assessments of student progress; and EDI (Integrated Digital Ecosystem), where all school services are integrated into a single environment, the company remains at the forefront of online and hybrid education.

In 2023, these solutions surpassed 153 million sessions and 3.3 million active users, expanding EDI's reach to new markets in Latin America (Colombia, Guatemala, Chile, Honduras and El Salvador), as well as consolidating its presence in Brazil and Mexico.

At the same time, the company continues to focus on innovation, with the launch of new educational solutions for performance-based learning analytics and socio-emotional components such as UNOintelligence and iM-PROVE.

In line with its commitment to the security of its digital platforms and services, in 2023 Santillana implemented interoperability standards, such as OneRoster, and evolved its identity provider Santillana Connect to version 2.0, which incorporates the latest authentication standards (OpenID Connect) bringing greater robustness to the digital ecosystem.

In addition, its platforms have an availability of over 99.9%, resulting in a secure and reliable digital offer for schools, pupils and families.

In this way, Santillana continues on its path to empower teachers, students and families, offering a digital ecosystem that not only responds to the current needs of education, but also anticipates the challenges of the future.

Media:

In **Media**, work continued along the lines set out in the 2021-2024 Technology Master Plan, with key milestones for the modernisation and replacement of legacy systems with modern alternatives based on Cloud and Edge technologies. This paves the way to ensure competitiveness in both Radio and News in the medium term and to face market uncertainties from a position of technological strength.

During 2023, a number of projects were launched with technology partners:

- "Next Level audio and video Experience" project. An Audio/Video project aimed at providing users of PRISA brands with a wide catalogue of podcasts, video posts and high-quality video content in a unified experience.
- "Drive & Listen" project. Audio Project that aims to offer online drivers an audio experience that is relevant and safe to use: a framework for Android Automotive Applications (AAOS) equipped with tools capable of delivering relevant content to each user on the home screen, reducing search and navigation and minimising distractions. The content offer will change depending on whether the car is parked, stationary or moving.
- "Reimagining the user experience" Data project. It will enable PRISA to become a user experience-centric group by blending editorial vision with an AI and data-driven approach and an agile operating model. Growing through existing core pillars: Advertising, User insight (data) and Digital paid subscriptions.
- "Audio Fact Checking" project. Audio project aimed at generating an audio verification platform for PRISA Media America to verify the integrity of the information generated in audio in the region. The objective of this project is to enhance the credibility of PRISA Media's journalistic brands in Colombia, Chile, and Mexico and establish trust among listeners of radio and audio information.

7. LIQUIDITY AND CAPITAL RESOURCES

7.1. Financing

Note 11b "*Financial Liabilities*" to the PRISA's consolidated financial statements 2023 provides a description of the use of financial instruments by the Group.

7.2. Contractual commitments

Note 23 "*Future Commitments*" to the PRISA's consolidated financial statements provide information on firm commitments giving rise to future cash outflows and associated with purchases and services received.

7.3. Liquidity

Note 9c "*Current assets and liabilities*" to the PRISA's consolidated financial statements of 2023 details the cash and other cash equivalents held by the Group at the end of the year.

7.4. Dividends policy

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

8. TREASURY SHARES

PRISA has performed, and may consider performing, transactions with treasury shares. These transactions will always be for legitimate purposes, including:

- Undertaking treasury share acquisitions approved by the Board of Directors or pursuant to General Shareholders' Meeting resolutions.
- Covering requirements for shares to allocate to employees and management.

The operations of treasury shares, don't realize on the basis of privilege information, nor respond to an intervention purpose in the free process of price formation.

At December 31, 2023, Promotora de Informaciones, S.A. held a total of 4,997,108 treasury shares, representing 0.496% of its share capital.

Treasury shares are valued at market price at December 31, 2023 (0.29 euros per share). The market value of the treasury shares at December 31, 2023 amounts to EUR 1,449 thousand.

At December 31, 2023, the Company did not hold any shares on loan (*see note 10g "Treasury share"* to the PRISA's consolidated financial statements 2023).

9. SHARE PERFORMANCE

Description of PRISA's shareholder structure.

PRISA's share capital on December 31, 2023 consisted of EUR 100,827 thousand and was represented by 1,008,271,193 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 2022, PRISA's share capital amounted to EUR 74,065 thousand and was represented by 740,650,193 ordinary shares, all of the same class and series, with a par value of EUR 0.10 each. During fiscal year 2023, share capital has been increased by a total amount of 267.6 million ordinary shares with a par value of EUR 0.10 each which corresponds to the conversion of 267,621 convertible notes into new shares (*see note 10 to the PRISA's consolidated financial statements 2023*).

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 2023, the most representative shareholders in the share capital of the company are Mr. Joseph Oughourlian (through Amber Capital UK LLP), Vivendi, Global Alconaba, Rucandio, Control Empresarial de Capitales, Shk. Dr. Khalid Bin Thani Bin Abdullah Al-Thani (through International Media Group), Mr. Roberto Alcántara Rojas (through Consorcio Transportista Occher SA) and Banco Santander. The company's free float is around 23%.

Share price performance

PRISA's ordinary share price in 2022 ended at EUR 0.281 (December 30, 2022) and in 2023 closed at EUR 0.290 per share (December 29, 2023), which means a revaluation of 3.20% over the year.

PRISA's share performance in 2023 has been held quite flat, nevertheless still impacted by the global macroeconomic situation, conditioned by the armed conflicts in Ukraine and Middle East.

During fiscal year 2023, the Company's Directors have continued focusing their efforts on the reinforcement of the Group's financial and equity structure. For this purpose, in February 2023 the Group completed the issue of EUR 130 million mandatory convertible Notes. This operation has led to a reduction in the financial cost of debt, having enabled the early repayment of EUR 110 million of the most expensive tranche, this is the Junior tranche (*see note 11b to the PRISA's consolidated financial statements 2023*).

The following chart shows the performance of the PRISA Group's shares relative to the IBEX35 index in 2023 (indexed to the stock performance at December 30, 2022):



Source: Bloomberg (December 30, 2022- December 29, 2023)

10. AVERAGE SUPPLIER PAYMENT TIME

According to the information required by the third additional provision of Law 15/2010, of July 5, (amended by the second final provision of Law 31/2014, of 3 December) approved in accordance with the resolution of ICAC (Spanish Accounting and Audit Institute) of January 29, 2016, the average period of payment to suppliers in commercial operations for companies of Grupo PRISA located in Spain rises, in 2023, to 71 days (*see note 23 in the attached consolidated financial statements*).

The maximum legal period of payment applicable in 2023 and 2022 under Law 3/2004, at December 29 and its modification by the Law 15/2010 of July 5, for combating late payment in commercial transactions, is by default 60 days. The average period of payment to the Group's suppliers exceeds the statutory maximum period partially on account of agreements arrived at with suppliers to defer payments or, where relevant, to initiate expenditure.

In 2023, the average supplier payment period remains the same as in 2022. This is greater than 60 days, mainly due to the agreements reached with technology suppliers and associated radio stations to extend invoice payment deadlines.

During the next financial year, the Directors will take the appropriate measures to reduce, as far as possible, the average period of payment to suppliers to the levels permitted by Law, except in those cases in which there are specific agreements with suppliers that establish a longer term.

11. EVENTS AFTER THE BALANCE SHEET DATE

New issuance of subordinated notes

On January 30, 2024 the Board of Directors of PRISA, within the framework of the analysis of different strategic alternatives in order to continue reducing the financial debt of the PRISA Group and the financial costs associated therewith, has unanimously agreed to carry out in the near future an issuance of subordinated notes mandatorily convertible into newly issued shares of PRISA, with recognition of the preemptive subscription rights of the Company's shareholders, for a nominal amount of approximately EUR 100 million (the "New Issuance"), which will be implemented through a public subscription offer (the "Offer"). The purpose of the Offer will be to obtain funds mainly for, on the one hand, to cancel the Junior tranche of the syndicated financial debt of the PRISA Group which is tied to Euribor+8% and, on the other hand, to foster the growth opportunities of the business units of PRISA Group. In this regard, as of December 31, 2023, the Junior syndicated loan amounts to EUR 86,967 thousand (*see note 11 b of the attached consolidated notes*).

The final terms and conditions of the New Issuance will be fixed at the meeting of the Board of Directors of PRISA that will be held on March 12, 2024, after the authorization of issue of these consolidated annual accounts. Details of the Offer, including its limitations and restrictions, as well as the definitive terms and conditions of the New Issuance will be published prior to the commencement of the Offer, following the publication of the aforementioned PRISA's audited consolidated annual accounts for the year 2023.

Following the communication of the New Issuance, the Board of Directors of PRISA also agreed, at its meeting also held on January 30, 2024, to open an extraordinary conversion period for the subordinated bonds issued by PRISA in February 2023 (*see note 1b of the attached consolidated notes*) in accordance with its provisions of terms and conditions. A conversion and early amortization of 20,287 subordinated obligations has been requested, which has entailed the issuance of 20,287,000 new ordinary shares of PRISA. Consequently, the share capital of PRISA, after the formalization of the corresponding capital increase, will be set at EUR 102,856 thousand and is represented by 1,028,558,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros.

Ruling on the award between Prisa and Cofina

In September, 2019 the Board of Directors of Prisa agreed to sell to Cofina SGPS, S.A. ("Cofina") its 100% stake in Vertix SGPS, S.A. ("Vertix"), owner of a 94.69% interest in the Portuguese listed company Grupo Media Capital SGPS, S.A. ("Media Capital"). The purchase and sale agreement between both parties included, among other things, the deposit of EUR 10,000 thousand by Cofina in an escrow account as a guarantee for the transaction and the advance payment of the agreed price, which has not been available since then and until December 31, 2023, as indicated in note 9c of the attached consolidated notes.

On March 11, 2020 Cofina voluntarily waived to continue with the share capital increase approved by Cofina's shareholders on January 29, 2020 to finance part of the purchase price, which implied a breach of the share purchase agreement and its termination. In this regard, on April 15, 2020 the Company filed an arbitration request before the *Centro de Arbitragem Comercial da Câmara do Comércio e Indústria Portuguesa* ("Arbitral Tribunal") in accordance with the sale and purchase agreement.

On February 22, 2024 the aforementioned Arbitral Tribunal has unanimously issued the award that declares that Cofina breached its obligations under the share purchase agreement signed between PRISA and Cofina in September 2019, regarding the sale of all the shares from Vertex SGPS, S.A. and that agreement was therefore automatically terminated on March 11, 2020, so PRISA is entitled to receive the down payment in the amount of EUR 10,000 thousand, obliging Cofina to take all necessary actions to make this amount available to the Company. On March 1, 2024 the amount deposited in the escrow account has been transferred to another bank account in the name of the Company, being therefore available.

This will have a positive impact on the Group's 2024 consolidated income statement in the amount of EUR 10,000 thousand (derecognising the liability recorded under "*Other non-trade payables*" (see note 9d of the attached consolidated notes)), reduced by arbitration and similar costs to the extent that following said resolution, and not before, the realisation of the income is virtually certain and is no longer contingent.

This resolution and the availability in favour of PRISA of the amount that was deposited in the escrow account is independent of the Media Capital sale process that was executed after March 11, 2020.

Furthermore, the Arbitration Court has ordered Cofina to pay PRISA the interest accrued from March 11, 2020 until the final date of payment of the amount deposited in the escrow account.

The Arbitral Tribunal dismiss all the remaining claims of the parties.

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 and www.prisa.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 and www.prisa.es.

DECLARACION DE RESPONSABILIDAD SOBRE LAS CUENTAS ANUALES E INFORME DE GESTIÓN CORRESPONDIENTES AL EJERCICIO 2023, DE PROMOTORA DE INFORMACIONES, S.A. Y SOCIEDADES DEPENDIENTES.

AFFIDAVIT OF ASSUMPTION OF LIABILITY WITH RESPECT TO THE 2023 ANNUAL ACCOUNTS AND CONSOLIDATED MANAGEMENT REPORT OF PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

12 de marzo de 2024

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, por referencia a la página web de la CNMV, el Estado de Información no financiera, el Informe Anual de Gobierno Corporativo y el Informe de Remuneraciones de los consejeros) correspondientes al ejercicio 2023, tanto individuales de PROMOTORA DE INFORMACIONES, S.A. como de su grupo consolidado, que han sido formuladas con fecha 12 de marzo de 2024 siguiendo el Formato Electrónico Único Europeo (FEUE), conforme a lo establecido en el Reglamento Delegado (UE) 2019/815, 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 2023 annual accounts and management reports (which include, by reference to the CNMV website, the non-financial information, 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 12, 2024 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. Fernando Carrillo Flórez

D^a Pilar Gil Miguel

D^a Sylvia Bigio

D. Francisco Cuadrado Pérez

D.^a Beatrice de Clermont-Tonnerre

D.^a Carmen Fernández de Alarcón Roca

D.^a Margarita Garijo-Bettencourt

D.^a Pepita Marín Rey-Stolle

D. Carlos Nuñez Murias

D. Manuel Polanco Moreno

D.^a Teresa Quirós Álvarez

D.^a Isabel Sánchez García

D. Javier Santiso Guimaras

D. Andrés Varela Entrecanales