

Audit Report on Financial Statements
issued by an Independent Auditor

PROMOTORA DE INFORMACIONES, S.A.
Financial Statements and Management Report
for the year ended
December 31, 2021

AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

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

Report on the financial statements

Opinion

We have audited the financial statements of PROMOTORA DE INFORMACIONES, S.A. (the Company), which comprise the balance sheet at December 31, 2021, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2021 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

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

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

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

Key audit matters

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

Measurement of investments in and loans to group companies and associates

Description As explained in notes 7.1.1 and 15 to the accompanying financial statements, at December 31, 2021, the Company recorded investments in group companies and associates amounting to 584,021 thousand euros, which includes impairment amounting to 258,540 thousand euros, in addition to short-term loans to group companies and associates amounting to 8,478 thousand euros.

At least annually, the Company assesses the existence of impairment indicators and, when required, performs an impairment test on these assets. The purpose of this analysis is to conclude whether it is necessary to recognize an impairment loss against the aforementioned assets when the carrying amount is higher than the recoverable amount. To determine the recoverable amount, management tests for impairment by applying valuation techniques.

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

Our response

In this regard, our audit procedures included:

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

Other information: management report

Other information refers exclusively to the 2021 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

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

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

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

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the management report is consistent with that provided in the 2021 financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the audit, risk and compliance committee for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

We communicate with the audit, risk and compliance committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit, risk and compliance committee of the Company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit, risk and compliance committee of the Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of PROMOTORA DE INFORMACIONES, S.A. for the 2021 financial year, consisting of an XHTML file containing the financial statements for the year, which will form part of the annual financial report.

The directors of PROMOTORA DE INFORMACIONES, S.A. are responsible for submitting the annual financial report for the 2021 financial year, in accordance with the formatting requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation).

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

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

Additional report to the audit, risk and compliance committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit, risk and compliance committee on March 28, 2022.

Term of engagement

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

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

(Signature on the original in Spanish)

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

March 28, 2022

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

Individual Financial Statements and Directors' Report for 2021

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

Individual Financial Statements for 2021

PROMOTORA DE INFORMACIONES, S.A. (PRISA)
BALANCE SHEET AT DECEMBER 31, 2021
(in thousands of euros)

ASSETS	Year 2021	Year 2020	EQUITY AND LIABILITIES	Year 2021	Year 2020
A) NON-CURRENT ASSETS	585,408	895,089	A) EQUITY (Note 8)	353,260	296,774
I. INTANGIBLE ASSETS (Note 5)	86	241	A-1) Shareholders' equity	353,260	296,774
1. Computer software	86	241	I. SHARE CAPITAL	70,865	70,865
II. PROPERTY, PLANT AND EQUIPMENT (Note 6)	1,153	1,253	II. RESERVES	277,266	276,583
1. Other fixtures and furniture	954	1,041	1. Legal and bylaw reserves	7,087	7,087
2. Other items of property, plant and equipment	199	212	2. Other reserves	270,179	269,496
III. NON-CURRENT INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES (Note 7.1)	584,021	892,119	III. LOSS FROM PREVIOUS YEARS	(49,144)	-
1. Equity instruments	584,021	892,119	IV. TREASURY SHARES	(1,320)	(1,530)
IV. NON-CURRENT FINANCIAL ASSETS (Note 7.1)	9	9	V. PROFIT (LOSS) FOR THE YEAR	55,593	(49,144)
1. Other financial assets	9	9			
V. DEFERRED TAX ASSETS (Note 9)	139	1,467	B) NON-CURRENT LIABILITIES	203,026	516,381
B) CURRENT ASSETS	21,407	35,960	I. LONG-TERM PROVISIONS (Note 12)	2,719	4,796
I. NON CURRENT ASSETS HELD FOR SALE (Note 7.2)	278	507	II. NON-CURRENT PAYABLES (Note 7.3)	200,307	86,006
II. TRADE AND OTHER RECEIVABLES	1,664	5,704	1. Bank borrowings	200,307	86,006
1. Trade receivables for services (Note 7.1)	30	58	III. NON-CURRENT PAYABLES TO GROUP COMPANIES AND ASSOCIATES (Notes 7.3 and 15)	-	425,579
2. Receivable from Group companies and associates (Notes 7.1 and 15)	233	3,252	C) CURRENT LIABILITIES	50,529	117,894
3. Employee receivables (Note 7.1)	4	2	I. SHORT-TERM PROVISIONS (Note 12)	3,622	-
4. Tax receivables (Note 9)	1,057	2,009	II. CURRENT PAYABLES (Note 7.3)	11,279	90,103
5. Other receivables (Note 7.1)	340	383	1. Bank borrowings	1,279	80,103
III. CURRENT INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES (Notes 7.1 and 15)	8,478	19,166	2. Other financial liabilities (Note 7.5)	10,000	10,000
1. Loans to companies	8,478	10,166	III. CURRENT PAYABLES TO GROUP COMPANIES AND ASSOCIATES (Notes 7.3 and 15)	31,474	15,476
2. Other financial assets	-	9,000	IV. TRADE AND OTHER PAYABLES	4,154	12,315
IV. CURRENT PREPAYMENTS AND ACCRUED INCOME	223	174	1. Payable to suppliers (Note 7.3)	42	42
V. CASH AND CASH EQUIVALENTS (Note 7.5)	10,764	10,409	2. Payable to suppliers, Group companies and associates (Notes 7.3 and 15)	433	305
1. Cash	10,764	10,409	3. Sundry accounts payable (Note 7.3)	2,738	9,180
			4. Remuneration payable (Note 7.3)	694	2,421
			5. Tax payables (Note 9)	247	367
TOTAL ASSETS	606,815	931,049	TOTAL EQUITY AND LIABILITIES	606,815	931,049

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A. (PRISA)
INCOME STATEMENT FOR YEAR 2021
(in thousands of euros)

	Year 2021	Year 2020
A) CONTINUING OPERATIONS		
1. Revenue		
a) Services (Note 15)	4,956	6,664
b) Income from equity investments (Note 15)	101,202	109,383
2. Other operating income	479	1,136
3. Staff costs		
a) Wages, salaries and similar expenses	(11,527)	(7,853)
b) Employee benefit costs (Note 10)	(951)	(1,106)
4. Other operating expenses		
a) Outside services (Note 10)	(9,211)	(7,933)
b) Taxes other than income tax	185	(45)
c) Impairment and other losses	(231)	(33)
5. Depreciation and amortization charge (Notes 5 and 6)	(302)	(251)
6. Losses and Gains from disposals of assets		
a) Impairment and other losses	-	(183)
b) Losses and Gains from disposals and other	18	53
PROFIT/LOSS FROM OPERATIONS	84,618	99,832
7. Finance income		
a) From loans to Group companies and associates (Note 15)	387	6
b) Other finance income	7,901	45
8. Fair value of financial instruments	(5,201)	(6,190)
9. Finance costs and similar expenses:		
a) On debts to Group companies (Note 15)	(4,026)	(3,149)
b) On debts to third parties and similar expenses	(11,635)	(27,798)
10. Exchange differences	5	(10)
11. Impairment of financial instruments		
a) Impairment and other losses (Notes 7.1 and 12)	(13,933)	(260)
NET FINANCIAL RESULT (Note 11)	(26,502)	(37,356)
PROFIT / LOSS BEFORE TAX	58,116	62,476
12. Income tax (Note 9)	1,014	(37,098)
PROFIT/LOSS FOR THE YEAR FROM CONTINUING OPERATIONS	59,130	25,378
B) DISCONTINUED OPERATIONS (Note 7.2)	(3,537)	(74,522)
PROFIT/LOSS FOR THE YEAR	55,593	(49,144)

The accompanying Notes 1 to 20 and Appendices I and II are an integral part of the income statement for year 2021

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

**PROMOTORA DE INFORMACIONES, S.A.
STATEMENT OF CHANGES IN EQUITY FOR YEAR 2021**

**A) STATEMENT OF COMPREHENSIVE INCOMES AND EXPENSES FOR YEAR 2021
(in thousands of euros)**

	Year 2021	Year 2020
A) Profit/(Loss) per income statement	55,593	(49,144)
Income and expense recognized directly in equity		
Arising from revaluation of financial instruments (Note 7.1)	-	-
Other income and expenses charged directly to equity	-	-
Tax effect	-	-
B) Total income and expense recognized directly in equity	-	-
Transfers to profit or loss		
Arising from revaluation of financial instruments	-	-
Tax effect	-	-
C) Total transfers to profit or loss	-	-
TOTAL RECOGNIZED INCOME AND EXPENSE	55,593	(49,144)

The accompanying Notes 1 to 20 and Appendices I and II are an integral part of the statement of comprehensive incomes and expenses for year 2021

PROMOTORA DE INFORMACIONES, S.A.
STATEMENT OF CHANGES IN EQUITY FOR YEAR 2021

B) TOTAL STATEMENT OF CHANGES IN EQUITY FOR YEAR 2021
(in thousands of euros)

<i>(in thousands of euros)</i>	Share capital	Share premium	Other Reserves	Legal reserve	Reserves for treasury shares	Reserves for merger	Voluntary reserves	Reserves	Loss from previous years	Treasury shares	Profit (Loss) for the year	Equity
Balance at December,31 2019 (Note 8)	666,131	254,180	-	18,070	2,591	(85,639)	197,721	132,743	(495,537)	(2,591)	(209,557)	345,369
I. Total recognized income and expense												
1. Profit (Loss) for the year											(49,144)	(49,144)
2. Valuation of financial instruments												
II. Transactions with shareholders or owners												
1. Capital Increases / Decreases												
- Share Capital	(595,266)		267,418	7,087		85,639		360,144	235,122			
- Share Premium		(254,180)							254,180			
2. Conversion of financial liabilities into equity												
3. Issuance of equity instruments												
4. Conversion of equity instruments into shareholder's equity												
5. Distribution of 2019 profit												
- Loss from previous years												
6. Treasury share transactions												
- Delivery of treasury shares					(58)		58			58		58
- Purchase-Sale of treasury shares					(20)		20			20		20
- Provision for treasury shares					(983)			(983)		983		
III. Other changes in equity												
- Distribution of 2019 profit											209,557	
- Other				(18,070)			(197,251)	(215,321)	(209,557)			471
Balance at December,31 2020 (Note 8)	70,865	-	267,418	7,087	1,530	-	548	276,583	-	(1,530)	(49,144)	296,774
I. Total recognized income and expense												
1. Profit (Loss) for the year											55,593	55,593
2. Valuation of financial instruments												
II. Transactions with shareholders or owners												
1. Capital Increases / Decreases												
- Share Capital												
- Share Premium												
2. Conversion of financial liabilities into equity												
3. Issuance of equity instruments												
4. Conversion of equity instruments into shareholder's equity												
5. Distribution of 2020 profit												
- Loss from previous years												
6. Treasury share transactions												
- Delivery of treasury shares					629		(629)			(629)		(629)
- Purchase-Sale of treasury shares					(839)			(839)		839		
- Provision for treasury shares												
III. Other changes in equity												
- Distribution of 2020 profit											49,144	
- Other							1,522	1,522	(49,144)			1,522
Balance at December,31 2021 (Note 8)	70,865	-	267,418	7,087	1,320	-	1,441	277,266	(49,144)	(1,320)	55,593	353,260

PROMOTORA DE INFORMACIONES, S.A.
STATEMENT OF CASH FLOW FOR YEAR 2021
(in thousands of euros)

	Year 2021	Year 2020
A) CASH FLOWS FROM OPERATING ACTIVITIES		
1. Profit / Loss before tax	58,116	62,476
2. Adjustments for	(74,077)	(71,439)
a) Depreciation and amortization charge (+)	302	251
b) Impairment of non-current financial assets (+/-)	13,933	260
Impairment losses recognised for financial assets	13,933	260
c) Finance income (-)	(8,288)	(51)
d) Finance costs (+)	20,857	37,147
e) Dividends received	(101,202)	(109,383)
f) Impairment losses and gains	231	216
g) Other income and expenses	90	121
3. Changes in working capital	1,318	(546)
a) Trade and other receivables (+/-)	1,395	(1,308)
b) Current prepayments and accrued income	(49)	92
c) Trade and other payables (+/-)	(28)	670
4. Other cash flows from operating activities	11,749	97,383
a) Interest paid (-)	(9,570)	(28,362)
b) Dividends received (+)	11,145	108,883
c) Interest received (+)	384	6
d) Income tax recovered (paid) (+/-)	3,448	26,658
e) Other amounts received (paid) relating to operating activities (+/-)	6,342	(9,802)
5. Cash flows from operating activities (+/-1+/-2+/-3+/-4)	(2,894)	87,874
B) CASH FLOWS FROM INVESTING ACTIVITIES		
6. Payments due to investment (-)	(103,263)	(2,534)
7. Proceeds from disposal (+)	409	40,782
8. Cash flows from investing activities (7-6)	(102,854)	38,248
C) CASH FLOWS FROM FINANCING ACTIVITIES		
9. Proceeds and payments relating to equity instruments	(629)	20
10. Proceeds and payments relating to financial liability instrument	106,732	(126,142)
a) Issue	191,476	346,825
Bank Borrowing	108,500	80,000
Group Companies and associates Borrowing	82,976	266,825
b) Repayment and amortization	(84,744)	(472,967)
Bank Borrowing	(84,744)	(388,806)
Group Companies and associates Borrowing	-	(84,161)
13. Cash flows from financing activities (+/-9+/-10-11-12)	106,103	(126,122)
D) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (+/-A+/-B+/-C)	355	-
Cash and cash equivalents at beginning of year	10,409	10,409
Cash and cash equivalents at end of year	10,764	10,409

The accompanying Notes 1 to 20 and Appendices I and II are an integral part of the statement of cash flows for year 2021

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR 2021

1.- COMPANY ACTIVITIES AND PERFORMANCE

a) Company activities

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

In view of the business activity carried on by the Company, it does not have any environmental liabilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

In addition to the business activities carried on directly by it, the Company heads a group of subsidiaries, joint ventures and associates which engage in a variety of business activities and which compose Promotora de Informaciones, S.A. and subsidiary companies (“the Prisa Group” or “the Group”). Therefore, in addition to its own separate financial statements, Prisa is obliged to present consolidated financial statements for the Group prepared in accordance with International Financial Reporting Standards (IFRSs) as approved by European Commission Regulations. The main aggregates of the PRISA Group’s consolidated financial statements in terms of total asset, equity and net revenues amount to EUR 878,283 thousand, EUR 511,815 negative thousand and EUR 729,350 thousand respectively in 2021.

The Group’s consolidated financial statements for 2020 were approved by the shareholders at the Annual General Shareholders’ Meeting held on June 29, 2021 and deposited in the Mercantile Register of Madrid.

The consolidated financial statements for 2021 were authorized for issue by the Company’s Directors on March 28, 2022 for submission to the approval of the General Meeting of Shareholders, it being estimated that they will be approved without modification.

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

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

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

During last year, the Administrators of Prisa took a number of measures to strengthen the Company's financial and asset structure, such as asset sale operations, capital increases and refinancing of its debt.

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

On May 14, 2020, Vertex, SGPS, S.A. (subsidiary fully owned by Prisa) sold to Pluris Investments, S.A. (Pluris) the shares amounting to 30.22% of share capital of Grupo Media Capital, SGPS, S.A. (Media Capital) for a price of EUR 10,500 thousand. 7 million

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. Therefore, since June 30, 2020, and at December 31, 2021, the Company's equity is greater than two thirds of the capital stock, which is why it was in a situation of equity balance at that date.

On September 4, 2020, Prisa signed with a plurality of investors independent agreements for the sale of shares of Media Capital, which together represent the entire shareholding (64.47%) held by Prisa through Vertex in the Portuguese company. On November 3, 2020, the sale of shares for a price of EUR 36,850 thousand was completed. These transactions meant an accounting loss at the Company for EUR 77 million from the category of "*Non-current assets held for sale*" accounted as "*Result after tax from discontinued operations*" in 2020 (see note 7.2).

On October 19, 2020, Prisa, through its subsidiary Grupo Santillana Educación Global, S.L.U. ("Santillana"), signed an agreement with the Sanoma Corporation, a European learning and Finnish media company, for the sale of the Spanish educational business of Santillana addressed at pre K-12 and K-12 segments ("Santillana Spain"). Santillana's activity in public and private markets in Latin America has been excluded from the transaction and will continue to be developed by Prisa through Santillana. On December 31, 2020, the transaction was closed at an enterprise value of EUR 465 million and it meant a total cash obtained from the buyer of EUR 418 million.

In October 2020, Prisa signed a lock-up agreement (the "Lock-up Agreement") which contained a term sheet that sets out, among other aspects, the essential terms on which the Group's syndicated financial debt restructured (the "Refinancing"). The Refinancing was conditioned on successfully completing the selling of certain Santillana K-12 and pre K-12 business assets in Spain and it was binding on all creditors owed the financial debt to be restructured. On December 31, 2020 the Refinancing came into effect, once the agreements reached with all of its creditors were concluded, among which were included, the culmination of the sale of Santillana Spain, as describe above. This is the Refinancing in force at December 31, 2021 (see note 7.3).

As indicated in note 19, in February 2022 the Board of Directors of Prisa has approved, by unanimity, the signing of a lock-up agreement (the "New Lock-Up Agreement") that incorporates a term sheet with the basic conditions for the amendment of the Group's syndicated financial debt (the "New Refinancing"). The basic terms of the agreed New Refinancing consist, among other aspects, in the extension of the maturity of the financial debt to 2026 and 2027 and division of the syndicated loan into two differentiated tranches (one of senior debt and one of junior debt) and the flexibilization of the contractual commitments of the current debt that will allow, among other improvements, to increase Prisa's operating flexibility and soften the financial ratios required by its current contracts. The New Lock-Up Agreement has entered into force, having been signed by the Company and by the all creditor entities of the syndicated financing to be refinanced. Likewise, a Term Sheet has been signed with the basic conditions for the modification of the Super Senior debt ("Super Senior Term & Revolving Facilities Agreement") of the Company that, among others terms, supposes an extension of the maturity of the debt to June 2026.

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

The emergence of COVID-19 (coronavirus) in China in January 2020 and its quick global expansion to a large number of countries laded to the viral outbreak, classified as a pandemic by the World Health Organization on March 11, 2020.

Considering the complexity of the markets due to their globalization the consequences for the Company's businesses are uncertain and will depend to a large extent on the impact of the pandemic, with the appearance of new variants, the effectiveness of the current medical treatments and on the reaction and of all the economic actors affected, and their ability to rise to the challenge.

Therefore, at the date of authorized for issue of these financial statements, we have carried out an assessment and quantification of the impacts that COVID-19 had on the Company as of December 31, 2021. There is still a high level of uncertainty about its consequences in the short and medium term.

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

- **Liquidity risk:** The situation in the markets has caused an increase in liquidity pressures in the economy and a contraction in the credit market. To face this, the Company has in place a Super Senior debt ("*Super Senior Term & Revolving Facilities Agreement*") to meet operational needs for a maximum amount of EUR 225,000 thousand, of which EUR 145,000 thousand, were drawn as of December 31, 2021. The Company has also implemented specific plans for the improvement and efficient management of liquidity to address these tensions.
- **Operational risk:** the changing and unpredictable nature of events could lead to the emergence of a risk of interruption in the provision of services or sales. Therefore,

the Company has established contingency plans aimed at monitoring and managing its operations at all times. To date, no notable incidents have been revealed.

- Risk of change in certain financial magnitudes: the factors referred to above have adversely affect the subsidiaries companies' advertising revenues and to sales of newspapers and magazines and sale of books and training, which can continue to lead a decrease in the relevant captions for the Company. In this regard, the Company has made an estimate of the impact of COVID-19 in 2021 in its subsidiary companies, according to which the decrease in income from the sale of books and training during 2021 compared to the previous year has been mainly affected by the effect of the pandemic on the Education business in Latam and the negative impact of the exchange rate effect. However, Group's advertising revenues has been affected by COVID-19, to a lesser extent in 2021, respect to 2020.

Therefore, the Company has implemented a contingency plan with the aim of minimizing the aforementioned effects,. However, it is not possible at this stage to reliably quantify the impact of COVID-19 in next financial statements, given the constraints and limitations already indicated.

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

- Balance sheet assets and liabilities measurement risk: a change in the future estimates of the Group's revenue, production costs, finance costs, credit quality of trade receivables, etc. could have an adverse impact on the carrying amount of certain assets of the Company (investments in Group companies and associates, receivables, etc.) and on the need to recognize provisions or other liabilities. The appropriate analyses and calculations have been carried out which have allowed, where appropriate, those assets and liabilities to be remeasured with the information available to date. This has meant that at December 31, 2021 there have been no significant changes in the estimates at the end of 2020 in relation to the previous magnitudes.
- Continuity risk (going concern): in the light of all the above factors, the Directors of the Company consider that the application of the going concern principle remains valid.

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

At December 31, 2021, the equity of the Company stood at EUR 353,260 thousand, over two thirds of total share capital, which is why it was in a situation of equity balance at that date.

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

2.- BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

a) Fair presentation

The accompanying financial statements for 2021, which were obtained from the Company's accounting records, are presented in accordance with the regulatory framework for financial reporting applicable and, in particular, the accounting principles and criteria contained herein, presenting fairly the Company's equity, financial position, and of the results of its operations, the changes in its equity and the cash flows generated by the Company in the year then ended. The regulatory framework for financial reporting applicable considered is:

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

These financial statements, which were formally prepared by the Company's directors on March 28, 2022, will be submitted for approval by the shareholders at the Annual General Shareholders' Meeting and it is considered that they will be approved without any changes. The 2020 financial statements were approved by the shareholders at the Annual General Shareholders' Meeting held on June 29, 2021.

b) Comparison of information

In accordance with company legislation, each item of the balance sheet, income statement, statement of changes in net equity and cash flow statement for 2021 is shown with the figure for 2020 for comparison purposes. The notes to the financial statements also include quantitative information of the previous year, unless an accounting standard specifically establishes otherwise.

On 30 January 2021, Royal Decree 1/2021 of 12 January was published, amending the General Accounting Plan approved by Royal Decree 1514/2007 of 16 November. The changes to the Spanish National Chart of Accounts are applicable to financial years beginning on or after 1 January 2021. The changes have not materially affected these financial statements and mainly focus on the recognition, measurement and disclosure criteria for financial instruments (see note 4.d).

c) Non-obligatory accounting principles

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

d) Key issues in the measurement and estimation of uncertainty

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

In the financial statements for 2021 estimates were occasionally made by executives of the Company in order to quantify certain assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The measurement of assets to determine the possible existence of impairment losses (*see notes 4c, 4d, 7.1 and 7.2*).
- The useful life of property, plant, and equipment, and intangible assets (*see notes 4a and 4b*).
- The hypotheses used to calculate the fair value of financial instruments (*see note 7*).
- The assessment of the likelihood and amount of undetermined or contingent liabilities (*see notes 4i and 12*).
- The recoverability of deferred tax assets (*see note 9*).
- Provisions for unissued and outstanding invoices.

Although these estimates were made on the basis of the best information available at the date of preparation of these financial statements on the events analysed, it is possible that events that may take place in the future force them to modify them, upwards or downwards. Changes in accounting estimates would be applied prospectively, recognizing the effects of the change in estimates in the future related income statements, as well as in assets and liabilities.

In 2021, there were no significant changes in the accounting estimates made at the end of 2020.

3.- ALLOCATION OF RESULT

The proposal for the distribution of the Company's profit for 2021 approved by the Company's Directors and that will be submitted for approval at the General Shareholders' Meeting is the following, in thousands of euros:

	Amount
Basis of appropriation-	
Result for the year	55,593
Distribution-	
Compensate Loss from previous years	49,144
Legal reserves	5,559
Other reserves	890

The Company is obliged to allocate 10% of the profits for the year to the legal reserve until it reaches at least 20% of the capital stock. This reserve, as long as it does not exceed the limit of 20% of the capital stock, is not distributable to shareholders (*see note 8*).

4.- ACCOUNTING POLICIES

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

a) Intangible assets

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

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

"*Computer software*" includes the amounts paid to develop specific computer programs or the amounts incurred in acquiring from third parties the licenses to use programs. Computer software is amortized using the straight-line method over a period ranging from four to six years, depending on the type of program or development, from the date on which it is brought into service.

b) Property, plant and equipment

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

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

Period upkeep and maintenance expenses are charged directly to the income statement for the year in which they are incurred.

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

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

c) Impairment losses for non-financial assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is taken to be the present value of the estimated future cash flows to derive from the asset based on the most recent budgets approved by Management.

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

Impairment losses recognized on an asset in previous years are reversed when there is a change in the estimate of its recoverable amount by increasing the carrying amount of the asset up to the limit of the carrying amount that would have been determined had no impairment loss been recognized for the asset. The reversal of the impairment loss is recognized immediately as income in the income statement.

d) Financial instruments

Financial assets-

Classification and measurement

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

- Financial assets at amortised cost
- Financial assets at cost

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

- The Company holds the investment under a management model whose objective is to receive the cash flows from the execution of the contract. The management of a portfolio of financial assets to obtain their contractual flows does not imply that all instruments must necessarily be held to maturity; financial assets may be considered

to be managed for that purpose even if sales have occurred or are expected to occur in the future. For this purpose, the Company considers the frequency, amount and timing of sales in previous years, the reasons for those sales and the expectations regarding the activity of future sales.

- The contractual features of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding. That is, the cash flows are inherent in an agreement that is in the nature of an ordinary or common loan, notwithstanding that the transaction is agreed at a zero or below-market interest rate.

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

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

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

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

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

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

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

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

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

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

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

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

The same applies to participating loans whose interest is contingent, either because a fixed or variable interest rate is agreed on the fulfilment of a milestone in the borrowing company (e.g. the achievement of profits), or because it is calculated solely by reference to the performance of the borrowing company's business. If irrevocable fixed interest is agreed in addition to contingent interest, the latter is accounted for as finance income on an accruals basis. Transaction costs are taken to the profit and loss account on a straight-line basis over the life of the participating loan.

Off-balance sheet derecognition of financial assets

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

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

Impairment of financial assets

Debt instruments at amortised cost

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

If such evidence exists, the impairment loss is calculated as the difference between the carrying amount and the present value of future cash flows, including, where applicable, those from the enforcement of collateral and personal guarantees, estimated to be generated,

discounted at the effective interest rate calculated at initial recognition. For floating rate financial assets, the effective interest rate at the reporting date is used in accordance with the contractual terms. In calculating impairment losses for a group of financial assets, the Company uses models based on formulas or statistical methods.

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

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

Financial assets at cost

In this case, the amount of the valuation adjustment is the difference between its carrying amount and the recoverable amount, the latter being the higher of its fair value less costs to sell and the present value of the future cash flows arising from the investment, which in the case of equity instruments are calculated either by estimating those expected to be received as a result of the distribution of dividends by the investee and the disposal or derecognition of the investment in the investee, or by estimating its share of the cash flows expected to be generated by the investee from its ordinary activities and from the disposal or derecognition of the investment.

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

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

Interest and dividends received from financial assets

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

If the dividends distributed clearly arise from profits generated prior to the acquisition date because amounts in excess of the profits generated by the investee since acquisition have been distributed, they shall not be recognised as income and shall reduce the carrying

amount of the investment. The judgement as to whether profits have been generated by the investee shall be made solely on the basis of the profits recognised in the individual income statement since the date of acquisition, unless it is clear that the distribution of those profits is to be regarded as a recovery of the investment from the perspective of the entity receiving the dividend.

Financial liabilities-

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

- Financial liabilities at amortised cost.

Financial liabilities at amortised cost

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

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

Financial liabilities included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is deemed to be the transaction price, which is the fair value of the consideration received adjusted for directly attributable transaction costs. That is, the inherent transaction costs are capitalised.

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

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

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

Derecognition of financial liabilities

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

- The obligation is extinguished because payment has been made to the creditor to discharge the debt (through cash payments or other goods or services), or because the debtor is legally released from any responsibility for the liability.
- Own financial liabilities are acquired, albeit with the intention of repositioning them in the future.

- There is an exchange of debt instruments between a lender and a borrower, provided that they have substantially different terms, and the new financial liability that arises is recognised; similarly, a substantial modification of the current terms of a financial liability is recorded, as indicated for debt restructurings.

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

Debt restructuring

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

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

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

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

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

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

The terms of the contracts shall be considered materially different, inter alia, when the present value of the cash flows of the new contract, including any fees paid, net of any fees

received, differs by at least ten per cent from the present value of the remaining cash flows of the original contract, discounted at the effective interest rate of the original contract.

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

e) Profit (loss) from discontinued operations

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

The Company presents this type of operations in the income statement under a single heading entitled "*Profit (or loss) from discontinued operations, net of tax*", including the profit (or loss) from discontinued operations net of tax recognized at fair value less costs to sell or disposal or of the assets that constitute the discontinued operation.

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

f) Foreign currency transactions

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

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

g) Income tax

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

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

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

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

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

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

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

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

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

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

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

h) Income and expenses

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

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

k) Related party transactions

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

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

l) Share-based payments

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

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

m) Provisions for severance payment

In accordance with the legislation in force, the Company is obliged to pay severance payments to those employees with whom, under certain conditions, it terminates their employment relationships. Therefore, severance payments that may be reasonably quantified are recorded as expenditure within the year in which the decision to dismiss is adopted. In 2021 the Company has recorded provisions for amount of EUR 96 thousand in this respect. In 2020 the Company has not recorded any provision.

n) Intercompany transactions

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

o) Non-current Assets held for sale

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

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

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

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

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

p) Leases

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

Operating leases

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

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

q) Fair Value

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

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

participants would take into account in pricing the asset or liability at the measurement date.

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

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

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

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

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

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

r) Treasury shares-

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

5.- INTANGIBLE ASSETS

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

2021

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

At December 31, 2021, the Company's fully amortized intangible assets in use amounted to EUR 19,748 thousand (EUR 20,787 thousand at December 31, 2020).

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

2020

The transactions performed in 2020 in the various intangible asset accounts and the related accumulated amortization was summarized as follows (in thousands of euros):

	Balance at 12/31/2019	Additions	Disposals	Balance at 12/31/2020
Cost				
Industrial property	60	-	-	60
Computer software	20,985	226	-	21,211
Total cost	21,045	226	-	21,271
Accumulated amortization				
Industrial property	(60)	-	-	(60)
Computer software	(20,778)	(192)	-	(20,970)
Total accumulated amortization	(20,838)	(192)	-	(21,030)
Total intangible assets, net	207	34	-	241

6.- PROPERTY, PLANT AND EQUIPMENT

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

2021

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

At December 31, 2021, the Company's fully depreciated property, plant and equipment in use amounted to EUR 261 thousand (EUR 618 thousand at December 31, 2020).

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

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

2020

The transactions performed in 2020 in the various property, plant and equipment accounts and the related accumulated depreciation are summarized as follows (in thousands of euros):

	Balance at 12/31/2019	Additions	Transfers	Disposals	Balance at 12/31/2020
Cost					
Other fixtures and furniture	519	665	285	-	1,469
Other items of property, plant and equipment	1,009	47	-	(251)	805
Property, plant and Equipment in the Course of Construction	285	-	(285)	-	-
Total cost	1,813	712	-	(251)	2,274
Accumulated depreciation					
Other fixtures and furniture	(382)	(46)	-	-	(428)
Other items of property, plant and equipment	(397)	(13)	-	-	(410)
Total accumulated depreciation	(779)	(59)	-	-	(838)
Impairment					
Other items of property, plant and equipment	-	(183)	-	-	(183)
Total impairment	-	(183)	-	-	(183)
Total property, plant and equipment, net	1,034	470	-	(251)	1,253

The increase in others fixtures and furniture was due to the investments made by the Company in the remodeling of its headquarter in Miguel Yuste.

7. FINANCIAL INSTRUMENTS

7.1- FINANCIAL ASSETS

The detail of “Financial assets” in the balance sheets at December 31, 2021 and 2020, based on the nature of the transactions, is as follows:

Classes	Thousands of euros							
	Non-current				Current		Total	
	Equity instruments		Loans, derivatives and other		Loans, derivatives and other			
	12/31/21	12/31/20	12/31/21	12/31/20	12/31/21	12/31/20	12/31/21	12/31/20
Financial assets at amortized cost	-	-	9	9	9,085	22,861	9,094	22,870
Financial assets at cost	584,021	892,119	-	-	-	-	584,021	892,119
Total	584,021	892,119	9	9	9,085	22,861	593,115	914,989

7.1.1. Financial assets at cost

Equity investments in Group companies and associates

The transactions performed in 2021, in this category of investments in Group companies and associates, are summarized as follows (in thousands of euros):

2021

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

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

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

Additions and transfers 2021

In June 2021, within the framework of the Group's corporate reorganization, the Company has made a monetary partner contribution to Prisa Gestión Financiera, S.L. (Sole proprietorship) for the amount of EUR 100,000 thousand, transferring the provision for third-party liability to the stake's impairment for the same amount on that date for amount of EUR 3,587 thousand (*see note 12*).

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

In 2021, the stake was increased in Prisa Media, S.L. (Sole proprietorship) (EUR 208 thousand), Prisa Activos Educativos, S.L. (Sole proprietorship) (EUR 458 thousand) and Prisa Noticias, S.L. (Sole proprietorship) (EUR 244 thousand), associated with the Medium-Term Incentive Plan approved in April 2018 aimed at members of senior management and certain executives of Group subsidiaries (*see note 13*). For the Company, this operation is classified as a contribution to its subsidiaries recorded as a gain in the value of the investment.

Disposals 2021

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

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

- Participating loan granted by this entity to the Company for the amount of EUR 62,492 thousand (*see note 7.3*).
- Loan granted by this entity to the Company for the amount of EUR 94,952 thousand (*see note 7.3*).
- Cash pooling balance with the centralizing company of the Group's cash pooling balances, Prisa Gestión Financiera, S.L. (Sole proprietorship), for the amount of EUR 67,569 thousand.

EUR 210,417 thousand of the total share premium distributed, and in accordance with the profits generated and not distributed by the investee or any group company in which the latter has an interest, which must be considered within any distribution of available reserves as income to the shareholder, has been considered to constitute a lower cost of the investment, with the remainder corresponding to dividend income (*see note 15*).

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

In this case, after analyzing the profits generated and not distributed by the investee and its subsidiaries, it has been considered that the amount associated with a decrease in the value of the investment amounts to EUR 182,364 thousand, with the remainder corresponding to dividend income (*see note 15*).

2020

The transactions performed in 2020, in this category of financial assets, were summarized as follows (in thousands of euros):

	Balance at 12/31/2019	Additions	Reversals	Transfers	Disposals	Balance at 12/31/2020
Cost						
Investments in Group companies	1,125,108	8,148	-	-	-	1,133,256
Diario El País México, S.A. de C.V.	898	-	-	-	-	898
Prisa Noticias, S.L.	102,347	6,383	-	-	-	108,730
Prisa Participadas, S.L.U.	550,599	-	-	-	-	550,599
Promotora de Actividades América 2010, S.L.	10	-	-	-	-	10
Promotora de Actividades Audiovisuales de Colombia, Ltda.	4	-	-	-	-	4
Prisa Activos Educativos, S.L.	314,769	145	-	-	-	314,914
Prisa Media, S.L.	155,881	26	-	-	-	155,907
Prisa Gestión Financiera, S.L.	600	1,594	-	-	-	2,194
Investments in associates	1,176	-	-	-	-	1,176
Total cost	1,126,284	8,148	-	-	-	1,134,432
Impairment losses						
In Group companies	(241,689)	(10)	2,125	(1,594)	-	(241,168)
Diario El País México, S.A. de C.V.	(883)	(10)	-	-	-	(893)
Prisa Participadas, S.L.U.	(240,192)	-	2,125	-	-	(238,067)
Promotora de Actividades América 2010, S.L.	(10)	-	-	-	-	(10)
Promotora de Actividades Audiovisuales de Colombia, Ltda.	(4)	-	-	-	-	(4)
Prisa Gestión Financiera, S.L.	(600)	-	-	(1,594)	-	(2,194)
In associates	(1,144)	(1)	-	-	-	(1,145)
Total impairment losses	(242,833)	(11)	2,125	(1,594)	-	(242,313)
Net Value	883,451	8,137	2,125	(1,594)	-	892,119

The most significant operations that took place in 2020 which gave rise to the aforementioned changes are as follows:

Additions and transfers 2020

In April 2020 a non-monetary contribution was made to Prisa Noticias, S.L. (Sociedad Unipersonal) for the amount of EUR 6,327 thousand consisting of the transfer of existing tax credits in favor of the Company with companies under Prisa Noticias, S.L. (Unipersonal Company) and this same company.

In addition, in July 2020 a partner contribution was made for the amount of EUR 1,594 thousand to Prisa Gestión Financiera, S.L. (Sole proprietorship) with the aim of re-establishing this company's equity balance, transferring the provision for third-party liability to the stake's impairment for de same amount (*see note 12*).

In December 2020, the stake was increased in Prisa Media, S.L. (Sole proprietorship) (EUR 26 thousand), Prisa Activos Educativos, S.L. (Sole proprietorship) (EUR 145 thousand) and Prisa Noticias, S.L. (Sole proprietorship) (EUR 56 thousand), associated with the Medium-Term Incentive Plan approved in April 2018 aimed at members of senior management and certain executives of Group subsidiaries (*see note 13*). For the Company, this operation is classified as a contribution to its subsidiaries recorded as a gain in the value of the investment.

Impairment tests

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

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

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

According to the estimates and projections available to the Directors, the corresponding provisions/reversals have been recognized in such a way that the net book value have been adjusted to the forecasts of the cash flows attributable to each company involved as of December 31, 2021 and 2020.

These projections cover the following five years and include a residual value that is appropriate for each business. In order to calculate the present value of these flows, they are discounted at a rate that reflects the weighted average cost of capital employed adjusted for the country risk and business risk. The rate for the most relevant impairment test is from 7% to 9% (from 7% to 10% in 2020).

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

Prisa Media, S.L. (Sole proprietorship)

In order to determine the value in use of the business of Prisa Media, S.L. (Sole proprietorship), the Management has based itself on the estimated value of its main asset: Prisa Radio, S.A. ("Prisa Radio") and Prisa Noticias, S.L. ("Prisa Noticias").

The Management has adapted the advertising market projections to the new circumstances of the macroeconomic environment of Spain and Chile and of the advertising industry, in

particular. In this sense, the estimates made by PwC in its "Global Entertainment & Media Outlook" report are taken into account and a market base that grows in the next five years after bottoming out in 2020 with the impact of the pandemic. Likewise, the Group takes into account its past experience in the radio and press sector, also considering its positioning (market share).

The discount rate used is from 7% to 9% (from 7.5% to 10% in 2020) and the growth rate used is from 0% to 1.5% (from 0% to 1.5% in 2020).

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

Prisa Activos Educativos, S.L. (Sole proprietorship)

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

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

Evolution of Public purchase cycles: Management has taken into account the historical evolution of this variable and has considered a continuous evolution in the future.

The discount rate used for Santillana is from 7.5% to 9% (from 7% to 8.5% in 2020). The growth rate used is from 0% to 1.5% (from 2% to 3.5% in 2020).

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

Prisa Participadas, S.L.

The valuation of the investment in Prisa Participadas, S.L. (Sole Proprietorship) is carried out taking into consideration its equity, considered as the best evidence of the recoverable amount. According the impairment test made in 2021, the recoverable value has turned out to be lower than the book value, mainly as a consequence of the business operations describes in the note *Disposals 2021* recording an impairment for amount of EUR 12,703 thousand.

Prisa Gestión Financiera, S.L.

The valuation of the investment in Prisa Gestión Financiera, S.L. (Sole Proprietorship) is carried out taking into consideration its equity, considered as the best evidence of the

recoverable amount. According the impairment test made in 2021, the recoverable value has turned out to be lower than the book value, recording an impairment for amount of EUR 1,225 thousand, which has been recording as an increase in provisions for long-term third-party liability prior to its transfer for the amount of EUR 1,287 thousand (*see note 12*), and a less impairment for the amount of EUR 62 thousand.

7.1.2. Financial assets at amortized cost

Short-term loans, derivates and others

This heading includes the portion of the loans to companies of the Group and Associates with maturity within one year and interest accrued pending payment, being the sum of EUR 1,972 thousand at December 31, 2021 (EUR 2,340 thousand at December 31, 2020).

In addition, this caption includes the tax account receivable with the Spanish Tax Group companies as a result of the liquidation of the consolidated Corporate tax for the sum of EUR 6,506 thousand at December 31, 2021 (EUR 7,826 thousand at December 31, 2020).

It also includes the balances with Group companies derived from the services provided by the Company to them for the amount of EUR 233 thousand at December 31, 2021 (EUR 3,252 thousand at December 31, 2020) and other receivables balances for amount of EUR 374 thousand at December 31, 2021 (EUR 443 thousand at December 31, 2020).

At last, the heading “*Other financial assets*” included on December 31, 2020 an interim dividend out of the 2020 profit approved by Prisa Activos Educativos, S.L. (Sole proprietorship) outstanding in that moment and it has settled in 2021.

7.2. NON-CURRENT ASSETS HELD FOR SALE

On December 31, 2021 and 2020, under this heading is registered the participation of the Company in Vertex S.G.P.S., S.A.

	Thousand euros	
	2021	2020
Vertex S.G.P.S., S.A.	278	507
Total	278	507

As a result of the ending of purchase agreement between the Company and Cofina SGPS, S.A. for the entire stakes that Prisa had in Vertex S.G.P.S., S.A due to the voluntary waived to continue of the buyer on March 11, 2020 the Company has reversed non-materialised sales costs associated with the non-executed for the amount of EUR 2,260 thousand accounted as “*Result after tax from discontinued operations*” in the accompanying income statement.

On April 24, 2020, Prisa’s Board Directors and Pluris Investments, S.A. subscribed a Memorandum of Understanding in relation to a potential transaction involving the acquisition by Pluris of shares amounting up to 30.22% of the issued share capital of Vertex S.G.P.S's subsidiary Grupo Media Capital SGPS, S.A (“Media Capital”).

On May 14, 2020, Vertex, SGPS, S.A. (subsidiary fully owned by Prisa) sold to Pluris Investments, S.A. (Pluris) the shares amounting to 30.22% of share capital of Grupo Media Capital, SGPS, S.A. (Media Capital) for a price of EUR 10,500 thousand. This transaction meant an accounting loss for EUR 28,768 thousand, accounted as “*Result after tax from discontinued operations*” in the accompanying income statement.

On September 4, 2020, Prisa signed with a plurality of investors independent agreements for the sale of shares of Media Capital, which together represent the entire shareholding (64.47%) held by Prisa through Vertex in the Portuguese company. On November 3, 2020, the sale of shares for a price of EUR 36,850 thousand was completed. The above have meant an accounting loss for EUR 48,014 thousand, accounted as “*Result after tax from discontinued operations*” in the accompanying income statement.

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

7.3. FINANCIAL LIABILITIES

The detail of “*Financial liabilities*” in the balance sheets at December 31, 2021 and 2020, based on the nature of the transactions, is as follows:

Classes	Thousands of euros									
	Non-current				Current				Total	
	Bank borrowings		Derivatives and other		Bank borrowings		Derivatives and other			
Categories	12/31/21	12/31/20	12/31/21	12/31/20	12/31/21	12/31/20	12/31/21	12/31/20	12/31/21	12/31/20
Financial liabilities at amortized cost	200,307	86,006	-	425,579	1,279	80,103	45,381	37,424	246,967	629,112
Total	200,307	86,006	-	425,579	1,279	80,103	45,381	37,424	246,967	629,112

Bank borrowings

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

2021

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

(*) The long-term amount drawn down includes capitalized interest (EUR 5,121 thousand)

2020

	Maturity Date	Limit	Draw down amount maturing at short term	Draw down amount maturing at long term
Syndicated Loan Tranche 2	mar-25	64,033	-	64,033
Super Senior Debt	dec-24	225,000	80,000	36,500
Interest and others	2022	-	103	-
Fair Value/Debt arrangement expenses	mar-25	-	-	(14,527)
Total		289,033	80,103	86,006

The changes in bank borrowings in 2021 and 2020 were as follows:

	Thousand euros	
	2021	2020
Bank borrowings at beginning of year	166,109	476,538
Amortization / debt disposition	23,756	(308,806)
Change in accrued interest payable	1,176	(394)
Change in capitalized interest	5,121	6,698
Fair value in financial instruments	5,201	6,190
Debt arrangement expenses	223	(14,117)
Bank borrowings at the end of year	201,586	166,109

In January 2021, the Company has drawn down the additional EUR 108,500 thousand corresponding to Super Senior Term Loan Facility debt. In January 2021, the Company has repaid EUR 80,000 thousand concerning to the Super Senior Revolving Facility debt. In addition, the Company has carried out a partial early repayment for amount of EUR 4,744 thousand.

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

To determine the theoretical calculation of the fair value of the financial debt, and in accordance with accounting standards we used the Euribor curve and the discount factor supplied by the bank and the actual credit risk arising from a report provided by an independent expert regarding the transactions made in the secondary debt market (level 2 variables, estimates based on other observable market methods).

Therefore, the fair value of the Syndicated Loan Tranche 2, the Super Senior Debt and the accrued interest payable amounts to EUR 211,673 thousand at December 31, 2021, according to this calculation, as a result of apply a -0.47% average discount over the real principal payment obligation to the creditor entities.

Refinancing-

In October 2020, Prisa has entered into a lock-up agreement which contained a term sheet that set out, among other aspects, the essential terms on which the Group's syndicated financial debt will be restructured, named Override Agreement (agreement for the refinancing of the Group's debt signed in December 2013, which has been amended on various occasions since then). On December 31, 2020 after the culmination of the sale of Santillana Spain, the Refinancing came into effect, once the execution of agreements reached with all of its creditors were concluded.

Prior to the Refinancing a syndicated debt partial repayment of EUR 388,806 thousand was made, with the funds obtained from the sale of Santillana Spain and Media Capital.

Therefore, as part of the refinancing of its financial debt, the Company agreed to the renewal of its syndicated loan amounting to EUR 64,033 thousand (once the previous repayment was made), which was structured in one section with the following characteristics:

- The amount of the syndicated financial debt was set at EUR 64,033 thousand and the maturity of which is extended to March 2025.
- The cost of the syndicated debt is referenced to the Euribor plus a negotiated margin (one portion is payable against cash, and another portion is capitalised).
- Adaptation of the financial conditions of the debt to the Group's new position in terms of generating cash. The agreed Refinancing allows Prisa to incur further senior-ranking debt to strengthen its liquidity position in the future, and to complete certain actions of business reorganisation.
- Update of the package of debt guarantees.

- Finally, the basic terms include a relaxation of certain financial covenants and Prisa Group's commitment to achieving a leverage cap in September 2023 (4.25x Net Debt/EBITDA). The average cost of debt is 7.1% including the Super Senior debt.

The refinancing agreement of 2018 involved a restructuring of the debt, which included a new borrower, Prisa Activos Educativos, S.L. (Sole proprietorship), which assumed nominal debt of Prisa for an amount of EUR 685,000 thousand, which, among other aspects, allowed part of the debt to be allocated in the Education business unit, the main cash generating unit of the Group, in order to meet the payments associated with the debt. The rest of the amount of the debt remained recorded in Prisa. As part of the refinancing of its financial debt at December 31, 2020, Prisa Activos Educativos, S.L. (Sole proprietorship) agreed to the novation of its syndicated loan in the amount of EUR 688,863 thousand.

Compliance with certain financial ratios is established in the financial agreements for the Prisa Group, which have been complied with since the Refinancing came into force, according to the ratios in force in each period. 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, including the Override Agreement. Since the Refinancing came into force no such breaches have occurred.

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.

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

Syndicated Prisa's debt, which correspond to the debt refinanced in December 2020, is jointly and severally guaranteed by Prisa and Prisa Activos Educativos, S.L.U. and the companies Diario El País, S.L., Grupo de Medios Impresos y Digitales, S.L.U., Prisa Media, S.L.U., Prisa Noticias, S.L.U., Grupo Santillana Educación Global, S.L. and Prisa Gestión Financiera, S.L.U.

Guarantees

As a consequence of the Refinancing of December 2020, Prisa currently has certain owned bank accounts pledged and, furthermore, Prisa Noticias, S.L.U. currently have pledges and promises of pledges, as appropriate, on certain credit rights and on 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.L. (Sole proprietorship), Prisa Media, S.L. (Sole proprietorship), Prisa Noticias, S.L. (Sole proprietorship) and Prisa Gestión Financiera, S.L. (Sole proprietorship) was also pledged, thereby insuring syndicated debt.

Super senior Debt -

In Addition to the syndicated loan mentioned above, on June 29, 2018, the Company signed a Super Senior debt agreement ("*Super Senior Term & Revolving Facilities Agreement*") for a maximum amount of EUR 86,500 thousand.

Of this sum, EUR 36,500 thousand corresponded to the Super Senior Term Loan Facility, which was drawn down during FY 2019 to finance the purchase by Prisa Radio, S.A., a Group company, of the 3i shares in treasury stock.

The purpose of the additional EUR 50,000 thousand for the Super Senior Revolving Credit Facility was to finance the company's operating needs. In April 2019, as a consequence of buying 25% of Santillana, the amount for the Super Senior Revolving Credit Facility was increased by EUR 30,000 thousand, to a maximum Super Senior debt amount of EUR 116,500 thousand.

The entire Super Senior Revolving Credit Facility, amounting to EUR 80,000 thousand, was drawn down in March 2020 to meet operating needs associated with COVID-19, so, at December 2020, 31 the drawn down Super Senior debt amounted to EUR 116,500 thousand. In 2021, this Super Senior Revolving Credit Facility policy was returned in the amount of EUR 80,000 thousand.

On December 31, 2020, and within the framework of that year Refinancing, the Company agreed to extend the limit of the Super Senior debt corresponding to the Super Senior Term Loan Facility to cover operational needs by EUR 108,500 thousand, bringing this Super Senior debt's total to EUR 225,000 thousand. The maturity of Super Senior debt is December 2024. During 2021 the additional EUR 108,500 thousand on Super Senior Term Loan Facility were drawn, and so at December 31, 2021, EUR 145,000 thousand of Super Senior debt had been drawn.

Thus at December 31, 2021, EUR 80,000 thousand of Super Senior debt corresponding to Super Senior Revolving Credit Facility had not been drawn.

The guarantee structure of this Super Senior debt is the same as the one mentioned above relating to the syndicated financial debt of the Company, in such a way that the creditors of said debt and those of syndicated debt have the same guarantees. However, the Super Senior debt has a preferential rank with respect to syndicated debt in relation to said guarantees.

Other aspects of the Refinancing

The Company conducted an analysis of the conditions agreed upon in relation to the Refinancing of its bank debt, concluding that they did not constitute a substantial modification of the previous conditions, both from a quantitative and qualitative point of view. Therefore, and in accordance with Accounting and Valuation Standard No. 9 of the "Financial Instruments", the Company has maintained the carrying value of the debt subject to the Refinancing, recording the amount of the commissions paid as an adjustment to its carrying value. The amortized cost of the financial liability was determined by applying the effective interest rate, which will be that which equals the carrying value of the financial liability on the modification date with the cash flows payable under the new conditions. The difference between the nominal value of the debt and its carrying value, together with the arrangement costs incurred in carrying out the Refinancing, is presented under the "Present value/ Loan arrangement costs" heading by adjusting the "Non-current bank borrowings" heading in the accompanying balance sheet, and which are recognised in the income statement for the duration of the loan using the effective interest method.

Payable to Group companies and associates

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

2021

	Non-current	Current
Other payables	-	7,781
Cash pooling	-	24,126
Total	-	31,907

2020

	Non-current	Current
Investment tax credits	1,311	-
Other payables	424,268	7,082
Cash pooling	-	8,699
Total	425,579	15,781

Other non-current payables-

It corresponded to the participating loan granted by its subsidiary Prisa Participadas, S.L. (Sole proprietorship) for EUR 62,492 thousand at December 31, 2020 with maturity date January 1, 2023. In addition, at December 31, 2020 included the loan granted in 2018 by this same company for the amount of EUR 94,952 thousand with maturity date January 1, 2023. As described in note 7.1.1, corporative operations carried out in the year have led to the cancellation of these debts for a total amount of EUR 157,444 thousand.

As a result of the sale of Santillana España, the Groups' company Prisa Activos Educativos, S.L. (Sole proprietorship) granted a loan dated December 31, 2020 for an amount of EUR 266,824 thousand with maturity in April 2025. The Company used this amount to repay the

bank debt that arose in December 2020 (*see note 7.3*). As described in note 7.1.1, business operations carried out in the year have led to the cancellation of this debt.

Other current payables-

At December 31, 2021 this heading includes, on the one hand, the tax account payable to the Spanish Tax Group companies for the liquidation of the consolidated Corporate tax for EUR 7,348 thousand (EUR 6,548 thousand at December 31, 2020).

It also includes the balances with Group companies derived from the services received by the Company from them for the amount of EUR 433 thousand at December 31, 2021 (EUR 305 thousand at December 31, 2020).

This amount included at December 31, 2020 interest pending payment related to the loans mentioned in the previous section for an amount of EUR 229 thousand that were cancelled in 2021.

On the other side, also included EUR 24,126 thousand of balances and interest payable to Prisa Gestión Financiera, S.L. (Sole proprietorship), centralizing company of the Group's cash pooling balances, arising from cash pooling (EUR 8,699 thousand at December 31, 2020).

Investment tax deductions-

This heading included at December 31, 2020 Promotora de Informaciones, S.A.'s obligation to its subsidiaries arising from investment tax credits earned by Group companies in prior years that were not used in the consolidated group's income tax settlement.

The whole of these obligations have been cancelled in 2021.

Past-due payments to creditors-

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

	2021	2020
	<i>Days</i>	<i>Days</i>
Average payment period to suppliers	69	43
Ratio paid operations	70	43
Ratio of outstanding payment transactions	41	72
	<i>Amount (thousands of euros)</i>	
Total payments	13,910	27,559
Total outstanding payments	474	278

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

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

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

The maximum legal period of payment applicable in 2021 under Law 3/2004, of 29 December, for combating late payment in commercial transactions, is by default 30 days, and 60 days maximum if particular conditions are met with suppliers.

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

7.4- NATURE AND RISK OF THE FINANCIAL INSTRUMENTS

Liquidity and Credit Risk-

The situation in the markets has caused an increase in liquidity pressures in the economy and a contraction in the credit market. To face this, the Company has in place a Super Senior debt (“Super Senior Term & Revolving Facilities Agreement”) to meet operational needs for a maximum amount of EUR 225,000 thousand, of which EUR 145,000 thousand were drawn as of December 31, 2021.

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

Additionally, the Company analyzes on a recurrent basis other financing sources to cover short- and medium-term liquidity needs. However, at December 31, 2021, the Company still maintains a net bank debt level of EUR 199,924 thousand. This debt indicator includes non-current and current bank borrowings, at nominal value, diminished by current financial assets, cash and cash equivalents.

The table below details the liquidity analysis of the Company in 2021 in relation to its bank borrowings. The table was prepared using the cash outflows not discounted with respect to their scheduled maturity dates. 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 interest rate curves at the end of 2021.

Maturity	Thousand of euros	Floating euro rates
Within 3 months	174	0,00%
From 3 months to 12 months	7,717	0,00%
From 1 to 3 years	184,138	0,00%
From 3 to 5 years	65,759	0,00%
After 5 years	-	0,00%
Total	257,788	

Interest rates risk exposure-

The 100% of its bank borrowings terms are at variable interest rates, and therefore the Company is exposed to fluctuations in interest rates. Currently the Company has no interest rate hedges arrangements.

Fluctuations in foreign exchange rates-

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

7.5.- CASH AND CASH EQUIVALENTS

The balance of the heading “Cash and cash equivalents” in the accompanying balance sheet at December 31, 2021 amounts to EUR 10,764 thousand (EUR 10,409 thousand at December 31, 2020) and it includes EUR 10,000 thousand received under the “escrow agreement” related to the Vertix purchase agreement with Cofina in 2019. This amount has been under dispute with Cofina since the breach of the aforementioned sale agreement by Cofina in April 2020, so the company will not have access to this sum until the dispute is resolved, and therefore has registered under the heading "other financial liabilities" a liability for the same amount.

8- EQUITY

The detail of the transactions recognized under “Equity” in 2021 and 2020 is summarized in the attached statement of changes in equity.

Share capital

As of December 31, 2021 and 2020 the share capital of Prisa amounts to EUR 70,865 thousand and is represented by 708,650,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros, and have been fully paid up. The share capital has remained unchanged throughout the year.

On December 31, 2021, the significant shareholders of Prisa, according to information published in 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)	-	211,474,843	29.84%
VIVENDI, S.E.	70,410,336	-	9.94%
TELEFONICA, S.A.	63,986,958	-	9.03%
RUCANDIO, S.A.	-	53,938,328	7.61%
KHALID BIN THANI BIN ABDULLAH AL-THANI (3)	-	36,422,971	5.14%
GHO NETWORKS, S.A. DE CV	-	35,570,206	5.02%
BANCO SANTANDER, S.A. (4)	17,239,369	17,017,746	4.83%
INVERSORA CARSO, S.A. DE CV (5)	-	30,509,047	4.30%
CARLOS FERNANDEZ GONZALEZ (6)	-	28,539,429	4.03%

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	AMBER CAPITAL INVESTMENT MANAGEMENT ICAV - AMBER ACTIVE INVESTORS FUND	101,987,187	14.39%
JOSEPH OUGHOURLIAN	AMBER CAPITAL INVESTMENT MANAGEMENT ICAV - AMBER GLOBAL OPPORTUNITIES FUND	22,319,173	3.15%
JOSEPH OUGHOURLIAN	OVIEDO HOLDINGS, S.A.R.L	87,168,483	12.30%
RUCANDIO, S.A.	RUCANDIO INVERSIONES, SICAV, S.A.	90,456	0.01%
RUCANDIO, S.A.	PROMOTORA DE PUBLICACIONES, S.L.	125,949	0.02%
RUCANDIO, S.A.	AHERLOW INVERSIONES, S.L.	53,721,923	7.58%
KHALID BIN THANI BIN ABDULLAH AL-THANI	INTERNATIONAL MEDIA GROUP, S.A.R.L	36,422,971	5.14%
GHO NETWORKS, S.A. DE CV	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	35,570,206	5.02%
BANCO SANTANDER, S.A.	SULEYADO 2003, S.L	5,627,382	0.79%
BANCO SANTANDER, S.A.	CANTABRO CATALANA DE INVERSIONES, S.A	5,762,982	0.81%
BANCO SANTANDER, S.A.	CÁNTABRA DE INVERSIONES, S.A.	5,627,382	0.79%
INVERSORA CARSO, S.A. DE CV	CONTROL EMPRESARIAL DE CAPITALES S.A. DE CV	30,509,047	4.30%
CARLOS FERNANDEZ GONZALEZ	FCAPITAL LUX S.A.R.L.	28,539,429	4.03%

(1) The percentages of voting rights have been calculated on the total voting rights in Prisa at December 31, 2021 (i.e. 708,650,193 rights).

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

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

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

(4) 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.

(5) Inversora Carso, S.A. de CV controls 99.99% of Control Empresarial de Capitales S.A. de CV.

(6) Mr Carlos Fernández González controls the majority of the capital and voting rights of Grupo Far-Luca, S.A. de C.V., the owner of 99% of Grupo Finaccess, S.A.P.I. de C.V., which in turn owns 99.99% of the capital and voting rights of Finaccess Capital, S.A. of C.V. The latter controls FCapital Lux S.à.r.l.

Additionally, as of December 31, 2021 and according to the information that is published on the CNMV's website, the ownership of significant participations on financial instruments that have Prisa's underlying voting rights is as follows:

Shareholder's Name	Number of voting rights that may be acquired if the instrument is exercised/converted	Total % of Voting Rights
MELQART OPPORTUNITIES MASTER FUND LTD (1)	15,629,271	2.21%
POLYGON EUROPEAN EQUITY OPPORTUNITY MASTER FUND (2)	7,090,807	1.00%

(1) Melqart Asset Management (UK) Ltd. acts as Investment Manager de Melqart Opportunities Master Fund Ltd.

(2) Polygon European Equity Opporunititty Master Fund is a fund managed by Polygon Global Partners LLP.

Reserves

Legal reserve-

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

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

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

The balance of this account at December 31, 2021 and 2020 amounts to EUR 7,087 thousand.

Reserve for treasury shares-

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

The balance of this account at December 31, 2021 amounts to EUR 1,320 thousand (at December 31, 2020, EUR 1,530 thousand).

Voluntary reserves-

In the financial year 2021 the changes in this account were mainly as follows:

- Decrease of EUR 629 thousand due to operations carried out in the year with treasury shares (*see section "Treasury shares"*).
- In addition, in 2021 the Company recognised other reserves related to the Medium-Term Incentive Plan (*see note 13*) expense provision for the year amounting to EUR 1,522 thousand.

The balance at December 31, 2021 of this item amounts to a positive amount of EUR 1,441 thousand (EUR 548 thousand at December 31, 2020).

Other reserves-

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

Loss from previous years-

The "*Loss from previous years*" have increased during 2021 as a result of the distribution of 2020 loss, until leaving a negative amount of EUR 49,144 thousand as of December 31, 2021 (no amount as of December 31, 2020).

Treasury shares

The changes in “*Treasury shares*” in 2021 and 2020 were as follows:

	Year 2021		Year 2020	
	Number of shares	Amount (thousand of euros)	Number of shares	Amount (thousand of euros)
At beginning of year	1,713,477	1,530	1,798,979	2,591
Purchases	2,524,761	1,993	1,870,565	1,606
Sales	(1,902,670)	(1,364)	(1,933,175)	(1,626)
Deliveries	-	-	(22,892)	(58)
Reserve for treasury shares	-	(839)	-	(983)
At end of year	2,335,568	1,320	1,713,477	1,530

At December 31, 2021, Promotora de Informaciones, S.A. held a total of 2,335,568 treasury shares, representing 0.330% of its share capital.

Treasury shares are valued at market price at December 31, 2021, 0.565 euros per share. The total amount of the treasury shares amounts to EUR 1,320 thousand.

At December 31, 2021, 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. In July 2020 and 2021, through various Addendums to the original contract, the parties agree to extend the term of the agreement for one more year, until July 2021 and July 2022, respectively. In the framework of this contract, the Company has purchased a total of 1,912,167 shares and sold a total of 1,902,670, and therefore the net purchases in the 2021 financial year have been 9,497 shares and EUR 81 thousand.

In addition, a Treasury share Buyback Programme was carried out in 2021 in order to comply with the obligations arising from the Medium-Term Incentive Plan for the period 2018/2020, which was approved by the Ordinary General Shareholders Meeting on 25 April 2018 (*see note 13*). Within the framework of this contract, the Company has executed a total purchase of 612,594 shares for an amount of 548 thousand euros.

Capital management policy

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

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

The General Meeting of Prisa Shareholders' held on November 15, 2017 agreed a series of capital reductions and reserves aimed at adapting the Company's equity structure. These reductions were applied in November 2017. It also agreed a capital increase for EUR 450,000 thousand and, subsequently, expanded by the Board of Directors of Prisa on January 22, 2018, for EUR 113,220 thousand. In February 2018, the capital increase subscribed and paid out in an amount of EUR 563,220 thousand. Finally, in this year 2018, the Company paid EUR 480,000 thousand of debt with funds from the aforementioned capital increase and with the cash available to the same.

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

On June 29, 2020, the Prisa's General Shareholder Meeting agreed to reduce in share capital of the Company in order to re-establish its equity balance.

On October 19, 2020, Prisa, through its subsidiary Grupo Santillana Educación Global, S.L.U. ("Santillana"), signed an agreement with the Sanoma Corporation, a European learning and Finnish media company, for the sale of the Spanish educational business of Santillana addressed at pre K-12 and K-12 segments. On December 31, 2020, the transaction was closed.

In October 2020, Prisa signed a lock-up agreement (the "Lock-up Agreement") which contained a term sheet that sets out, among other aspects, the essential terms on which the Group's syndicated financial debt restructured. On December 31, 2020 the refinancing agreement came into effect, once the agreements reached with all of its creditors were concluded, among which were included, the culmination of the sale of Santillana Spain describe above. Prior to the Refinancing a debt partial repayment of EUR 388,806 thousand was made, with the funds obtained from the sale of Santillana Spain and Media Capital (*see note 7.3*).

Finally, in February 2022 the Board of Directors of Prisa has approved, by unanimity, the signing of a lock-up agreement (the "New Lock-Up Agreement") that incorporates a term sheet with the basic conditions for the amendment of the Group's syndicated financial debt (the "New Refinancing"). The basic terms of the agreed New Refinancing consist, among other aspects, in the extension of the maturity of the financial debt to 2026 and 2027 and division of the syndicated loan into two differentiated tranches (one of senior debt and one of junior debt) and the flexibilization of the contractual commitments of the current debt that will allow, among other improvements, to increase Prisa's operating flexibility and soften the financial ratios required by its current contracts.

As of December 31, 2021, the equity of the Company is greater than two thirds of total share capital, which is why it was in a situation of equity balance at that date.

9. TAX MATTERS

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

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

	Thousands of Euros	
	2021	2020
Sum of individual tax bases	(65,818)	(73,789)
Offset of tax losses arising prior to inclusion in the Group	-	-
Offset of Group tax losses	-	-
Consolidated taxable profit	(65,818)	(73,789)
Consolidated gross tax payable	-	-
Double taxation tax credits generated	-	-
Investment tax credits	-	-
Donations tax credits	-	-
Net tax payable	-	-
Withholdings from tax group	(11)	(8)
Advance payments	-	-
Income tax refundable	(11)	(8)

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

The reconciliation of the income and expenses for the year to the taxable profit (tax profit/loss) used to calculate the income tax expense for 2021 and 2020 is as follows (in thousands of Euros):

	2021			2020		
	Income statement	Items recognised in Equity with tax impact	Total	Income statement	Items recognised in Equity with tax impact	Total
Balance of income and expenses for the year from continue activities	55,593	-	55,593	(49,144)	-	(49,144)
Income tax *	46	-	46	(283)	-	(283)
Adjustment of prior years’ income tax *	(1,060)	-	(1,060)	646	-	646
Derecognition of tax credits *	-	-	-	36,735	-	36,735
Individual permanent differences *	(80,714)	-	(80,714)	(24,239)	-	(24,239)
Individual temporary differences *	(186)	-	(186)	(186)	-	(186)
Taxable profit	(26,321)	-	(26,321)	(36,471)	-	(36,471)

*This amount is a component of the recognised income tax

The permanent differences correspond mainly to: (i) the different accounting and tax treatment of investment valuation provisions and risks and expenses, and others concepts, and generate an increase of EUR 19,334 thousand, (ii) a negative adjustment of the exemption of dividends, for EUR 96,142 thousand, to which article 21 of the Spanish Corporation Tax Law applies, (iii) a negative adjustment of the tax merger difference corresponding to 2021 for EUR 19,294 thousand, arising from the merger operation of the companies Promotora de Informaciones, S.A. and Prisa Televisión, S.A.U. (merger by takeover described in Note 17 of the Financial Statement corresponding to 2013), applying the requirements of Article 89.3 of the Tax Law in force at that time to give it tax effect, (iv) a positive adjustment for the contributions made to non-profit organizations for EUR 88 thousand, which generated an expense not deductible from the taxable profit, (v) a negative adjustment for the monetisation of the deduction for R&D for the amount of EUR 295 thousand and (vi) a positive adjustment for the limitation of the deductibility of financial expenses outlined in article 16 of the aforementioned Income Tax Law, which amounts to EUR 15,654 thousand.

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

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

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

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

	2021			2020		
	Income Statement	Items recognised in Equity with tax impact	Total	Income Statement	Items recognised in Equity with tax impact	Total
Accounting profit (loss) before tax (*)	54,579	-	54,579	(12,046)	-	(12,046)
Rate os 25%	13,645	-	13,645	(3,011)	-	(3,011)
Individual permanent differences on consolidation	(20,179)	-	(20,179)	(6,060)	-	(6,060)
Impact of temporay differences	46	-	46	(47)	-	(47)
Current Income tax	(6,488)	-	(6,488)	(9,118)	-	(9,118)
Deferred income tax	46	-	46	47	-	47
Adjustment of prior years income tax	(1,060)	-	(1,060)	646	-	646
Adjustment no generation of DTA by NOLs	6,488	-	6,488	8,788	-	8,788
Loss of tax credits	-	-	-	36,735	-	36,735
Withholdings	-	-	-	-	-	-
Total income tax	(7,502)	-	(7,502)	37,098	-	37,098

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

Tax receivables and tax payables

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

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

The detail of the balances with Tax Authorities at December 31, 2020 was as follows (in thousands of Euros):

	Receivable		Payable	
	Current	Non-current	Current	Non-current
Income tax refundable/payable	715	-	-	-
Deferred tax assets arising from temporary differences	-	1,467	-	-
VAT, personal income tax withholdings, social security taxes and other	1,294	-	367	-
Total	2,009	1,467	367	-

Deferred tax assets and liabilities

Deferred tax assets-

The movement in deferred tax assets during the year is mainly due to the recognition of the effect of the 2016-2018 tax audit, which resulted in a write-off of EUR 1,281 thousand.

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

Year of generation	NON-ACTIVATED
	Amount (thousand of euros)
2011	133,464
2012	232,380
2013	40,981
2014	36,745
2015	626,769
2017	155,782
2018	42,915
2019	30,797
2020	59,436
2021	65,818
TOTAL	1,425,087

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

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

Year of statute of limitation	NON-ACTIVATED
	Amount (thousand of euros)
2021	-
2022	2,213
2023	5,218
2024	7,144
2025	31,831
2026	12,113
2027	4,573
2028	9,762
2029	12,282
2030	6,071
2031	2,481
2032	917
2033	768
2034	748
2035	564
2038	1,042
Unlimited	53,145
TOTAL	150,872

The Company has not recognised deferred tax assets in respect of tax losses and deductions at 31 December 2021 as it considers that the generation of taxable income in future years is not reasonably assured.

Years open to examination by the tax authorities

In 2013 the tax consolidation audits of the Group for the Corporate Tax corresponding to 2006 to 2008 ended with the opening of a signed Notice of disagreement for the amount of EUR 9 thousand, which was paid by the Company. However, the Company was not in agreement with the criteria maintained by the audit in the regularisation proposed by it, and the relevant claims and appeals have been filed, and on the date of formulation of these statements, they are pending resolution before the Supreme Court. No additional equity impact will be derived from these actions.

With regard to the Value Added Tax for the period from June 2007 to December 2008, the audits were finalized in the year 2013 with the opening of two Notices, one for EUR 539 thousand, and the other for EUR 4,430 thousand, both they have been the object of the pertinent claims and appeals, pending resolution before the Supreme Court. No additional equity impact will be derived from these actions.

In 2016 ended the audit procedure regarding the Value Added Tax for the period of May 2010 to December 2011 of VAT Group 105/08 of which Promotora de Informaciones, S.A. is the parent company, with the signing of a notice of agreement for the amount of EUR 512 thousand, which was paid and recorded in 2016; and another notice of disagreement for the amount of EUR 7,785 thousand, which, although it was appealed, was also paid and recorded with a charge to the profit and loss account. Promotora de Informaciones, S.A. filed an economic-administrative appeal which was partially upheld by the TEAC. During the year, the partially upholding Resolution of the TEAC has been executed, which has generated a return of EUR 8,068 thousand.

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

Similarly, they ended in 2016, the audits related to the Corporate Tax corresponding to 2009 to 2011 in Fiscal Consolidation Group 2/91, of which Promotora de Informaciones, S.A. is the parent company, resulting in the signing of a Notice in disagreement with no amounts payable and whose impact was recorded in accounting in that year. The Company filed the corresponding economic-administrative appeal with the TEAC and, subsequently, an administrative appeal was filed with the National Court of Spain, which is pending resolution. No additional equity impact will be derived from these actions.

In 2019 the inspections of corporation tax for the years 2012 to 2015 came to an end, no amounts were stipulated for deposit, and the main effect of this was a redistribution of tax

credits from one category to another. The Company filed the corresponding economic-administrative appeal to the TEAC, and subsequently a contentious-administrative appeal to the National Court of Spain, which is currently pending a ruling.

Also in 2021, the inspection procedures relating to Value Added Tax for the periods 2016-2018 of VAT Group 105/08 were completed, with the signing of (i) a conformity assessment corresponding to years 2017 and 2018 from which no tax liability arose and (ii) a settlement agreement relating to the 2016 financial year amounting to EUR 147 thousand, which will be paid by the Company before May 5.

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

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

The Company has all state taxes open to examination from 2019 to 2021. Additionally, the Company has the last four years open to examination for all non-state taxes. It is not expected that there will be accrued liabilities of consideration to the Company in addition to those already registered, as a result of these procedures or of a future and possible inspection.

Transactions under the special regime

The disclosures required by Article 86 of the Spanish Corporation Tax Law relating to corporate restructuring transactions under the special regime of Chapter VII of Title VII of the aforementioned legislation, made in previous years, are included in the notes to the financial statements of the years in which these transactions took place.

10.- INCOME AND EXPENSE

Employees

The detail of “*Employee benefits costs*” in the income statements for 2021 and 2020 is as follows (thousands of euros):

	2021	2020
Employer social security costs	840	996
Other employee benefit costs	111	110
Total	951	1,106

The average number of employees in 2021 and 2020 was 62 and 73, all of whom had a permanent employment contract. The detail, by gender and professional category, is as follows:

	2021		2020	
	Men	Women	Men	Women
Executives	6	7	8	6
Middle management	4	7	7	9
Qualified line personnel	13	18	13	21
Other	1	6	2	7
Total	24	38	30	43

The calculation of the average workforce for the year 2020 took into account a temporary layoff plan, which resulted in a reduction of 11% of the working hours of 79% of the Company's workforce in Spain for the period from June 1st to December 31st, 2020.

The number of employees at December 31, 2021 was 47 and at December 31, 2020 was 85 all of whom had a permanent employment contract. The detail, by gender and professional category, is as follows:

	12/31/21		12/31/20	
	Men	Women	Men	Women
Executives	4	6	9	7
Middle management	3	5	7	8
Qualified line personnel	12	13	17	25
Other	-	4	3	9
Total	19	28	36	49

In 2021 and 2020 there is an employee with disabilities equal or greater than 33%.

External services

The detail of "External services" in 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	2020
Leases and fees	846	1,078
Repairs and maintenance	406	483
Independent professional services	6,203	4,360
Other external services	1,756	2,012
Total	9,211	7,933

The "Other external services" includes in 2021 an expense of EUR 382 thousand corresponding to the liability insurance of Managers and Directors (EUR 282 thousand at December 31, 2020).

Operating leases

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

The expense recognized by the Company in the income statement for the year 2021 and corresponding to the operating lease where it develops its mainly activity, amounts to EUR 385 thousand. (EUR 637 thousand for the year 2020).

Fees paid to auditors

The fees for financial audit services relating to the 2021 financial statements of Prisa provided by Ernst & Young, S.L., amounted to EUR 277 thousand (EUR 251 thousand in 2020).

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

	Amount (thousands of euros)	
	2021	2020
Other verification services	129	161
Other professional services	129	161

11.- NET FINANCIAL RESULT

The detail of “*Net Financial Result*” in the income statements is as follows:

	Thousands of Euros	
	2021	2020
Income from loans	387	6
Other financial income	7,901	45
Financial income	8,288	51
Interest on debts with Group companies	(4,026)	(3,149)
Interest on debts with third parties	(11,633)	(27,795)
Other financial expenses	(2)	(3)
Financial expenses	(15,661)	(30,947)
Change in fair value of financial instruments	(5,201)	(6,190)
Positive exchange differences	15	3
Negative exchange differences	(10)	(13)
Net exchange differences	5	(10)
Impairment and losses of financial instruments	(13,933)	(260)
Financial outcome	(26,502)	(37,356)

In 2021 the heading "Other financial income" includes the income derived from the favourable resolution of the TEAC in relation to the inspection of the Value Added Tax from the period May 2010 to December 2011 for an amount of EUR 7,841 thousand, corresponding mainly to the VAT of invoices associated to loan arrangement costs (*see note 9*).

The loss recorded under "*Fair value of financial instruments*" corresponds to the financial expense accrued in 2021 and 2020 associated with the difference between the initial amount of the debt and the amount at expiration, using the effective interest method (*see note 7.3*).

12.- PROVISIONS AND CONTINGENCIES

The changes in "*Provisions and contingencies*" in 2021 are as follows (in thousands of euros):

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

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

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

The changes in “*Provisions and contingencies*” in 2020 were as follows (in thousands of euros):

	Balance at 12/31/2019	Additions	Transfers	Balance at 12/31/2020
Provision for litigation in progress	300	-	-	300
Provisions for third-party liability	3,716	2,374	(1,594)	4,496
Total cost	4,016	2,374	(1,594)	4,796

The main changes under the heading “*Provisions for third-party liability*” corresponded basically to the increases in the provisions established to cover the negative equity that at December 31, 2020, presented the companies Prisa Gestión Financiera, S.L. (Sole proprietorship) (EUR 2,362 thousand) and Promotora de Actividades América 2010, S.L. (Company in liquidation) (EUR 12 thousand) which were recognized with a charge to the heading “*Impairment of financial assets*” in the accompanying income statement. The transfers under the heading “*Provisions for third-party liability*” corresponded basically to amounts that were transferred at a lower value for the stake due to the contribution made to re-establish the balance of Prisa Gestión Financiera, S.L. (Sole proprietorship) (*see note 7.1*), under the heading transfers.

13.- SHARE-BASED PAYMENTS

At the Ordinary Shareholders' Meeting held on 25 April 2018, a Medium-Term Incentive Plan was approved for the period between 2018 and 2020, consisting of the delivery of Company shares associated on the one hand, with the performance of the stock exchange value and, on the other hand, the achievement of certain economic objectives (the “Plan”) (non-discriminatory conditions), aimed at the CEO of Prisa, the members of Senior Management and certain directors of its subsidiaries, who could receive a certain number of ordinary shares of the Company after a reference period of 3 years and provided that certain pre-defined requirements are met. At the beginning of the Plan, the Company assigned a certain number of "theoretical shares" ("Restricted Stock Units") to each beneficiary, which was served as a reference to determine the final number of shares to be delivered.

The fair value of the "theoretical shares" assigned was determined according to the following:

- o The fair value of the "theoretical shares" linked to the performance of the stock exchange value of Prisa shares was determined using a known statistical model in accounting practices on the date of measurement, which supposed a unit value of EUR 1.03246 per theoretical share. In this case, the total number of "theoretical shares" assigned, which served as a reference to determine the final number of shares to be delivered, was 5,600,000.

- o The fair value of the "theoretical shares" linked to the achievement of certain quantitative targets was determined by the market price of the share on the date of measurement (considering the dividends expected during the Plan period), which supposed a unit value of EUR 1.616 per theoretical share. In this case, the total number of "theoretical shares" assigned, which served as a reference to determine the final number of shares to be delivered, was 5,600,000.

The expense corresponding to 2021 in PRISA is EUR 611 thousand and is recorded under items for personnel expenses (EUR 564 thousand) and external services (EUR 47 thousand) in the income statement, with no effect on the net equity of the Company, as it is a transaction settled with equity instruments, which implies an increase in net equity for the same amount. The expense for 2020 amounted to EUR 174 thousand.

In 2021 PRISA's Board of Directors assessed the degree of achievement of the Ebitda and Cash Flow objectives on which the Incentive Plan is referenced, approving the number of shares to be delivered to the beneficiaries upon settlement (a total of 2,115,328 shares).

It should be noted that at the request of the incentive plan beneficiaries, the Board of Directors resolved that settlement and delivery of this compensation be delayed until January-February 2022 (according to the general conditions regulating this compensation plan, delivery should have been made within 60 days after the 2020 accounts were prepared).

The Plan payout was made in February 2022, through delivery of shares or their cash-value equivalent, according to the preference of each of the plan beneficiaries. In total, 905.302 net PRISA shares were delivered and EUR 703 thousand in cash payments were made, including the tax applicable. The foregoing will not impact the earnings account for 2022 and only the Company's net equity figure will be lower due to the cash paid out.

The decision to give the beneficiaries the option of a cash payment was made by PRISA's Delegated Committee, at the proposal of the Appointments, Compensation and Corporate Governance Committee, on 25 January 2022. For that reason, no liabilities were recorded at 31 December 2021. That possibility was provided for in the General Conditions that govern the Incentive Plan.

The cash value of the shares was calculated based on the share trading price on the day the decision was made (25 January 2022).

"2022-2024 Incentive Plan for PRISA Media":

At its meeting held on 21 December 2021, PRISA's Board of Directors approved a medium-term incentive plan whose beneficiary is PRISA Media's Executive Chairman Mr. Carlos Nuñez, (who is likewise an executive director of PRISA), and is linked to the achievement of certain quantitative financial objectives contained in PRISA Media's budget (concerning EBITDA, Cash Flow and digital revenue) for 2022, 2023 and 2024, payable in shares of PRISA.

Mr. Nuñez will be assigned a number of theoretical shares equivalent to EUR 500 thousand gross for each year the plan is in effect, which will serve as a reference to determine the final number of shares to be awarded. The calculation will be made considering the average trading value of PRISA shares during the last quarter of 2021. The incentive may likewise increase in view of the evolution of PRISA's share price.

No accounting expense was recorded in 2021 with respect to this Incentive Plan, since it is pending approval of PRISA shareholders and, thus, was not in effect that year.

"2022-2024 Incentive Plan for PRISA":

At its meeting on 21 December 2021, PRISA's Board of Directors approved a medium-term incentive plan whose beneficiary is PRISA's Director of Finances Mr. David Mesonero, and is linked to the achievement of certain quantitative financial objectives contained in PRISA's budget (concerning EBITDA, Cash Flow and digital revenue) for 2022, 2023 and 2024, payable in shares.

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

No accounting expense was recorded in 2021 with respect to this Incentive Plan, since it has not yet been announced to the beneficiary and, thus, implemented in this financial year.

14.- GUARANTEE COMMITMENTS TO THIRD PARTIES

At December 31, 2021, Prisa had furnished bank guarantees amounting to EUR 601 thousand (EUR 863 thousand at December 31, 2020). Additionally, the Company is the joint and several guarantor of the obligations incurred under the lease contract of the offices of Miguel Yuste of which Diario El País, S.L. is the lessee.

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

15.- RELATED PARTY TRANSACTIONS

The transactions performed with Group companies, associates and related parties in 2021 and 2020 are as follows in thousands of euros:

	12/31/2021		12/31/2020	
	Group companies or entities	Significant shareholders	Group companies or entities	Significant shareholders
Receivables	233	-	3,252	35
Financial credits	8,478	-	19,166	-
Total receivable accounts	8,711	-	22,418	35
Trade payables	433	-	305	208
Financial loans	31,474	-	441,055	16,184
Total payable accounts	31,907	-	441,360	16,392

The transactions performed with Group companies, associates and related parties in 2021 and 2020 are as follows in thousands of euros:

	2021			2020		
	Directors and executives	Other Group companies	Significant shareholders	Directors and executives	Other Group companies	Significant shareholders
Finance expenses	-	4,026	-	-	3,149	7,487
Services received	-	1,295	-	-	606	833
Other expenses	7,990	-	-	5,134	-	-
Total expenses	7,990	5,321	-	5,134	3,755	8,320
Finance income	-	387	-	-	6	-
Dividends received	-	101,202	-	-	109,383	-
Other income	-	4,907	-	-	6,616	48
Total revenues	-	106,496	-	-	116,005	48

All related party transactions have taken place under market conditions.

The amount of EUR 7,990 thousand relates to the accrued salaries of Directors for the amount of EUR 3,699 thousand (*see note 16*) and executives for the amount of EUR 4,291 thousand.

Remuneration of Senior Management:

The total aggregate compensation in 2021, in Promotora de Informaciones, S.A., amounts to EUR 4,291 thousand (EUR 2,580 thousand in 2020) and is the accounting reflection of the overall compensation of managers. Therefore it does not match with the remuneration accrued that will be included in the Annual Report of Corporate Governance 2021 in which

is followed the criteria required by the CNMV in the “Circular 3/2021 of the CNMV”, which is not the accounting provision basis.

In 2020, in the context of the COVID-19 crisis and in order to mitigate the negative impact of the situation which had a special effect on the main sources of income generation of all kind of media, Prisa Board of Directors resolved to put in place a contingency plan with a reduction of around 35% in the Senior Management remuneration. Likewise, the members of Prisa's Senior Management voluntarily waived, in relation to the financial year 2020, the part of the annual variable remuneration referred to quantitative objectives (*see note 16*).

Subsequently, in January 2021, Mr. Pujol (at that time General Secretary and Secretary to the Board) likewise waived part of his 2020 annual variable compensation for achieving qualitative objectives. Thus, Mr. Pujol voluntarily waived all annual variable compensation for 2020.

In addition, in 2021 with the pandemic still rampant and no return yet foreseen to sufficient revenue levels, new temporary interim measures were needed to contribute to dealing with this complicated scenario. Consequently, toward that end, the Board of Directors agreed, among other aspects, propose, to all employees with annual gross compensation of EUR 85 thousand or higher, a temporary salary reduction (of 10% of their fixed compensation) during 2021 (*see note 16*).

Regarding fiscal year 2021:

i) The aggregate compensation of the Managers is the compensation of members of senior management who are not executive directors of Prisa and have a labour or mercantile relationship with Prisa. As of December 31, 2021, the managers were the following: the Secretary to the Board of Directors (Mr Pablo Jiménez de Parga, who joined the Company in July 2021), the CFO (Mr David Mesonero, who also joined the Company in July 2021), the Chief of Communication and Institutional Relations (Mr Jorge Rivera) and the Prisa's Director of Internal Audits (Ms Virginia Fernández).

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

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

iii) Remuneration of senior management includes, inter alia:

- o Annual variable compensation (bonus): reflection of the amount corresponding to theoretical annual variable compensation of the executives if 2021 management objectives are achieved. However, since this compensation is subject to achievement of the management objectives at the end of the year 2021, 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 2021 annual accounts of the Group are prepared, based on the level of achievement of the established objectives.
- o Regularization of 2020 bonus paid in 2021, taking into account that: i) in April 2020 the Directors voluntarily waived, in relation to the 2020 financial year, the part of the annual variable remuneration that refers to quantitative objectives and ii) in January 2021 Mr. Pujol also waived the part of the annual variable remuneration corresponding to qualitative objectives.
- o In 2021, an expense of EUR 289 thousand was recorded for the “Incentive Plan 2018-2020”, in relation to the Managers.
- o In the 2021 an expense amounting to EUR 2,219 thousand has been recorded as a consequence of the termination of the contractual relationship (indemnities and compensation for non-competition agreement) of 3 of the Managers mentioned above.

Regarding fiscal year 2020:

i) In 2020 members of Senior management were the following: Mr. Xavier Pujol, Mr. Guillermo de Juanes, Mr. Jorge Bujía, Mr. Augusto Delkáder, Mr. Jorge Rivera, Ms. Marta Bretos, and Ms. Virginia Fernández.

ii) The remuneration of senior management included, inter alia:

- o Annual variable compensation (bonus): reflection of the amount corresponding to theoretical annual variable compensation of the executives if 2020 management objectives were achieved. However, since this compensation was subject to achievement of the management objectives at the end of the year 2020, the accounting figure in no way constituted acknowledgment that that variable compensation had accrued, which will occur, if at all, once the year is closed and the 2020 annual accounts of the Group are prepared, based on the level of achievement of the established objectives. As already stated above, members of Prisa's Senior Management voluntarily waived, in relation to the financial year 2020, the part of the annual variable remuneration that refers to quantitative objectives.
- o Regularization of 2019 bonus paid in 2020.
- o In 2020, an expense of EUR 97 thousand was recorded for the “Incentive Plan 2018-2020”, in relation to the Managers. It should be noted the fact that, in 2020, the provision for previous years had been reversed, when evaluating the degree of

achievement of the Plan's quantitative objectives, which had been adversely impacted by the COVID-19 crisis.

- o In 2020, the Board of Directors approved two extraordinary bonuses for the CEO of Prisa and for certain managers, linked to the success of two important strategic transactions, namely the sale of the education business of Grupo Santillana Educación Global, S.L.U. in Spain and the refinancing of Grupo Prisa's financial debt with its creditors.

Payment was in cash based on a scale of a series of predefined targets. In 2020 an expense of EUR 975 thousand was recorded for this concept in relation to members of Senior Management.

Transactions between Group companies, associates and related parties-

Income from services rendered corresponds basically to central corporate services.

The detail, by company, of the dividend income paid by Group companies in 2021 and 2020 is as follows in thousands of euros:

	2021	2020
Prisa Activos Educativos, S.L.	84,461	109,368
Prisa Participadas, S.L.	16,721	-
Canal Club, S.A.	20	15
Total	101,202	109,383

Corporate operations describe in note 7.1.1, into "Disposals", and according to the profits generated and not distributed from the date of acquisition or incorporation by the investee company and its subsidiaries, have generated a dividend income in the Company of EUR 99,057 thousand. Additionally, an amount of EUR 2,125 thousand is registered from the distribution of the 2020 result of Prisa Participadas, S.L. (Sole proprietorship).

Operations between Group companies, associates and related parties-

During 2020, as part of the sale of Santillana in Spain and in order to repay part of the aforementioned debt mentioned in note 7.3 a loan was set up by the company Prisa Activos Educativos, S.L. (Sociedad Unipersonal) for the amount of EUR 266,825 thousand. This loan has been cancelled in 2021 as described in notes 7.1.1 and 7.3.

Additionally, as described in the same notes, the loans granted by the company Prisa Participadas, S.L. (Sole proprietorship) has been cancelled for the amount of EUR 157,444 thousand.

Transactions between with significant shareholders -

In 2020, mainly included the interest accruing at nominal interest rate on credits granted by HSBC Holding, PLC and Banco Santander, S.A. to the Company, and expenditure on

telephony and Internet by Prisa with Telefónica, S.A., due to they were considered significant shareholders.

Transactions with significant shareholders –

During 2021, there have been no transactions with significant shareholders.

The detail of other transactions performed with related parties during 2020 was as follows in thousands of euros:

2020

	12/31/2020
	Significant shareholders
Finance agreement: loans received (<i>see note 7,3</i>)	16,184

This amount corresponded to loans granted by HSBC Holding, PLC (EUR 15,482 thousand) and Banco Santander, S.A. (EUR 702 thousand) within the framework of the Refinancing.

16.- REMUNERATION AND OTHER BENEFITS OF DIRECTORS

Remuneration of Board of Directors

In 2021 and 2020, the following amounts are registered in respect of remuneration to Group's Board members:

	Thousands of euros	
	2021	2020
Compensation for belonging to the Board and/ or Board Committees	1,027	1,231
Salaries	224	463
Variable compensation in cash	115	(223)
Compensation systems based on shares	322	77
Severance compensation	1,742	-
Other	269	1,006
Total	3,699	2,554

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

Therefore the compensation included in the table above, do not match, in some respects, with the remuneration that will be included in the Annual Remuneration Report of the Directors 2021 (IR) and in the Annual Report on Corporate Governance 2021 (IAGC), in which it is followed the criteria required by the "Circular 3/2021 of the CNMV, whereby the

model of annual report remuneration of directors is established”, which is not the accounting provision basis.

In 2020, in the context of the COVID-19 crisis and in order to mitigate the negative impact of the situation which had a special effect on the main sources of income generation of all kind of media, Prisa Board of Directors resolved to put in place a contingency plan to adjust the cost structures of the businesses to the foreseeable circumstances of the following months, with a reduction of 20% in the directors remuneration and around 35% in the annual remuneration of the then Chief Executive Officer (Mr. Manuel Mirat) and the Senior Management, from April to December 2020, both months inclusive. Likewise, Mr Mirat and the members of Prisa's Senior Management voluntarily waived, in relation to the financial year 2020, the part of the annual variable remuneration referred to quantitative objectives.

Subsequently, in January 2021, Mr. Mirat (then CEO) likewise waived part of their 2020 annual variable compensation for achieving qualitative objectives. Thus, Mr. Mirat voluntarily waived all annual variable compensation for 2020.

In addition, in 2021 with the pandemic still rampant and no return yet foreseen to sufficient revenue levels, new temporary interim measures were needed to contribute to dealing with this complicated scenario. Consequently, toward that end, the Board of Directors resolved: i) to propose, to all employees with annual gross compensation of EUR 85 thousand or higher, a temporary salary reduction (of 10% of their fixed compensation) during 2021, including Mr Mirat; ii) to apply a 20% reduction in the compensation of Board members during the same time period (although this would not affect the remuneration of the non-executive Chairman, whose compensation was already cut by 50% in December 2020, from EUR 400 thousand to EUR 200 thousand). These measures were announced in the Directors Compensation Report filed with the CNMV on March 24, 2021 (register no. 8132).

Regarding the 2021 financial year:

i) In 2021 our operations were split into the two Grupo Prisa business areas of Education and Media, each with an Executive Chairman who is likewise an Executive Director of Prisa.

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

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

ii) As a result of the above, the Company has evolved from having a single Executive Director (the former CEO, Mr. Manuel Mirat) to having two Executive Directors, one being the Executive Chairman of Education (Santillana) (Mr. Francisco Cuadrado) and the other being Executive Chairman of Prisa Media (Mr. Carlos Nuñez). Compensation for Messrs.

Cuadrado and Nuñez are paid respectively by Santillana and Prisa Media, which is not reflected in the table above.

As for accounting for the expenses involved in Mr. Manuel Mirat's compensation, part was included under Prisa (the part concerning his duties as Prisa CEO until June 29, 2021 as well as the termination of his contract with the Company), while another part was included under Santillana (for his duties as Executive Chairman of Santillana during the month of July, 2021, and so it is not reflected in the table above).

iii) The overall remuneration of the Board of Directors includes that of Mr. Javier de Jaime Guijarro and Mr Dominique D'Hinnin up to the time of their resignation as directors in February and November 2021, respectively.

iv) Variable compensation in cash includes the following items:

- o Annual variable compensation (bonus) for Mr Manuel Mirat, for 2021 in the amount of EUR 175 thousand, which was paid when his contract with the Company was terminated in July, 2021.
- o Regularization of 2020 Mr Mirat's bonus, taking into consideration the position expressed by Mr Mirat to waive the annual variable remuneration that may correspond to him in 2020. In 2021 a negative amount of EUR 60 thousand was recorded in relation to this item.

v) At the Ordinary Shareholders' Meeting held on April 25, 2018, a Medium Term Incentive Plan was approved for the period falling between 2018 and 2020 ("Incentive Plan 2018-2020"), consisting of the award of Company shares linked to stock market value and to the performance of certain economic objectives, targeted at the former CEO of Prisa (Mr Mirat) and certain managers, who could receive a certain number of ordinary shares of the Company following a reference period of 3 years, provided that certain predefined requirements are met. The Company assigned a certain number of restricted stock units ("Restricted Stock Units" or "RSUs") to each beneficiary, and specified the objectives (other than the quotation) that must be met in order to benefit from the incentive, which would serve as a reference to determine the final number of shares to be delivered, if is the case.

In 2021 the Board of Directors verified the level of fulfilment of the Ebitda and Cash Flow objectives to which the Incentive Plan was pegged, and the Board agreed the number of shares to be awarded to Mr Mirat at the settlement date (471,900 shares).

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

In 2021 an expense of EUR 322 thousand was recorded for this item in relation to Mr. Mirat, which is included within "Compensation systems based on shares" in the previous table.

vi) "Severance Compensation" includes accounting expenses resulting from the termination of Mr. Mirat's contract with the Company (compensation for termination of contract equal to 18 month's salary; compensation for the termination of Mr. Mirat's previous contract with the Company; additional compensation equivalent to two years' unemployment benefits; and three month's compensation in lieu of notice, as stipulated in Mr. Mirat's contract). Additional information in that regard is provided in the IR.

vii) "Others" includes health and life/accident insurance for the former Executive Director Mr. Mirat. Likewise included is compensation for Mr. Mirat's post-termination non-competition covenant and the amount paid him for unused vacation days during 2021.

viii) No other credits, advances or loans have been made, nor were pension obligations incurred, in respect of the Board of Directors during 2021

Regarding the 2020 financial year:

i) The overall remuneration of the Board of Directors included that of Mr. Javier Gómez-Navarro up to the time of his cessation as a director on June 29, 2020 (once expired the term for which he was appointed), and that of Mr. Javier Monzón de Cáceres and Ms. Sonia Dulá, up to the time of their cessation and resignation as directors, respectively, on December 18, 2020.

It is also included the remuneration of Mr Javier Santiso and Mr. Rosauro Varo from their appointment as directors on December 22, 2020.

ii) Non executive chairmanship's remuneration: Mr. Javier Monzón de Cáceres, who was the non-executive chairman of the Board of Directors, was removed as director during the extraordinary shareholders meeting held at December 18, 2020. In February 2021, the director Mr. Joseph Oughourlian was appointed Non-Executive Chairman of the Board of Directors. Until the moment of his appointment as Chairman, Mr. Oughorlian held the position of non-executive Vice-Chairman, therefore, and pursuant to the Board of Directors Regulation, he was serving as chairman of the Board, from the time of termination of Mr. Monzón.

The Board of Directors resolved that the remuneration corresponding to the non-executive chairmanship of the Board be reduced from the EUR 400 thousand that Mr. Monzón was earning to EUR 200 thousand, with effect from December 22, 2020.

iii) For the performance of executive functions at the Company, the fixed annual compensation in cash of the CEO amounts to EUR 500 thousand. However, and as it has already been stated above, considering the extraordinary circumstances of the COVID-19 crisis, a 10% reduction was applied to this remuneration on a pro rata basis for the period between April and December 2020.

iv) Variable compensation in cash: the following items are included:

- o Annual variable compensation (bonus): is the reflection of the amount corresponding to theoretical annual variable compensation of CEO Mr Manuel Mirat, sole executive

director of the Company, if 2020 management objectives were achieved. However, the CEO voluntarily renounced to receive, in relation to the financial year 2020, the annual variable remuneration: i) as it has already been stated above, in April 2020 the CEO renounced to the part of the annual variable remuneration that refers to quantitative objectives (that is, 80% of the target amount of EUR 300 thousand) and ii) in January 2021 he also renounced to the part of the annual variable remuneration referred to qualitative objectives (based on individual performance whose weight was 20% of the target of EUR 300 thousand).

- Regularization of 2019 CEO's bonus, taking into consideration the position expressed by the CEO to waive the annual variable remuneration that may correspond to him in 2019, in order to align with the complex environment in which the group has operated and the consequences that it has had on the net result of the Company, and that the Board of Directors, supported by the Nominations, Compensation and Corporate Governance Commission, resolved to exclude said annual variable remuneration from his 2019 remuneration.

For the aforementioned reasons a negative amount (EUR 223 thousand) has been recorded, in relation to the variable remuneration in cash.

v) Compensation System based on shares: In 2020 a expense of EUR 77 thousand was recorded for the "Incentive Plan 2018- 2020" in relation to the former CEO of Prisa, Mr Mirat. It should be noted that in 2020 the provision for previous years has been reversed when evaluating the degree of achievement of the Plan's quantitative objectives, which have been adversely impacted by the Covid-19 crisis.

vi) Other: The following items are included:

- Extraordinary incentives: In 2020, the Board of Directors, at the proposal of the Nominations, Compensation and Corporate Governance Commission, approved two extraordinary bonuses for the CEO of Prisa and for certain Managers, linked to the success of two important strategic transactions, namely the sale of the education business of Grupo Santillana Educación Global, S.L.U. in Spain and the refinancing of Grupo Prisa's financial debt with its creditors.

Payment should be in cash, and was based on a scale of a series of predefined targets. In the case of Mr. Mirat, the total of the two bonuses (for the refinancing and for Santillana) would be EUR 1,000 thousand , which has been fully paid in 2021. In 2020 an expense totalling EUR 1,000 thousand was recorded for this concept in relation to Mr. Mirat.

- Health and life /accidents insurances of the CEO.

vii) No other credits, advances or loans have been made, nor were pension obligations incurred, in respect of the Board of Directors during 2020.

17.- INFORMATION REGARDING CONFLICT OF INTEREST SITUATIONS OF DIRECTORS

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

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

Director	Activity	Person related to the Director	Activity
Joseph Oughourlian	<i>See note below (*)</i>	---	---
Shk. Dr. Khalid bin Thani bin Abdullah Al-Thani	Chairman of Dar Al Sharq Printing Publishing & Distribution Co.	---	---
Javier Santiso Guimaras	CEO and General Partner of Mundi Ventures, a Venture Capital firm focused on technology-based companies. <i>See note below (**)</i>	---	---
Rosauro Varo Rodriguez	0.045% interest in the share capital of Telefónica, SA, owner of the TV platform MOVISTAR+.	---	---

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

(**) Mundi Ventures has investments in 50 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, 2021, the directors Francisco Cuadrado, Carlos Nuñez, Rosauro Varo, Beatriz de Clermont-Tonerre,

Manuel Polanco Moreno and Miguel Barroso, were members of management bodies of certain companies in the Prisa Group or indirectly participated by Prisa.

18.- LITIGATION AND ONGOING CLAIMS

The Company hasn't any litigation at December 31, 2021 from which the Directors, internal and external advisors consider that any relevant liabilities will arise from this litigation.

19.- SUBSEQUENT EVENTS

In February 2022 the Board of Directors of Prisa has approved, by unanimity, the signing of a lock-up agreement (the "New Lock-Up Agreement") that incorporates a term sheet with the basic conditions for the amendment of the Group's syndicated financial debt (the "New Refinancing").

The basic terms of the agreed New Refinancing consist of: (i) the extension of the maturity of the financial debt to 2026 and 2027 and division of the syndicated loan into two differentiated tranches (one of senior debt and one of junior debt); (ii) an estimated average total cost of debt (average of all tranches, including Super Senior debt) of Euribor + 5.99% (ex. warrants), to be paid through a combination of cash and PIK, which implies a reduction in the average cost of debt by approximately 1.17%; (iii) a flexibilization of the contractual commitments of the current debt that will allow, among other improvements, to increase Prisa's operating flexibility and soften the financial ratios required under its current contracts; (iv) a refinancing, structuring and underwriting fee, that the Company may pay in cash or through its capitalization. In the event that the Company chooses to pay the aforementioned commission through capitalization, it will proceed to issue "warrants" or equivalent financial instruments that will grant their holders (the creditor entities and those that have acted as underwriters and/or arrangers of the New Refinancing) the right to subscribe up to 32 million new shares of the Company, to offset a liability equivalent to a maximum price per share of EUR 1.4. The new shares, that will represent up to 4.3% of the share capital of the Company post capital increase, will align the interests of the Company with those of the new creditors, while increasing the liquidity of the shares in the market. To this end, the Board of Directors of Prisa will propose to the next General Shareholders' Meeting held by the Company a capital increase by compensation of credits (and, consequently, without preferential subscription rights). Upon calling such General Meeting, Prisa will make available to its Shareholders all the appropriate reports from the Board of Directors and any other relevant documentation that justifies and describes the proposal for the issuance of new shares. The New Lock-Up Agreement has entered into force, having been signed by the Company and by the all creditor entities of the syndicated financing to be refinanced. Likewise, within the framework of the New Refinancing, a Term Sheet has been signed with the basic conditions for the modification of the Super Senior debt ("Super Senior Term & Revolving Facilities Agreement") of the Company that, among others terms, supposes an extension of the maturity of the debt to June 2026.

According to the envisaged calendar for the New Refinancing, the Company aims at documenting and closing the New Refinancing coming soon, without prejudice to the issuance of the warrants and the approval of the issuance of the relevant new shares being deferred to the General Shareholders' Meeting, to be held no later than June 30th.

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

20.- EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

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

DIRECT HOLDINGS

APPENDIX I

INVESTE	REGISTERED OFFICE	LINE OF BUSINESS	SHARES AMOUNT	% OF OWNERSHIP	TAX GROUP (1)	SHARE CAPITAL	2013-2012 (in thousands of euros)				EBIT
							RESERVES	OTHERS	DIVIDEND	INCOME (LOSS)	
Prisa Activos Educativos S.L.	Gran Vía, 32, Madrid	The realization of the activities inherent to the publishing business (in its broadest sense) and, in particular, editing, marketing and distribution of all kinds of publications and the provision of editorial, educational, leisure services and entertainment.	133,000	100.00%	2/91	-	77,947	-	(47,177)	30,930	(33)
Prisa Media S.L. (Sociedad Unipersonal)	Gran Vía, 32, Madrid	The allowance, or self-employed, of any kind of services, directly or indirectly related to 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 services in the field of production, operation and management (account or self-employed), by whatever means, of all kinds of programs and radio and audiovisual products.	266,889	100.00%	2/91	15,466	230,709	-	(1,698)	264,497	(1,489)
Prisa Gestión Financiera S.L.	Gran Vía, 32, Madrid	Management and exploitation of information media and social communication vehicles or their technical support. The action in the capital and financial markets.	96,475	100.00%	2/91	60	97,689	-	(1,234)	96,475	(1,264)
Prisa Participada 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.	89,412	100.00%	2/91	21,362	14,022	-	4,019	89,412	(17)
Promotora de Actividades Audiovisuales de Colombia, Ltda.	Calle 86, 10-23 Bogotá, Colombia	Production and organization of activities and projects related to the communication of the bicentenary of the independence of the American Nations.	-	100.00%	2/91	10	(2,205)	-	(6)	(2,202)	(1)
Canal Club de Distribución de Ocio y Cultura S.A.	Rua Maria Castelhano, nº 40, Quetzal de Baixo, Portugal	Production and distribution of audiovisual	278	100.00%	-	420	(351)	-	-	69	-
Verbis, SGPS, S.A.	Calle Hermosillo, 112, Madrid	Holding of shares in companies.	31	25.00%	-	54	301	-	(167)	278	(167)
Duarte El País, México S.A. de C.V.	Avenda Hermosillo, 112, Madrid	Catalogue sales	6	1.61%	-	60	12	(32)	85	126	85
	Avenida Universidad 767, Colonia del Valle, México D.F. México	Operation of El País newspaper in Mexico	5	-	-	17,942	(16,685)	-	(96)	321	137

(1) Consolidated tax Group Promotora de Informaciones S.A. 2/91

INVESTE	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	TAX GROUP (*)	SHARE CAPITAL	12-31-2021 (in thousands of euros)				EBIT	
						RESERVES AND OTHERS	INTERIM DIVIDEND	PROFIT (LOSS)	SHAREHOLDERS' EQUITY		
EDUCACIÓN											
Activa Educa, S.A. (Guatemala)	26 Avenida 2-20 zona 14. Guatemala – Guatemala	Publishing	100.00%		612	(223)	-	(2)	387	20	
Availa Qualidade Educacional Ltda.	Rua Padre Adelino, 758, Belemzinho, Sao Paulo, Brasil	Publishing	100.00%		1,415	(1,178)	-	60	297	87	
Distribuidora y Editora Richmond, S.A.S.	Edificio Punto 99, Carrera 11ª N°98-50 Oficina 501, Bogotá, Colombia	Publishing	100.00%		183	1,938	-	232	2,352	625	
Ediciones Santillana Inc. (Puerto Rico)	1506 Roosevelt Avenue, Guaynabo, Puerto Rico	Publishing	100.00%		1,028	10,070	(5,662)	301	5,737	178	
Ediciones Santillana, S.A. (Argentina)	Leandro N. Alem, 720, Buenos Aires, 1001, Argentina	Publishing	100.00%		2,161	4,623	-	1,740	8,524	1,794	
Ediciones Santillana, S.A. (Uruguay)	Juan Manuel Bianes 1132 Montevideo Uruguay	Publishing	100.00%		165	541	-	145	850	264	
Editora Altea Ltda.	Avenida Papa João Paulo I, nº 2258, Galpato 1 Papa, Sala 02 São Paulo, Brasil	Publishing	100.00%		16	-	-	(1)	15	-	
Editora Moderna Ltda.	Rua Padre Adelino, 758, Belemzinho, Sao Paulo, Brasil	Publishing	100.00%		17,934	(1,070)	-	10,282	27,446	19,992	
Editora Piangua Ltda.	Avenida Papa João Paulo I, nº 2258, Galpato 1 Papa, Sala 01, São Paulo, Brasil	Publishing	100.00%		16	-	-	(1)	15	-	
Editorial Nuevo México, S.A. de C.V.	Avenida Río Mixcoac 274 Col. Acacias, México DF, México	Publishing	100.00%		1,278	(737)	-	53	594	15	
Editorial Santillana, S.A. (Guatemala)	26 Avenida 2-20 zona 14. Guatemala - Guatemala	Publishing	100.00%		71	4,492	-	1,170	5,733	1,902	
Editorial Santillana, S.A. (Honduras)	Colonia los Profesionales Boulevard Suyapa, Metropolis Torre 20501, Tegucigalpa Honduras	Publishing	100.00%		20	1,887	-	1,133	3,039	1,647	
Editorial Santillana, S.A. (Rep. Dominicana)	Juan Sanchez Ramirez, 9, Gazcue, Santo Domingo, Republica Dominicana	Publishing	100.00%		118	3,750	-	5,298	9,166	7,193	
Editorial Santillana, S.A. (Venezuela)	Avenida Rómulo Gallegos, Edificio Zulia 1º, Caracas, Venezuela	Publishing	100.00%		3,050	(1,801)	-	179	1,428	334	
Editorial Santillana, S.A. de C.V. (México)	Avenida Río Mixcoac 274 Col. Acacias, México DF, México	Publishing	100.00%		19,409	(12,227)	-	225	7,407	682	
Editorial Santillana, S.A. de C.V. (El Salvador)	3a. Calle Fontiente y 87 Avenida Norte, No. 311, colonia Escalon San Salvador	Publishing	100.00%		18	1,861	-	78	1,957	98	
Editorial Santillana, S.A.S (Colombia)	Edificio Punto 99, Carrera 11ª N°98-50 Oficina 501, Bogotá, Colombia	Publishing	100.00%		2,275	1,676	-	(94)	3,587	93	
Educa Inventia, S.A. de C.V. (México)	Avenida Río Mixcoac 274 Col. Acacias, México DF, México	Publishing	100.00%		801	(2,466)	-	400	(1,264)	1,164	
Educativa Ediciones, S.A.S. (Colombia)	Avenida El Dorado No. 90 – 10 Bogotá, Colombia	Publishing	100.00%		70	404	-	365	839	503	
Educativo, S.A. (Chile)	Avenida Andrés Bello 2299 Oficina 1001 Providencia, Santiago, Chile	Publishing	100.00%		16,527	(16,636)	-	(11)	(121)	(11)	
Educativo, S.A.C. (Perú)	Avenida Primavera 2160 Santiago de Surco - Lima	Publishing	100.00%		904	(700)	-	(802)	(598)	(562)	
Educativo, S.A.S. (Colombia)	Avenida El Dorado No. 90 – 10 Bogotá, Colombia	Publishing	100.00%		4,543	(1,799)	-	2,242	4,987	2,387	
Grupo Santillana Educación Global, S.L.U.	Av. de los Artesanos, 6 Tres Cantos, Madrid	Publishing	100.00%	2/91	12,018	72,934	-	(22,688)	62,285	(19,727)	

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

INDIRECT HOLDINGS

APPENDIX II

INVESTE	REGISTERED OFFICE	LINE OF BUSINESS	12.31.2021 (in thousands of euros)							
			% OF OWNERSHIP	TAX GROUP (*)	SHARE CAPITAL	RESERVES AND OTHERS	INTERIM DIVIDEND	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT
Kapelus Editor, S.A. (Argentina)	Leandro N. Alem, 720, Buenos Aires, 1001, Argentina	Publishing	100.00%		155	283	-	(42)	17	(653)
Lanza, S.A. de C.V.	Avenida Río Mixcoac 274 Col Acacias, México DF, México	Creation, development and management of companies.	100.00%		13,038	(9,220)	(867)	5,884	8,896	4
Pleno Interaccional, SPA	Avenida Andres Bello N° 2299 Oficina 1001 Providencia - Santiago	Advice and consulting, development and sale of software	70.00%		1	(116)	-	53	(62)	72
Richmond Educação, Ltda.	Rua Padre Adelino, 758, Belem, Rio de Janeiro, São Paulo, Brasil	Publishing	100.00%		16	804	-	1,251	2,071	1,314
Richmond Publishing, S.A. de C.V.	Avenida Río Mixcoac 274 Col Acacias, México DF, México	Publishing	100.00%		4	6,584	-	1,356	8,124	1,812
Salamanca Editorial, Ltda.	Rua Urbano Santos 753, São Paulo, Brasil	Publishing	100.00%		16	-	-	124	140	128
Sanmillana de Ediciones, S.A. (Bolivia)	Av. Pedro Rivera N° 3095, Santa Cruz, Bolivia	Publishing	100.00%		343	2,310	-	772	3,425	1,188
Sanmillana del Pacifico, S.A. de Ediciones,	Avenida Andres Bello 2299 Oficina 1001-1002 Providencia, Santiago Chile	Publishing	100.00%		165	1,235	-	841	2,241	290
Sanmillana Editores, S.A. (Portugal)	Rua do Proletariado, n° 7 (Lote 1) - 2794-076 Carmaxide - Portugal	Publishing	100.00%		50	1,482	-	559	2,091	797
Sanmillana Educacao, Ltda. (Brasil)	Rua Padre Adelino, 758, Belem, Rio de Janeiro, São Paulo, Brasil	Publishing	100.00%		36,856	(21,349)	-	762	16,269	1,860
Sanmillana Educación Chile S.P.A.	Avenida Andres Bello 2299 1001 - 1002 Providencia, Santiago de Chile	Publishing	100.00%		262	6,318	-	(796)	5,984	68
Sanmillana Educación México, S.A. de C.V.	Avenida Río Mixcoac 274 Col Acacias, México DF, México	Publishing	100.00%		2,568	50	-	-	2,618	-
Sanmillana Educación Pacifico, S.L.	Av. De los Artesanos 6, 28760, Tres Cantos, Madrid.	Publishing	100.00%	2/91	269	31,520	-	299	32,028	(46)
Sanmillana Latina, S.L.U.	Av. de los Artesanos, 6 Tres Cantos, Madrid	Publishing	100.00%	2/91	3	55,375	-	27,746	83,126	29,108
Sanmillana Sistemas Educativos, S.L.U.	Av. de los Artesanos, 6 Tres Cantos, Madrid	Publishing	100.00%	2/91	220	88,925	-	1,919	91,065	1,501
Sanmillana, S.A. (Costa Rica)	La Uruca, 200 m Oeste de Aviación Civil, San José, Costa Rica	Publishing	100.00%		465	(716)	-	(30)	(652)	(676)
Sanmillana, S.A. (Ecuador)	Calle De las Higueras 118 y Julio Arbellano, Quito, Ecuador	Publishing	100.00%		978	275	-	1,108	2,361	2,047
Sanmillana, S.A. (Paraguay)	Avenida Venezuela, 276, Asunción, Paraguay	Publishing	100.00%		162	191	-	190	543	203
Sanmillana, S.A. (Peru)	Avenida de Primavera 2160 Santiago de Surco - Lima	Publishing	95.00%		3,275	(255)	-	(39)	2,629	(355)
Sistemas Educativos de Enseñanza, S.A. de C.V.	Avenida Río Mixcoac 274 Col Acacias, México DF, México	Publishing	100.00%		11,746	(3,329)	-	2,434	10,850	4,050
Soluciones Moderna Editora e Serviços Educacionais, Ltda. (Antes Editora Plangana, LTDA)	Rua Padre Adelino, 758, Sala Avulsa Quarta Parada, - São Paulo, Brasil	Publishing	100.00%		2,885	319	-	(2,884)	320	(2,813)
Vanguardia Educativa Sanmillana Compartir, S.A. de C.V.	Avenida Río Mixcoac 274 Col Acacias, México DF, México	Publishing	100.00%		3	1,181	-	1,840	3,023	2,463

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

INVESTE	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2021 (In thousands of euros)						EBIT
			% OF OWNERSHIP	TAX GROUP (*)	SHARE CAPITAL	RESERVES AND OTHERS	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	
RADIO									
RADIO ESPAÑA									
Antena 3 de Radio de León, S.A.	Gran Vía, 32, Madrid	Operation of radio broadcasting stations	79,65%	2/91	135	55	35	225	31
Compañía Aragonesa de Radiodifusión, S.A.	Paseo de la Constitución, 21, Zaragoza	Operation of radio broadcasting stations	77,62%	2/91	66	706	206	978	67
Ediciones LM, S.L.	Plaza de Cervantes, 6, Ciudad Real	Operation of radio broadcasting stations	40,00%		216	1.515	160	1.891	172
Iniciativas Radiofónicas de Castilla La Mancha, S.A.	Carreteras, 1, Toledo	Operation of radio broadcasting stations	56,00%		61	84	18	163	20
Ondas Galicia, S.A.	San Pedro de Mezenzo, 3, Santiago de Compostela	Operation of radio broadcasting stations	40,91%		70	204	12	286	11
Podium Podcast, S.L.U.	Gran Vía, 32, Madrid	Provision of music services	80,00%	2/91	100	577	(752)	(75)	(754)
Prisa Radio, S.A.	Gran Vía, 32, Madrid	Provision of business radio services	80,00%	2/91	1.870	130.807	(11.412)	121.265	(13.753)
Propulsora Montañesa, S.A.	Pasaje de Peta, N° 2, Interior, 39008, Santander	Operation of radio broadcasting stations	79,95%	2/91	373	629	358	1.360	455
Radio Club Canarias, S.A.	Avenida Anago, 35, Santa Cruz de Tenerife	Operation of radio broadcasting stations	76,00%	2/91	480	102	829	1.411	1.089
Radio Lleida, S.L.	Calle Vila Antonia, N° 5, Lleida	Operation of radio broadcasting stations	53,20%		50	36	(40)	46	(40)
Radio Murcia, S.A.	Radio Murcia, 4, Murcia	Operation of radio broadcasting stations	66,66%		120	1.036	364	1.520	466
Radio Rioja, S.A.	Gran Vía, 32, Madrid	Operation of radio broadcasting stations	80,00%	2/91	60	(297)	(95)	(332)	(76)
Radio Zaragoza, S.A.	Paseo de la Constitución, 21, Zaragoza	Operation of radio broadcasting stations	60,95%		211	4.797	429	5.437	472
Sociedad Española de Radiodifusión, S.L. (Sociedad Unipersonal)	Gran Vía, 32, Madrid	Operation of radio broadcasting stations	80,00%	2/91	6.959	124.044	288	131.291	(544)
Sociedad Independiente Comunicación Castilla La Mancha, S.A.	Avenida de la Estación, 5 Bajo, Albacete	Operation of radio broadcasting stations	59,68%		563	416	328	1.307	416
Sonido e Imagen de Canarias, S.A.	Caldera de Bandama, 5, Arrecife, Lanzarote	Operation of radio broadcasting stations	40,00%		220	614	157	1.001	185
Teleser, S.A.	Gran Vía, 32, Madrid	Operation of radio broadcasting stations	65,56%		75	48	7	130	7
Planet Events, S.A.	Gran Vía, 32, Madrid	Production and organization of shows and events	32,00%		120	(1.265)	(11)	(1.157)	(11)
Radio Jato, S.L.	Obispo Aguilar, 1, Jato	Operation of radio broadcasting stations	28,79%		563	540	42	1.145	42

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

INVESTE	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2021 (in thousands of euros)					EBIT
			% OF OWNERSHIP	SHARE CAPITAL	RESERVES AND OTHERS	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	
RADIO INTERNACIONAL								
Blaya y Vega, S.A.	Elidoro Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Operation of radio broadcasting stations	80,00%	1.505	17.504	832	19.841	305
Caracol Broadcasting Inc.	2100 Coral Way - Miami 33145 - Florida, EE.UU.	Operation of radio broadcasting stations	80,00%	215	318	(682)	(149)	(689)
Caracol Estéreo, S.A.S.	Calle 67 N° 7-37 Piso 7 Bogotá, Colombia	Commercial radio broadcasting services	61,63%	3	1.443	5	1.450	11
Caracol, S.A.	Calle 67 N° 7-37 Piso 7 Bogotá, Colombia	Commercial radio broadcasting services	61,64%	11	18.996	198	19.146	2.183
Comercializadora de Eventos y Deportes, S.A.S.	Calle 67 N° 7-37 Piso 7 Bogotá, Colombia	Production and organization of shows and events	80,00%	903	588	353	1.843	613
Comercializadora Iberoamericana Radio Chile, S.A.	Elidoro Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Production and sale of advertising, promotions and events	80,00%	35.771	19.901	3.066	58.737	3.009
Compañía de Comunicaciones de Colombia, S.A.S	Calle 67 N° 7-37 Piso 7 Bogotá, Colombia	Commercial radio broadcasting services	76,00%	25	719	108	852	175
Compañía de Radios, S.A.	Elidoro Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Operation of radio broadcasting stations	80,00%	858	8.902	1.117	10.876	887
Consortio Radial de Panamá, S.A	Urbanización Obarrio, Calle 54 Edificio Caracol, Panamá	Consulting services and marketing of products and services	80,00%	8	303	-	311	-
Corporación Argentina de Radiodifusión, S.A.	Rivadavia 835, Ciudad de Buenos Aires, Argentina	Operation of radio broadcasting stations	80,00%	1.312	(410)	-	902	(92)
Ecos de la Montaña Cadena Radial Andino, S.A.	Calle 67, N° 7-37, Piso 7, Bogotá, Colombia	Commercial radio broadcasting services	61,44%	-	535	22	558	56
Emisora Mil Veinte, S.A.	Calle 67, N° 7-37, Piso 7, Bogotá, Colombia	Commercial radio broadcasting services	60,58%	-	110	3	113	4
Fast Net Comunicaciones, S.A.	Elidoro Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Operation of radio broadcasting stations	80,00%	1.385	10.694	1.317	13.396	1.303
GLR Services Inc.	2100 Coral Way - Miami 33145 - Florida, EE.UU.	Provision of services to radio broadcasting companies	80,00%	4	(5.132)	(10)	(5.138)	(34)
Grupo Latino de Radiodifusión Chile, SpA (*)	Elidoro Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Operation of radio broadcasting stations	80,00%	39.261	4.121	5.173	48.555	4.979
Iberoamerican Radio Holdings Chile, S.A.	Elidoro Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Operation of radio broadcasting stations	80,00%	2.766	(10.622)	(755)	(8.611)	(865)
Iberoamericana de Noticias Ltda.	Elidoro Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Operation of media and communication services	80,00%	2.454	(2.454)	(4)	(4)	(4)
La Voz de Colombia, S.A.	Calle 67, N° 7-37, Piso 7, Bogotá, Colombia	Commercial radio broadcasting services	60,52%	1	267	2	271	3
Multimedios GLP Chile SPA	Elidoro Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Operation of media and communication services	80,00%	10.725	12.299	464	23.488	496
Promotora de Publicidad Radial, S.A.S	Calle 67, N° 7-37, Piso 7, Bogotá, Colombia	Commercial radio broadcasting services	61,63%	1	515	(4)	512	8

(*) Consolidated Data

INDIRECT HOLDINGS

APPENDIX II

INVESTE	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2021 (In thousands of euros)					EBIT
			% OF OWNERSHIP	SHARE CAPITAL	RESERVES AND OTHERS	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	
Sociedad Radiodifusora del Norte, SpA.	Elidomo Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Operation of radio broadcasting stations	80,00%	201	3,722	5	3,928	(15)
Societat de Comunicació i Publicitat, S.L.	Parc de la Mola, 10 Torre Caldeu, 6° Escalder, Engordany, Andorra	Operation of radio broadcasting stations	79,46%	30	(1,305)	(3)	(1,278)	(3)
Cadena Radiodifusora Mexicana, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870, México	Operation of radio broadcasting stations	40,00%	1,074	3,810	465	5,348	1,334
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	40,00%	5,186	240	(192)	5,234	(481)
Caja Radiópolis, S.C	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870, México	Business management services	40,00%	2	(1)	-	1	-
El Dorado Broadcasting Corporation	2100 Coral Way, Miami, Florida, EE.UU.	Development of the market of Latin radio in the U.S.	20,00%	196	(1,710)	(1)	(1,515)	(1)
Fondo Radiópolis, S.C.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870, México	Business management services	40,00%	2	(2)	-	-	-
Green Emerald Business Inc.	Via España 177, Ed. PH Plaza Regency, planta 15, Ciudad de Panamá, Panamá	Development of the market of Latin radio in Panama	27,96%	3,986	(13,441)	(688)	(10,142)	(449)
Promotora Radial del Llano, LTDA	Calle 67 N° 7-37 Piso 7 Bogotá, Colombia	Commercial broadcasting services	30,82%	1	45	9	55	9
QHubo Radio, S.A.S	CL 57 No 17 - 48 Bogotá, Colombia	Operation of the business of broadcasting and advertising	30,81%	120	(307)	(4)	(191)	(4)
Radio Comerciales, S.A. de C.V.	Rubén Darío n° 158, Guadalajara, México	Exploitation of broadcasting stations	40,00%	954	480	147	1,580	273
Radio Melodio, S.A. de C.V.	Rubén Darío n° 158, Guadalajara, México	Operation of radio broadcasting stations	40,00%	539	324	53	916	89
Radio Tapatia, S.A. de C.V.	Rubén Darío n° 158, Guadalajara, México	Operation of radio broadcasting stations	40,00%	656	474	44	1,175	67
Radiotelevisora de Mexicali, S.A. de C.V.	Avenida Reforma 1270, Mexicali Baja California, México	Operation of radio broadcasting stations	40,00%	357	66	(189)	234	(311)
Servicios Radiópolis, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870, México	Operation of radio broadcasting stations	40,00%	13	83	341	437	609
Servicios Xezz, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870, México	Operation of radio broadcasting stations	40,00%	2	79	79	160	93
Sistema Radiópolis, S.A. de C.V. (*)	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870, México	Operation of radio broadcasting stations	40,00%	9,393	16,350	2,405	28,147	3,883
Unión Radio del Pirineu, S.A.	Carrer Prat del Creu, 32, Andorra	Operation of radio broadcasting stations	26,40%	249	44	(37)	256	(37)
WUSA Broadcasting Corporation	2100 Coral Way, Miami, Florida, EE.UU.	Radio broadcasting	20,00%	587	(5,627)	(86)	(5,126)	165
Xezz S.A. de C.V.	Rubén Darío n° 158, Guadalajara, México	Operation of radio broadcasting stations	40,00%	80	93	2	175	14

(*) Consolidated Data

INVESTE	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	TAX GROUP (*)	SHARE CAPITAL	12-31-2021 (in thousands of euros)						
						RESERVES AND OTHERS	INTERIM DIVIDEND	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT		
PRENSA												
As Chile S/A	Ellicodoro Yáñez 1783, Providencia, Santiago, Chile	Publication and operation of As newspaper in Chile.	75.00%		1,648	(1,227)	-	(498)	(87)	(159)		
Diario AS Colombia, SAS	CI 98, # 1871 OF401, Bogotá D.C.	Publication and operation of As newspaper in Colombia.	75.00%		584	(332)	-	(107)	145	(102)		
Diario As USA, Inc.	2100 Coral Way Suite 603, 33145 Miami, Florida	Publication and operation of As newspaper in USA.	75.00%		-	1,680	-	(3)	1,677	307		
Diario As S.L.	Valentin Beato, 44, Madrid	Publication and operation of As newspaper.	75.00%	2/91	1,400	25,316	-	3,166	29,882	4,954		
Diario Cinco Dias S.A	Miguel Yusbe, 42, Madrid	Publication and operation of Cinco Dias newspaper.	100.00%	2/91	60	12	-	(1,251)	(1,179)	(1,251)		
Diario El País Argentina, S.A.	Leandro N. Alem, 720, Buenos Aires, 100L, Argentina	Operation of El País newspaper in Argentina.	100.00%		234	(92)	-	(133)	9	(76)		
El País Brasil Agência de Notícias E Publicidade, Ltda - Em liquidacao.	Rua Ferreira de Araújo, 221-Comparto 31, Pinheiros, CEP 05628-000, Sao Paulo, Brasil	Operation of El País newspaper in Brazil.	100.00%		10,806	(10,377)	-	(938)	(909)	(899)		
Diario El País Mexico S.A. de C.V.	Avenida Universidad 767, Colonia del Valle, México D.F., México	Operation of El País newspaper in Mexico.	98.88%		17,042	(16,685)	-	(36)	321	137		
Diario El País S.L.	Miguel Yusbe, 40, Madrid	Publication and operation of El País newspaper.	100.00%	2/91	4,200	679	-	(17,351)	(12,472)	(14,320)		
Ediciones El País S.L.	Miguel Yusbe, 40, Madrid	Publication, operation and sale of El País newspaper.	100.00%	2/91	3,306	697	-	(14,485)	(10,480)	(16,341)		
Espacio Digital Editorial, S.L.	Gran Vía, 32, Madrid	Edition and exploitation of Huffington Post digital for Spain.	100.00%	2/91	8,501	3,372	-	736	12,609	625		
Factoría Prisa Noticias S.L.	Valentin Beato, 44, Madrid	Administrative, technological and legal services and the distribution of written and digital media.	100.00%	2/91	1,726	778	-	(197)	2,307	(265)		
Grupo de Medios Impresos y Digitales, S.L.	Gran Vía, 32, Madrid	Ownership of shares of publishing companies.	100.00%	2/91	990	6,283	-	2,085	9,358	1,884		
Mobivision Corp.	7742 N. Kendall Drive, 101 Miami Florida 33156-8550, EE.UU.	Marketer's advertising in digital media.	60.00%		55	(673)	-	(152)	(770)	(122)		
Noticias AS Mexico S.A. de C.V.	Río Lema 196 BIS TORRE B 503, Ciudad de México DF	Publication and operation of As newspaper in Mexico.	75.00%		1,394	(1,069)	-	(101)	224	40		
Prisa Brand Solutions México, S.A. de CV	Avenida Paseo de la Reforma 211, Piso 6, Colonia Cuauhtemoc, Ciudad de México 06500	Marketer's advertising in digital media.	100.00%		77	(3,162)	-	(43)	(3,128)	39		
Prisa Brand Solutions USA, Inc.	7742 N. Kendall Drive 101, Miami, Florida, 33156-8550, EE.UU.	Marketer of advertising in media.	100.00%		6,833	(9,863)	-	814	(2,215)	871		
Prisa Brand Solutions S.L.U.	C/ Valentin Beato, 48, Madrid	Marketer of advertising in media.	100.00%	2/91	150	32	-	942	1,124	705		
Prisa Noticias S.L. (Sociedad Unipersonal)	Gran Vía, 32, Madrid	Operation of press media.	100.00%	2/91	38,596	16,746	-	2,108	57,450	6,371		
Prisa Tecnología S.L.	Gran Vía, 32, Madrid	Provision of internet services.	100.00%	2/91	1,260	18	-	(2,260)	(982)	(2,712)		
As-Spotlight Digital S.L.	C/ Valentin Beato, 44, Madrid	Access to gambling websites on the internet, provision of marketing services and activities related to internet advertising.	37.50%		3	-	-	-	3	-		
Gishoyms, Sociedad Gestora de la Plataforma Tecnológica S.L.	Juan Ignacio Luca de Tena, 7, Madrid	Publication and operation of newspapers, magazines in digital format.	50.00%		53	(408)	(100)	613	158	686		
Le Monde Libre Société Comandité Simple (1)	17, Place de la Madeleine, Paris	Holding of shares in publishing companies.	20.00%		38	(23,321)	-	(2,561)	(25,844)	(593)		
Wemass Media Audience Safe Solutions S.L.	Calle Juan Ignacio Luca de Tena, n.º 7.	Hiring advertising in the media, Design, organization, management and marketing of all kinds of cultural, sports, promotional and leisure activities and events.	33.33%		3	160	-	(29)	134	(14)		

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

(1) Information to december 2020

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2021 (in thousands of euros)							
			% OF OWNERSHIP	TAX GROUP (*)	SHARE CAPITAL	RESERVES AND OTHERS	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT	
OTROS										
Productora Audiovisual de Badajoz, S.A. (En liquidación)	Ramón Albarrán, 2, Badajoz	Local television services	61.45%		498	(2,219)	(5)	(1,726)	(4)	
Productora Extrema de Televisión, S.A. (En liquidación)	J.M.R. "Azorin", Edificio Zeus, Polígono La Corchera, Mérida, Badajoz	Local television services	70.00%		1,202	(403)	(4)	795	(5)	
Promotora de Actividades América 2010 - México, S.A. de CV.	Avenida Paseo de la Reforma 300, Piso 9, Col. Juárez, 06600, México, D.F., México	Development, coordination and management of projects of all kinds, national and international, related to the commemoration of the bicentenary of the independence of the American Nations	100.00%		3	(1,033)	-	(1,030)	-	
Promotora de Actividades Audiovisuales de Colombia, Ltda.	Calle 80, 10 23, Bogotá, Colombia	Production and distribution of audiovisual	99.00%		420	(351)	-	69	-	

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

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

Individual Directors' Report for 2021

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

DIRECTOR'S REPORT FOR 2021

1. BUSINESS PERFORMANCE

1.1. Analysis of the evolution and result of business

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

The Group's businesses continue to move forward with their strategic roadmap with a focus on digital transformation, acceleration of subscription models and development of new digital formats, within a framework of continuous efficiency improvement plans.

By the end of 2021, the Education business reaches 2.0 million subscriptions in its education systems. In the Media business El País exceeds 176,000 total subscribers and reaches a monthly average of 34 million downloads of audio content and 67 million hours of streaming listening.

Since mid-March 2020, the Group has worked to deal with the impact of the pandemic caused by coronavirus (COVID-19). The world has experienced an extraordinary and unprecedented social and economic emergency.

In this type of critical situation, Prisa's social mission, as a business group focused on two essential sectors such as Education and Media, becomes even more meaningful. Reliable and accurate information and access to better education play a more significant role than ever before. Therefore, since the beginning of this crisis, the Group has given the highest priority to continuity of its activities, reaffirming its social commitment. In support of Spanish and Latin American society, Prisa has continued to guarantee access to: comprehensive, accurate and truthful information; quality entertainment; and, of course, a wide range of educational services.

In 2021, the COVID-19 pandemic has continued to have an impact, especially during the first part of the year. In this environment, the summary of the Group's results, compared to the 2020 results, is as follows:

- Operating income amounted to EUR 741.2 million (+5.8% vs 2020; +9.4% in local currency). The Media business shows a significant improvement in advertising revenues and growth in the digital pay-per-subscription model. In contrast, the Education business has been more affected in 2021, especially in the first half of the year, by the impact of the pandemic on didactic sales, with a longer than expected closure to the physical presence of students in schools (in 2020 most of the South campaigns had ended almost at the beginning of the pandemic).

- Operating expenses (excluding depreciation and amortisation charge, goodwill impairment and impairment and losses on fixed assets) amounted to EUR 678.1 million (+6.5% vs. 2020; +9.2% in local currency), mainly due to the impact of the restructuring plan. Excluding the effect of higher severance payments, expenses grew +1.1% (+3.8% in local currency), mainly due to higher variable expenses (in line with the increase in revenues). The efficiency and restructuring plan designed by the Group to continue to cope with the impact of the COVID-19 pandemic on its business performance has mitigated the increase in variable expenses.
- EBITDA, despite the impact of severance payments, remains in line with 2020 at EUR 63.1 million (-1.2% vs 2020; +10.6% in local currency). Excluding severance payments, EBITDA grew 46.2% year-on-year in 2020 (+56.7% in local currency). The Group uses EBITDA as a benchmark to monitor the performance of its businesses and to set its operational and strategic targets, therefore, this “alternative performance measure” is important for the Group and is used by other companies in the sector. EBITDA is the result of adding depreciation and amortisation charges, goodwill impairment losses and impairment losses on fixed assets to profit from operations.

The following tables detail the reconciliation between EBITDA and the Group's result from operations for each of the segments of 2021 and 2020 (in millions of euros):

	2021			
	Education	Media	Other	Prisa Group
RESULT FROM OPERATIONS	26.1	(28.9)	(16.9)	(19.7)
Depreciation and amortization	39.9	37.7	0.7	78.3
Impairment of assets	3.3	1.1	0.1	4.5
EBITDA	69.3	9.9	(16.1)	63.1

	2020			
	Education	Media	Other	Prisa Group
RESULT FROM OPERATIONS	34.1	(54.1)	(9.1)	(29.1)
Depreciation and amortization	41.9	27.5	1.2	70.6
Impairment of goodwill	-	16.7	(0.1)	16.6
Impairment of assets	0.9	4.6	0.2	5.8
EBITDA	77.0	(5.3)	(7.8)	63.9

Exchange rates have had a negative impact on the performance of the Group's results, mainly due to currency depreciation in Brazil, Colombia and Peru: -EUR 25.0 million in income and -EUR 7.6 million in EBITDA. In this sense, Prisa defines the impact of exchange rate as the different 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 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 millions of euros):

	2021	Exchange rate effect	2021 excluding exchange rate effect	2020	Var. excluding Exchange rate effect	Var. (%) excluding exchange rate effect
Education (*)						
Operating income	358.8	(23.2)	382.0	365.8	16.2	4.4
EBITDA	69.3	(7.2)	76.5	77.0	(0.5)	(0.7)
Media						
Operating income	383.3	(1.8)	385.1	335.9	49.2	14.6
EBITDA	9.9	(0.4)	10.3	(5.3)	15.6	294.3
Grupo Prisa						
Operating income	741.2	(25.0)	766.2	700.6	65.4	9.4
EBITDA	63.1	(7.6)	70.7	63.9	6.8	10.6

(*) Excluding the exchange rate effect of Venezuela.

Education business continues to develop with a focus on expansion of subscription models based on education systems. In 2021 the number of subscriptions rose by 16% to 1,999,000, and sales of systems remained practically unchanged against 2020 (-1.2%), due to the impact of the exchange rate effect, since growth was up by 7.9% in local currency. Public sales rose considerably, offsetting a significant fall in traditional sales (teaching) due to the pandemic and the effect of recognition in Brazil of a portion of 2019 PNLD sales in 2020.

- Operating revenues stood at EUR 358.8 million in 2021, a drop of -1.9% compared to 2020 (+4.4% rise in local currency). Subscription models were practically the same as in 2020 (-1.2%) despite a solid exchange rate effect (+7.9% in local currency), thanks to a +15.8% increase in numbers of subscriptions. Traditional teaching sales were down (-27.2% in euros, and -26.7% in local currency), mainly due to the impact of the pandemic during the first half of the year (in 2020, most of the South campaigns had terminated almost at the beginning of the pandemic). There was an increase in public sales (+23.0% in euros and +32.9% in local currency) despite recognition of Brazilian PNLD in 2020, thanks to sales in Brazil, Mexico and the Dominican Republic.
- Turning to operating expenses (excluding depreciation and amortisation charges, goodwill impairment and impairment and losses on fixed assets), these amounted to EUR 289.5 million in 2021, in line with 2020 (+0.3% in euros, and +5.8% in local currency). Disregarding the impact of the larger severances, expenditure was down by -0.6% in euros (+5.0% in local currency), thanks to the application of measures on the efficiency plan, partially offsetting the increase in variable costs (in line with higher revenues).
- EBITDA stood at EUR 69.3 million in 2021, a fall of -10.1% compared to 2020 (-0.7% in local currency). Disregarding larger severance payments, EBITDA grew by +2.3% in local currency (-6.7% in euros).

- The impact of exchange rates was EUR -23.2 million in operating income and EUR -7.2 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. 2021 saw an average of 33.7 million downloads of podcasts per month (an increase of +41.9%), while hours of streaming listening (TLH) stood at 67.2 million (up by +20.0%). El País and Diario As notched up an average of 86 and 108 million unique Internet browsers respectively: significant growth by As (+14%), whereas El País fell by -11% due to the focus on the subscription model, and also because 2020 was a year of very large audiences because the pandemic had just begun. Meanwhile, El País digital subscription payment business topped 136,500 exclusive digital subscribers by the end of December. In terms of revenue, significant growth was observed in 2021, driven by a considerable recovery in the advertising market and continued development of digital business. Recovery of earnings was accompanied by exhaustive cost control within the framework of efficiency and restructuring Plans.

- Operating revenue stood at EUR 383.3 million in 2021, up by +14.1%, mainly due to recovery of advertising revenue, which rose by +17%. This was also helped along by expansion of the El País digital subscription model launched in May 2020.
- Turning to operating expenses (excluding depreciation and amortisation charges, goodwill impairment and impairment and losses on fixed assets), these stood at EUR 373.4 million in 2021, up by 9.4% against 2020 (+1.4% disregarding severance payments). The increase in severance payments associated with restructuring plans in 2021, adjustments to 2020 variable remuneration associated with the 2020 contingency plan and the increase in variable costs (in line with the significant increase in revenue) were partially offset by a decrease in expenditure arising from 2021 efficiency and restructuring Plans.
- EBITDA stood at EUR 9.9 million in 2021, up by +284% compared to 2020, mainly due to the recovery by advertising and lower costs. Disregarding severance payments, EBITDA stood at EUR 41.9 million, as against EBITDA with no severance payments in 2020, down by EUR 0.8 million.

The Group's net bank debt increased by EUR 76.8 million during 2021 and amounted to EUR 756.1 million at December 31, 2021, due to the Group's cash needs during the year. This debt indicator is an "alternative measure of performance" and includes non-current and current bank borrowings, excluding the present value in financial instruments/formalisation costs, less current financial investments and 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 as of December 31, 2021 and December 31, 2020:

	Million of euros	
	12.31.21	12.31.20
Non-current bank borrowings	934.3	810.6
Current bank borrowings	14.9	102.7
Present value/ Loan arrangement costs (*)	(22.4)	(6.0)
Current financial assets (**)	(2.0)	(6.1)
Cash and cash equivalents	(168.7)	(221.9)
NET BANK DEBT	756.1	679.3

(*) See note 11.b) of the consolidated explanatory notes

(**) Excludes finance lease receivable associated with IFRS 16 (EUR 0.4 million in 2021)

The Group has taken steps to maximise its liquidity, with EUR 159 million in cash available and a total of undrawn credit facilities amounting to EUR 101.9 million.

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

The Group's outlook is to continue working on 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. This complex environment has been greatly exacerbated by the impact of the COVID-19 pandemic which, as described above, has had and will continue to have a significant impact on the Group's business performance.

In general, both the Education business and the Media business tend to develop in a way that is very much subject to the macroeconomic environment, especially in the case of the Media business, as far as the performance of the advertising market is concerned. 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.

In this regard, the pandemic has had an unprecedented impact on the world economy, from which, however, some recovery is beginning to be seen. According to IMF projections for 2021 (October 2021 data), GDP growth rates in advanced economies were +5.2%. For Spain, the IMF expected growth of +5.7%; while according to provisional data from the INE for January 2022, growth has been 5%. Meanwhile, the main countries in which Prisa is present in Latin America will also experience a recovery in 2021 according to IMF projections: Brazil grows by +5.2%, Mexico by +6.2%, Colombia by +7.6%, Chile by +11.0%, Peru by +10.0% and Argentina by +7.5%. For Latin America as a whole, growth is estimated at +6.3% in 2021.

The IMF expects the economic recovery to continue through 2022. Thus, the IMF (October 2021 data) projects that the world economy will grow by +4.9% in 2022. The GDP growth rate of the advanced economies stands at +4.5% in 2022. For its part, Spain will grow above global forecasts, reaching a growth rate of +6.4%. This growth will also be reflected in 2022 in the main countries where Prisa operates: Brazil +1.5%, Mexico by +4.0%, Colombia by +3.8%, Chile by +2.5%, Peru by +4.6% and Argentina by +2.5%. For Latin America as a whole, growth of +3.0% is expected.

In line with the development of economic indicators in Latin America, the Group's results have also been affected by exchange rate volatility. In 2021, most of the currencies of Latin American countries depreciated.

In this environment, as it has been doing in recent decades, the Group will continue to work to adapt to the new reality of its business by defining and implementing the initiatives that may be necessary: strict control of costs and investments, development of new sources of income, transformation and flexibility of business models, etc.

Another factor that affects the future development of Prisa's business is the advertising cycle. 40.3% of the Group's operating income in 2021 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, the COVID-19 pandemic led to a drastic drop in advertising investment in 2020. However, during 2021 (especially from the second quarter onwards), the Group's advertising has recovered, growing by +17.0% for the year as a whole compared to the previous year. Digital advertising increased by +19% and represents 25.2% of the Group's advertising revenues (24.8% in 2020).

i2P's February 2022 report indicates that the total advertising market in Spain grows by +11.5% in 2021 and would grow by 8.2% in 2022. The Group's advertising revenues in Spain have grown by +13.8% in 2021, above the market forecast, which represents a gain in market share. For 2022, Prisa also expects, like the market, a growth in advertising revenues, in line with the growth of the economy.

In Latin America, the advertising market has also recovered throughout 2021 from the impact of the pandemic. Thus, in 2021, significant growth is expected in the radio markets in which Prisa operates: +26% in Colombia and +17% in Chile, according to Asomedios (Colombia) and Asociación de Agencias de Medios (Chile). Prisa in both countries has grown to a greater extent: +37% in Colombia and +41% in Chile (gross advertising data, in local currency), which has meant, as in Spain, a gain in market share.

According to the strategic roadmap on which the Group has been working in recent years, Media businesses will continue to develop and reduce their dependence on the performance of the offline advertising market and traditional formats. It will place more and more focus not only on the traditional advertiser, but also on the consumer of content and new digital formats. In this regard, it is worth mentioning the commitment to digital transformation and the development of subscription models. Significant events such as the launch of El País's

digital subscription payment model in May 2020, or the development of the value proposition around the concept of audio, highlight the importance of this trend.

In addition, Prisa has the Education business, not so dependent on the economic cycle, which in 2021 represents 48.4% of the Group's operating income. Although the Education business has so far proven to be more resilient to crises, the pandemic has had a negative impact, especially on the development of traditional educational sales campaigns, as a result of school closures due to the severe population containment measures adopted in many of the countries involved. However, subscription models (educational systems), based on a hybrid teaching methodology (online and offline, face-to-face and distance, paper and digital, school and home, etc.), are growing in 2021 despite the pandemic, which confirms the importance of the digital transformation strategy at Santillana.

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.

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

Digital audiences of the Group's Media continued to grow compared to the previous year, despite the significant impact on audiences of the onset of the pandemic. Media reached a total of 251 million unique browsers on average per year (+1% growth compared to 2020); while Santillana's educational digital ecosystem continues to maintain maximum levels of usage and content consumption, in line with the historical levels achieved during 2020. In this regard, the pandemic has contributed to intensifying the use of technologies for the consumption of information, education or entertainment, favouring the growth of the Group's digital audiences.

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

3. MAIN RISKS ASSOCIATED TO THE BUSINESS

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

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

- Risks relating to the financial situation.
- Strategic and operational risks.
- Non-financial risks.
- Reputational risks.

In the Corporate Governance 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

Financing risk-

The Company's financial obligations are set out in note 7.3 "*Financial liabilities*" in the attached financial statements for 2021.

As of December 31, 2021, the Group's net bank debt level stood at EUR 756.1 million and represents a series of risks:

- It is more exposed to the economic cycle and market performance, especially in those businesses with a higher exposure to economic cycles.
- It requires part of the cash flow from operations to be put aside to cover payment obligations, interest payments and amortisation of the debt principal, hindering the capacity to dedicate these cash flows to cover working capital, investments and finance for future transactions.
- It limits the ability to adapt to changes in the markets.
- It places the Group at a disadvantage with regard to less indebted competitors.

As described in the Prisa financial statements for 2021, the Company reached in the fourth quarter of 2020 an agreement with the creditors of the Override Agreement (agreement to refinance the Group's debt signed in December 2013) and with the creditor of Super Senior debt to refinance and modify the terms of Prisa and Prisa Activos Educativos, S.L.'s current financial debt. On December 31, 2020 the Refinancing agreement came into effect, and among other aspects, it extended the maturity of the debt until March 2025, adapted the financial conditions of the debt to the Group's new position in terms of generating cash and has included a relaxation of certain financial covenants and Prisa's commitment to achieving a leverage cap in September 2023 (4.25x Net Debt/EBITDA).

As indicated in note 19 of the explanatory notes, in February 2022 the Board of Directors of Prisa has approved, by unanimity, the signing of a lock-up agreement (the "New Lock-Up Agreement") that incorporates a term sheet with the basic conditions for the amendment of the Group's syndicated financial debt (the "New Refinancing"). The basic terms of the agreed New Refinancing consist, among other aspects, in the extension of the maturity of the financial debt to 2026 and 2027 and division of the syndicated loan into two differentiated tranches (one of senior debt and one of junior debt) and the flexibilization of the contractual commitments of the current debt that will allow, among other improvements, to increase Prisa's operating flexibility and soften the financial ratios required by its current contracts. The agreed New Refinancing will thus make the Group's financial debt more flexible and will 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 addition, the contracts governing Prisa's Group debt terms stipulate requirements and commitments for compliance with specific leverage and financial ratios (*covenants*). 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, including the Override Agreement.

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 downward variation in the credit rating of the Company could adversely affect the conditions of a possible future refinancing of the financial debt of the Group, may adversely affect the cost and reduce investors.

Credit and liquidity risk-

The adverse macroeconomic situation with major declines in advertising and circulation has had a negative impact on the Group's ability to generate cash flow over recent years, mainly in Spain. 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. As of December 31, 2021, advertising revenue represented 40.3% of Group operating income.

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.

In terms of the commercial credit risk, the Group assesses the age of the trade receivables 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.

However, and as described in note 1 of the accompanying financial statements, the appearance of COVID-19 (Coronavirus) has led that the situation of the markets causing a general increase in liquidity pressures in the economy and a contraction in the credit market. In this respect, 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 225 million, of which EUR 145 million, were drawn as of December 31, 2021. Likewise, the rest of subsidiaries of the Group have credit facilities with a limit amount of EUR 21.9 million as of December 31, 2021, that were undrawn as of December 31, 2021. Therefore, as of December 31, 2021, the Group had undrawn credit facilities amounting to EUR 101.9 million, together with cash available of EUR 159 million. The Group has also implemented specific plans for the improvement and efficient management of liquidity to address these tensions.

Exposure to interest rate hedges-

The Group is exposed to changes in interest rates as around 97,58% of its bank borrowings bear interest at floating rates. The Group currently has no derivative contracts for interest rates. A possible increase in interest rates (i.e. Euribor), would mean an increase in interest expense, which would negatively impact in the cash flow of the Group.

Exposure to exchange rate hedges-

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.

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 volatility in operations, results and cash flows of subsidiaries operating overseas in currencies other than the euro.

Moreover, a possible unfavourable performance in the economies of the Latin American countries where the Group operates could translate into hyperinflationary situations, with the consequent negative impact on exchange rates.

Tax risks-

The Group's tax risks are related to possibly different interpretations of the rules that the relevant tax authorities may make, as well as to the changes in tax rules in the different countries in which the Group operates.

As of December 31, 2021, Prisa Group had active tax credits amounting to EUR 46 million, and they mainly correspond to temporary differences.

In accordance with current Group business plans, the Board of Directors deem recovery of active tax credits according to the criteria established in the accounting regulation likely, although there is the risk that changes in tax rules or the ability to generate positive tax bases may not suffice to recover the active tax credits.

3.2. Strategic and operational risks

Macroeconomic risks-

The evolution in macroeconomic variables affect to the Group business performance in Spain and America.

During 2021, 57% of Group operating income came from international markets. Nevertheless, Spain continues to be the Group's main geographical market (representing 43% of Group operating income).

Macroeconomic declines could negatively affect the Group's position in terms of earnings and cash generation, as well as the value of Group assets.

Decline in the advertising market-

An important part of Prisa's operating income comes from the advertising market, mainly in its Media business. During 2021, advertising revenue represented 40.3% of Group operating income. Spending by advertisers tends to be cyclical and reflects the general economic situation and outlook.

A worsening of macroeconomic figures in the countries where the Group operates (especially GDP), would entail the spending outlook for advertisers could be negatively impacted. Given the large fixed expenses component linked to businesses which rely heavily on advertising, any decline in advertising revenues directly affects operating profits and, therefore, the Group's ability to generate cash.

Changes occurring to the traditional media business-

Press revenues from the sale of copies and subscriptions continue to be negatively impacted by the growth of alternative distribution media, including free news websites and other content.

If the Group's businesses do not manage to successfully adapt to the new demands of consumers and to new business models, there could be a material adverse effect on the Group's income and results.

Competition risk-

Prisa's businesses operate in highly competitive sectors.

Competition between companies offering online content is intense in the Media businesses, and the Group is fighting for advertising against traditional players, multinational online audiovisual and musical content platforms, new online content providers and news aggregators.

In the Education business, the Group also competes against traditional players and smaller businesses, online portals and digital operators offering alternative content and methodology. In addition, there is a growing trend towards access to open educational content through online sites, and the market for second-hand materials is growing. However, the number of schools that do not use books and that develop new content within the scope of their own curricular autonomy is increasing.

The ability to anticipate and adapt to the requirements and new demands from customers may impact the competitive position of Group businesses with regard to other competitors.

Country risk-

Prisa operations and investments may 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 nationalizations, tax changes or changes in policies and regulations.

Regulatory risk-

Prisa operates in regulated sectors and, therefore, is exposed to regulatory and governmental risks that could negatively impact the business.

Specifically, the radio business is subject to having franchises and licenses for its activity, while the education business is subject to public educational policies applied by the governments of the countries where the Group operates. Therefore, the Education business could be affected by legislative changes, changes in the contracting procedures of public administrations, or the need to obtain prior administrative authorization with respect to the content of publications. Curriculum changes force the Group to modify its education contents, which requires making additional investments and so there is the additional risk that the return on these investments will be less than expected.

Furthermore, 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.

Risk of concentration of customers in the public sector-

The main customers in the Group's Education business are the governments and public bodies in the various jurisdictions where it operates.

This dependence on public administrations could represent a risk for the results and business of the Group if the economic situation of these countries deteriorated, if there were changes in regulations or in public policies.

Digital transformation process-

The businesses where the Group operates are in a permanent process of technological change. Recent technological progress has introduced new methods and channels for content distribution and use. This progress is accompanied, in turn, by changes in preferences and audience consumption habits.

In the field of media, alternative digital actors proliferate including social networks or news aggregators as online content through several platforms, which has greatly expanded the options available to consumers, resulting in a fragmentation of the audience. This also implies an increase in the inventory of digital advertising space available to advertisers, which affects, and is expected to continue affecting, the Group's Media businesses.

In addition, the digital advertising business itself is subject to constant change. The emergence of digital advertising networks and markets, especially, disruptive methods of

advertising auctions, is allowing advertisers to develop more personalized advertising and is putting downward pressure on prices. And, on the other hand, there is a proliferation of technologies and applications that allow users to avoid digital advertising on web pages and mobile applications that visit.

In the field of education, in certain geographies, subscription models with a strong digital component (educational systems) are becoming increasingly important, both in terms of content and in terms of educational experience.

The digital transformation imply several risks such as developing new products and services to respond to market trends, losing of value of contents within a digital environment, importance of technology to develop digital business, the management of the new digital talent or resistance to technological change in businesses of the Group.

Technology risk-

The businesses in which the Group operates depend, to a greater or lesser extent, on information technology ("IT") systems. For example, in education business the Group offers software or technology solutions through web-based platforms.

IT systems are vulnerable to a set of problems, such as malfunctioning hardware and software, computer viruses, piracy and the physical damage sustained by IT centers. IT systems require regular updates, and it is possible that the Group cannot implement the necessary updates at the right time or that updates might not work as planned. Moreover, cyber-attacks on Prisa's systems and platforms could result in the loss of data or compromise customer data or other sensitive information. Major faults in the systems or attacks on their security could have an adverse effect on Group operating profits and financial conditions.

In this regard, the Group has externalized with several technology providers its information technology management service and the development of innovative projects at some Group companies. If this service provision ceases or the service was transferred to new suppliers, Group operations could be impacted.

Litigation and third-party claims risk-

Prisa is involved in litigation and is exposed to liability for the content in its publications and programs. Moreover, when running its activities and businesses, the Group is exposed to potential liabilities and claims in the area of employment relations.

To manage this risk, the Group manages and monitors legal proceedings and is advised by independent experts.

Data protection-

The Group has a large amount of personal data at its disposal through development of its businesses, included those related to employees, readers and students. Therefore, the Group

is subject to data protection regulations in different countries where it operates. Any violation of these regulations could have an adverse impact on the Group's business.

Intellectual property-

The Group's businesses depend, to a large extent, on intellectual and industrial property rights, including the brands, literary content or technology developed internally by the Group, among others. Brands and other intellectual and industrial property rights constitute one of the Group's pillars of success and ways to maintain a competitive advantage. However, there is the risk that third parties might, without the Company's authorization, attempt to unduly copy or obtain and use the content, services and technology developed by the Group.

In addition, 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 and companies that create or market intellectual property.

Likewise, recent technological advances have greatly facilitated the unauthorized reproduction and distribution of content through diverse channels, thereby hindering the execution of protection mechanisms associated with intellectual and industrial property rights.

3.3. Non-financial risks

See section 5 of this Director's Report.

3.4. Reputational risks

See section 5 of this Director's Report.

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 2021 financial year:

i. Board of Directors and Board Committees:

In February 2021, the Board of Directors approved a series of changes to drive the transformation of the Group, including the appointment of Mr Joseph Oughourlian as Non-Executive Chairman of the Board of Directors. Mr. Oughourlian was the Vice Chairman since April 2019 and his appointment as chairman has been carried out within the framework of the Succession Plan launched by the Board of Directors after the cessation, last December, of the previous chairman.

As a consequence of the condition of proprietary director of the Chairman of the Board, the appointment of the independent director Mr. Rosauro Varo as Vice Chairman of the Board of Directors has been agreed. It was also agreed the continuity of Mrs. Beatriz de Clermont as Coordinating Director.

Also in February 2021, Mr. Javier de Jaime Guijarro resigned as director and to fill this vacancy, the Board of Directors, appointed, by co-option, Ms. Pepita Marín Rey-Stolle as independent director.

In March 2021, Prisa's Board of Directors approved a new organizational chart with a view to implementing the operations of the Group's Education (Santillana) and Media (Radio and News) businesses, accelerating the advancement of Santillana and establishing the basis for creating Prisa Media (the new business unit that unifies the Group's radio and news businesses). In view of the new organizational chart, it was decided that Prisa should evolve from having a sole executive director (at the time there was a single CEO, Mr. Manuel Mirat Santiago) to having two executive directors, one as head and Executive Chairman of Education (Santillana) and the other as head and Executive Chairman of Prisa Media, resulting in the following: i) Mr. Carlos Nuñez Murias was appointed Executive Chairman of Prisa Media (in May 2021) and executive director of Prisa (by resolution passed at Prisa shareholders meeting in June 2021) and ii) Mr. Manuel Mirat Santiago assumed the Executive chairmanship of Santillana and resigned as CEO of Prisa, with effect from the holding of the aforementioned shareholders' meeting in June 2021.

Also in March 2021, the Board of Directors approved the change of the natural person representing the director Amber UK LLP, who since then is Mr. Miguel Barroso.

At the Ordinary Shareholders' Meeting held in June 2021, the following agreements were adopted:

- As already indicated, the re-election and appointment, respectively, of Mr. Manuel Mirat Santiago and Mr. Carlos Nuñez Murias, as directors of Prisa, with the category of executives.

- Likewise, it was also resolved the appointment of a new proprietary director, Ms. Carmen Fernández de Alarcón, so increasing the number of Prisa directors from 12 to 14.

After the shareholders meeting, the appointment of Mr. Manuel Mirat Santiago as Executive Chairman of Santillana became effective, as well as his resignation as Prisa's CEO, thus implementing the new organization of Grupo Prisa's two business areas (Education and Media) headed respectively by Mr. Manuel Mirat and Mr. Carlos Nuñez, who likewise will serve as executive directors of Prisa.

Subsequently, in July 2021 the Board of Directors approved the succession to Santillana's chairmanship and Mr. Manuel Mirat was replaced by Mr. Francisco Cuadrado as Santillana's executive chairman. Likewise, Mr. Mirat resigned as executive director of Prisa and the Board of Directors appointed, by co-option, Mr. Cuadrado, as an executive director of Prisa

Also in July 2021, Mr. Ignacio Polanco Moreno tendered his resignation as Honorary Chairman of the Company and Mr. Xavier Pujol Tobeña resigned as Secretary of the Board of Directors, having been replaced in that position by Mr. Pablo Jiménez de Parga Maseda.

In November 2021, Mr. Dominique D'Hinnin resigned as director and to fill this vacancy, the Board of Directors, appointed, by co-option, Ms. Teresa Quirós as independent director.

Likewise, in 2021 the Board Committees (Delegated Committee, Audit, Risk and Compliance Committee and Nominations, Compensation and Corporate Governance Committee), have been reorganized. It should also be noted that, in February 2022, the Prisa Board of Directors has agreed to set up a Sustainability Commission.

Prisa's Board of Directors had 14 members (2 Executive Directors, 6 proprietary directors and 6 independent directors), with different academic profiles and respectable track records (profiles and bios available at: www.prisa.com).

The Board of Directors has a non-executive chairman and vice-chairman, as well as a coordinating director who is independent. The chairman of the board is responsible for organizing the board and promoting and developing the good governance of the company as provided for in the Board Regulations.

ii. Senior Management

During 2021 there was likewise a profound reorganization of senior management, particularly regarding:

- Former CEOs of Santillana (Mr Miguel Angel Cayuela Sebastián), Prisa Radio (Mr Pedro García-Guillén) and Prisa Noticias (Mr Alejandro Martínez Peón) who left the Company.

- New Chief Financial Officer (Mr. David Mesonero, replacing Mr. Guillermo de Juanes Montmeterme) who joined the Company and, as already indicated, a new Secretary of the Board (Mr. Pablo Jiménez de Parga Maseda, replacing Mr. Xavier Pujol Tobeña).

After the corresponding corporate reorganization, the Senior Management is made up of the following executives: Executive Chairman of Santillana, Executive Chairman of Prisa Media, Secretary of Prisa Board of Directors, Prisa CFO, Director of Communication and Institutional Relations of Prisa and Director of Internal Audit.

As per the Company's Board of Directors Regulations and pursuant to the Corporate Enterprises Act, the Board have non-delegable powers to determine certain general strategies and policies of the Company and make certain decisions (including the strategic or business plan; management objectives and annual budgets; investment and financial policy; tax strategy; risk management and control policy; oversight of the internal control and information systems; approval of financial reporting; dividends policy; treasury share policy; corporate governance and sustainability policies; the appointment and dismissal of board members and certain directors; investments or operations of all types which due to their high amount or special characteristics, are of a strategic nature or involve special tax risk for the Company; approval of the incorporation of or acquisition of equity stakes in special purpose vehicles or institutions domiciled in tax havens; agreements concerning mergers, spin-offs and any material decisions that could affect the Company's status as a listed company; approval of related-party transactions; annual evaluation of the Board of Directors' performance, etc.).

The two executive directors are, respectively, the heads and Executive Chairmen of the two Group 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.

The Board of Directors 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 the recently established Sustainability Commission) has functions in their respective areas. The composition and functions of these committees are described in the ACGR.

5. NON- FINANCIAL INFORMATION STATUS

The Company is exempt from the obligation to present a non-financial information status in accordance with the requirements established in Law 11/2018, of 28 December, as the required information is included, in an aggregated form, in the non-financial information statement presented in the consolidated financial statements report of Promotora de

Informaciones, S.A. deposits its accounts together with the consolidated financial statements report in the Mercantile Registry of Madrid".

6. RESEARCH, DEVELOPMENT AND INNOVATION ACTIVITIES

The Group is constantly adapting applications and management processes to changes occurring in its businesses, as well as technological changes. It participates in and is a member of various international and domestic associations and forums which enable it to identify possible improvements or opportunities to innovate and develop its services, processes and management systems.

During 2021, in terms of **Education**, Latin America Latin America has been the region of the world where schoolchildren have been kept out of school the longest as a result of the pandemic. However, Santillana's commitment in recent years to pedagogical innovation and to strengthening its technological ecosystem has made it possible to provide an agile and effective response to the challenge of hybrid or distance education. If we focus on the support provided to the educational community, this year has continued with numerous trainings, tutorials and various webinars in areas related to innovation, new pedagogies, technology or socio-emotional aspects, which are highly demanded. *Aprendemos conectados* (We learn online), *Rutas Formativas* (Educational Routes), *Familias Brillantes* (Bright Families), *Familias UNOi* (UNOi Families) and *Compartir en Familia* (Sharing in the Family) are some of the proposals that have facilitated mass access to this training.

In terms of content, projects with a high innovative component have been developed, such as **Asombro Compartir** (Amazement Sharing), designed in Mexico and aimed at pre-school and primary school pupils. It includes didactic sequences with Project Based Learning (PBL) methodology, inspired by a Sustainable Development Goal or STEM projects from NASA, MIT, Project Zero or UNESCO. In 2021, also **loquelo digital** has been launched, a digital reading ecosystem with gamified activities and dramatised audiobooks, which expects significant growth in 2022.

Our digital education offering, through subscription models, made it easy for teachers and students to access curriculum content and follow classes as normal. Amazon's 100% cloud-based, scalable **E-stela** and **Pleno** platforms maintained peak activity levels in 2020 (COVID-19 context), demonstrating their good performance. During 2021, E-stela recorded 205 million sessions and more than 157 million pieces of content were consumed by teachers and students, with more than 2.2 million virtual classrooms using synchronous communication tools (Microsoft Teams, Google Meet and Zoom).

The Pleno assessment tool generated 10 million tests, increasing the assessment rate from 14.56 assessments per pupil in 2020 to 16.37 in 2021.

In 2021, the development of the **New Santillana Digital Ecosystem** was completed, which will be implemented in our Santillana Brazil and Mexico business lines during 2022. The added value it adds focuses on three aspects: it improves the user experience for teachers, students and families by unifying all school services in a single access; it allows flexible and personalised offers per school, level, grade and group; and, it offers a new school agenda

that facilitates communication, homework, notes, messages, attendance records or surveys and authorisations.

In **Media**, by means of the main initiatives forming part of the Technology Master Plan 2021-2024 rolled out in 2021, some major progress was noted in News, and also in Radio and Advertising.

In **News**, work was ongoing on ecosystem simplification through the consolidation of ARC Publishing, and some major steps were taken to secure more customised mobile applications, and maximise synergies with Digital Radio processes.

In **Radio**, an effort was made to secure greater value for Podcast and SmartSpeakers solutions, DALET Galaxy as a broadcasting system in Spain and LATAM, and the consolidation of ARC Publishing on Radio Webs.

Transformation levers in **Advertising** were the addition of Digital Selling as a first step in the new CRM B2B and as a new communications channel with advertisers to encourage purchases, the portal for self-contracting and advanced services for advertisers, development of analytic solutions, and unification of Radio and Digital Advertising processes.

As already mentioned, three major initiatives were rolled out in 2021 to renew the core sections of News and Radio (ARC, DALET Galaxy and Mobile Applications), which could provide new services and contribute efficiency.

- In the case of **ARC**, this year the media solution was deployed in SER, WRADIO and As, the direct benefits of which are Control of the writing work flow, Integration of work tools, Management of rights and Agility, in addition to the integration of Digital First paper (the only Digital CMS with a paper flow), and enhancement of the security and stability of the Platform.
- The **DALET Galaxy** initiative in Radio focuses on the standardisation of broadcasting and editorial production processes. It was started up in pilot mode in 2021 in Aragón, and in 2022 it will be extended to Castilla y León, Castilla La Mancha and Extremadura. The benefits are integration and standardisation of broadcasting and editorial production processes, concentration of contents to simplify subsequent distribution to any kind of broadcasting format (on air, streaming, social media, web, podcasts etc.), and the creation of an industrialised model for broadcasting to stations.
- Much use and consumption of contents by users via apps compel us to move towards **Mobile applications** in a more customised format. To this end, in 2021 Prisa Media internally defined and established a framework to maximise synergies. This gradual process of evolution by current apps to the transversal model was implemented by a tender for a supplier and selection of personnel, enabling us to kick off 2022 with a common media apps team, internalising technical knowledge of apps, boosting management capacity and optimising the investment, re-using components among apps and making gains in terms of speed and agility.

Additionally, this year in **News**, a wide-ranging project was carried out **to improve performance and to design the digital version of El País**.

After 11 months' work with a multidisciplinary team, organising reflection units with almost 80 experts and members of the copy team at El País, and also listening to readers, with a particular focus on the younger audience, a redesign was worked out that had not been addressed for six years. There have been many changes during this period, two of which have been most important in recent times: the addition of ARC as a technology platform and the launch of the subscription model.

This project has brought many benefits in terms of better positioning and page performance, eliminating customer ReactJS.

Also, following the web's graphic line, the **El País app has also been redesigned** to improve its performance and provide a better experience for readers. This includes the possibility of enjoying **El País audio** and listening to **audio news and podcasts** directly, with the option of following favourite items and authors, or saving news items to read them later. The subscription can also be taken out rapidly from the application.

There are also **audio and video formats** with enhanced potential to run podcasts, videos and news audios, with the integration of new tools such as **Triton digital**, which facilitates the distribution of audio and optimises the streaming strategy, measurement of audiences for these formats, and also optimises revenue with instream advertising.

Turning to distribution of contents, in 2021 a new service was also implemented with **customised newsletters linked to the user's interests**. With the El Radar newsletter, users receive weekly news which they have not read but which could be of interest to them given their previous browsing. This initiative uses Artificial Intelligence technology. The customisation boosts the click through rate (CTR +19%) and a higher average read rate.

Another area of innovation is in **Adobe Target**, a tool that can conduct experiments to boost consumption of pages visited and subscriptions. Our **integration with CRM** means we can carry out A/B tests with specific users, with segmentation of customer and browser information, enabling us to display experiences and customised subscription offers, thereby **boosting the conversion rate, the ARPU and LTV**.

In **AS**, as mentioned above, 2021 was the year of construction and **launch of the ARC Publishing Platform**, by the editor of the Washington Post. This **new CMS enables us to save on development and maintenance costs** and unify news operations, using the same management system as other business units. Security and stability also benefit from this new solution.

This year AS also launched the **AS Apuestas** project in association with Spotlight Sports Group, a mainstream UK sport betting outlet. The new portal gives readers a specific website with the best contents in Spanish to place their bets: the latest news, access to data and analyses of all matches; **predictions and forecasts based on Artificial Intelligence**; widgets with figures updated in real time, generators of bets and comparison systems.

Levers were also activated in 2021 to **help pass on the future impact of the cookieless environment by means of anonymous cookie grading** and boost registration of users (+30%) with one-off actions such as the closure of contents (to registers) to the most loyal users. Another piece of added value to obtain leads was the **newsletters**, where work continued **to enhance the database of registered users**.

In this regard, new broader functions for **customisation on the AS app** have been launched as "My Zone". This service, exclusive to registration, has allowed users to configure their own front leader with the teams, sport personalities or competitions they follow, and customise the type of alerts they wish to receive.

2021 was also the year in which **AS Audio** took its first steps and began to bring out its offer of podcasts, including original, narrative, conversational and informative contents. "La Pica de AS" (sports complex context), "Mínimo de veterano" (NBA), "Los últimos de la lista" (football), "KO a la Carrera" (boxing, MMA and wrestling) and "Hooligans Ilustrados" (football and literature) are the main events in 2021 which will lead to new contents in 2022. Some of them have already reached the higher echelons of the listening platforms.

Another project consolidated this year was the **launch of the Showroom affiliation platform for Mexico and Colombia** which, along with Amazon as a strategic partner, means our journalists recommend and select the best products for readers.

In the case of **Radio**, a number of initiatives were carried out in 2021 which substantially improved work flows for Streaming, Podcast and Advertising. The main benefits obtained were a reduction of the creation/management of podcast generation from days to minutes, an increase in the number of automatic cuts and better cut quality, with improvements to the automation of search, extraction and share of items mentioned.

In 2021 this improvement was also taken to external users, digital listeners, who can now use all the Audio on Demand or podcasts at the main sites of Cadena SER, LOS40 or Cadena Dial, instead of external players. This has led to the launch of podcast strategies, SER Podcast and Musicales, taking consumption to the main website. A specific development in this regard has also been carried out for Cross-Promotion, promotion of podcasts by the various Prisa Media brands on all its web and app products.

The **Music Master** has been implemented as a musical management and rotation tool for Latam music stations, in order to centralise and unify contents and share criteria in a single database with all musical information.

Some mention should also be made of the **Single Form**, a major initiative by the Colombia editing team, to simplify the editing work flow with 7 different brands and 3 different content managers (Thot, Wordpress and PEP). The single form allows editors to post contents on a single platform - integrated with content managers - thereby simplifying access and the publication of content. The single form provides mobile access and also allows news, photos and audios to be posted.

In 2021, Prisa Radio also perfected its audio recommendation system, **Tailorcast**, a development carried out with the help of the Google Digital Innovation Program. Work was

carried out in 2021 to ensure that this recommendation engine could be used by the various internal customers such as Cadena SER, El País or Caracol Radio. The engine is based on transcription, tagging and subsequent recommendation, which provides a practical customised recommendation for users, helping them find new audio products carried out in our brands.

ARC deployment work included a specific development for integration of the Permanent Player, to allow listeners to use all the audio material on Prisa Radio sites from any section of the site, through the Single Page Application development. This integration in ARC enables products already in production, such as WRadio, to offer users all direct Audio on Demand via the permanent player.

With regard to **advertising**, this year saw the deployment of the first phase of the "SII" project (**Income Information System**): a single repository with PRISA Media income information: Paper, Digital Income, National Radio, Local Radio and Associates.

This initiative seeks to centralise information, avoiding silos, integrating several sources of information on advertising income, to furnish an advanced 360° vision of customers, operational simplification in PRISA teams (integration of advertising in all media) and optimisation in terms of the extraction and generation of reports.

In 2021, the **Data and Analytics** area at Prisa Media worked **on the fine-tuning of predictive models of propensity for registration or take-up of subscriptions** and also to identify subscribers likely to withdraw, in order to prevent this proactively, thus helping to **retain subscribers**. A **customised content recommendation model** has also been developed, focusing on subscribers and based on their interactions and browsing criteria, and comparing them to those of other readers with similar tastes and profiles. This seeks to highlight the value of the subscription, revealing and recommending articles, authors or similar thematic sections not usually read by the subscriber.

7. LIQUIDITY AND CAPITAL RESOURCES

7.1. Financing

Note 7.3 "*Financial Liabilities*" of the accompanying notes to the financial statements of Prisa for 2021 provides a description of the use of financial instruments by the Company.

7.2. Contractual commitments

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

7.3. 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.

On May 6, 2021, the Board of Directors approved a Share buy-back programme allowing to repurchase a maximum of 825,000 shares. The Share buy-back programme ended with the repurchase of a total of 612,594 shares in the financial year 2021.

At December 31, 2021, Promotora de Informaciones, S.A. held a total of 2,335,568 treasury shares, representing 0.33% of its share capital.

Treasury shares are valued at market price at December 31, 2021 (0.565 euros per share). The total amount of the treasury shares amounts to EUR 1,320 thousand.

At December 31, 2021, the Company did not hold any shares on loan.

9. SHARE PERFORMANCE

Description of Prisa's shareholder structure.

Prisa's share capital at December 31, 2020 and 2021 consisted of EUR 70,865 thousand and was represented by 708,650,193 ordinary shares all of which belong to the same class and series, each with a par value of EUR 0.10 each, fully paid up and with identical rights.

These shares are listed on the Spanish stock exchanges (Madrid, Barcelona, Bilbao and Valencia) through the Spanish Stock Exchange Interconnection System (SIBE).

Main shareholders in the Company's share capital at the end of 2021 were Amber Capital, Vivendi, Telefónica, Rucandio, International Media Group, Consorcio Transportista Occher S.A, Inversora de Carso S.A, Carlos Fernandez, Bank Santander, Melqart Opportunities Master Fund Ltd. Free float stood at around 20%.

As of January 2021, HSBC Holding PLC was no longer a significant shareholder of Prisa. It is noted that in January 2021, the French group Vivendi, with investments in the telecommunications and entertainment industries, has acquired 9.9% of Prisa.

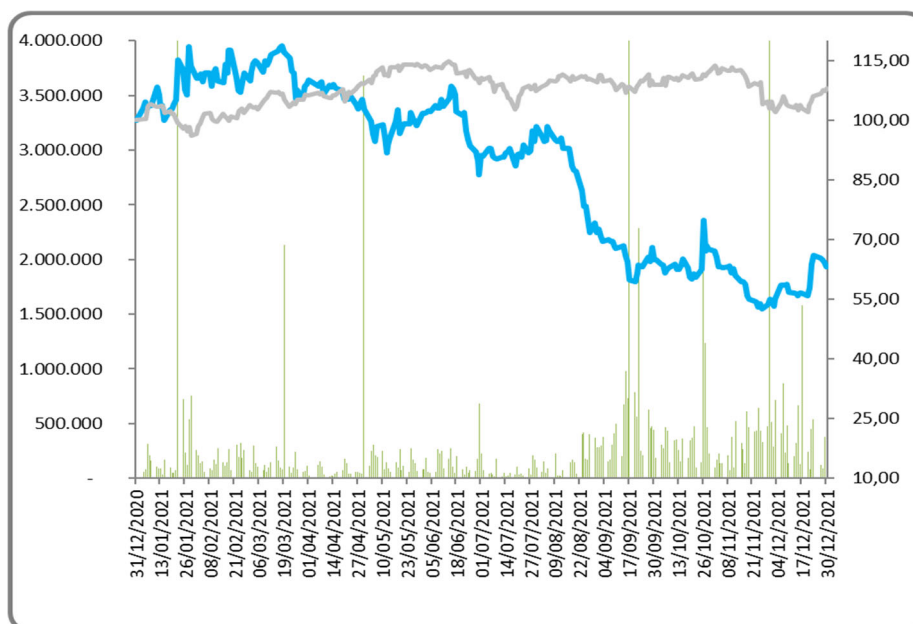
Share price performance

Prisa ordinary shares ended 2020 trading at a price of EUR 0.893 per share (December 31, 2020) and ended the year 2021 at EUR 0.565 per share (December 31, 2021), implying a devaluation of 36.7%.

Prisa's share performance in 2021 has been conditioned by the company's capital and financial structure, by an environment of economic crisis due to the different waves of the COVID-19 pandemic (which has affected industries and companies around the world), by the irregular behavior of Latin American currencies., as well as by the exclusion of the share from two indices.

During the 2021 financial year, the Company's Directors have continued to take a series of measures to strengthen the Group's financial and equity structure, reinforcing corporate governance, focusing on efficiency and cash generation, and reaching a new refinancing agreement which was announced in February 2022. The New Refinancing agreement will make the Group's financial debt more flexible and will provide it with a financial structure that will enable it to meet its financial commitments, ensuring the Group's stability in the short and medium term.

The following chart shows the performance of the Prisa Group's shares relative to the IBEX35 index in 2021, indexed in both cases to 100:



Prisa: -36,7%	Ibex: 7,93%	Traded volume Prisa
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Source: Bloomberg (31st December 2020- 31st December 2021)

10. AVERAGE SUPPLIER PAYMENT TIME

According to the information required by the third additional provision of Law 15/2010, of 5 July (amended by the second final provision of Law 31/2014, of 3 December) approved in accordance with the resolution of ICAC (Spanish Accounting and Audit Institute) of January 29, 2016, the average period of payment to suppliers in commercial operations for the companies located in Spain rises, in 2021, to 69 days (*see note 7.3*).

The maximum legal period of payment applicable in 2021 and 2020 under Law 3/2004, of 29 December, for combating late payment in commercial transactions, is by default 30 days, and 60 days maximum if particular conditions are met with suppliers.

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

11. EVENTS AFTER THE BALANCE SHEET DATE

In February 2022 the Board of Directors of Prisa has approved, by unanimity, the signing of a lock-up agreement (the "New Lock-Up Agreement") that incorporates a term sheet with the basic conditions for the amendment of the Group's syndicated financial debt (the "New Refinancing").

The basic terms of the agreed New Refinancing consist of: (i) the extension of the maturity of the financial debt to 2026 and 2027 and division of the syndicated loan into two differentiated tranches (one of senior debt and one of junior debt); (ii) an estimated average total cost of debt (average of all tranches, including Super Senior debt) of Euribor + 5.99% (ex. warrants), to be paid through a combination of cash and PIK, which implies a reduction in the average cost of debt by approximately 1.17%; (iii) a flexibilization of the contractual commitments of the current debt that will allow, among other improvements, to increase Prisa's operating flexibility and soften the financial ratios required under its current contracts; (iv) a refinancing, structuring and underwriting fee, that the Company may pay in cash or through its capitalization. In the event that the Company chooses to pay the aforementioned commission through capitalization, it will proceed to issue "warrants" or equivalent financial instruments that will grant their holders (the creditor entities and those that have acted as underwriters and/or arrangers of the New Refinancing) the right to subscribe up to 32 million new shares of the Company, to offset a liability equivalent to a maximum price per share of EUR 1.4. The new shares, that will represent up to 4.3% of the share capital of the Company post capital increase, will align the interests of the company with those of the new creditors, while increasing the liquidity of the shares in the market. To this end, the Board of Directors of Prisa will propose to the next General Shareholders' Meeting held by the Company a capital increase by compensation of credits (and, consequently, without preferential subscription rights). Upon calling such General Meeting, Prisa will make available to its Shareholders all the appropriate reports from the Board of Directors and any other relevant documentation that justifies and describes the proposal for the issuance of new shares. The New Lock-Up Agreement has entered into force, having been signed by the Company and by the all creditor entities of the syndicated

financing to be refinanced. Likewise, within the framework of the New Refinancing, a Term Sheet has been signed with the basic conditions for the modification of the Super Senior debt (“Super Senior Term & Revolving Facilities Agreement”) of the Company that, among others terms, supposes an extension of the maturity of the debt to June 2026.

According to the envisaged calendar for the New Refinancing, the Company aims at documenting and closing the New Refinancing coming soon, without prejudice to the issuance of the warrants and the approval of the issuance of the relevant new shares being deferred to the General Shareholders’ Meeting, to be held no later than June 30th.

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

12. ANNUAL CORPORATE GOVERNANCE REPORT

The Annual Corporate Governance Report for the year 2021, which is part of the Director’s Report, has been approved by the Board of Directors of Promotora de Informaciones, S.A. on its meeting held on March 28, 2022, and is included after the note 13.

13. ANNUAL BOARD OF DIRECTORS REMUNERATION REPORT

The Annual Board of Directors Remuneration Report for the year 2021, which is part of the Director’s Report, has been approved by the Board of Directors of Promotora de Informaciones, S.A. on its meeting held on March 28, 2022, and is included after the Annual Corporate Governance Report.

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

ANNEX I TEMPLATE

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

ISSUER IDENTIFICATION

FINANCIAL YEAR: 31.12.2021

TAX ID CODE: A-28297059

Corporate Name: **PROMOTORA DE INFORMACIONES, S.A.**

Registered address: Gran Vía, 32. Madrid 28013

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

A CAPITAL STRUCTURE

A.1. Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate:

Indicate whether company bylaws contain the provision of double loyalty voting:

NO

Date of the last modification of the share capital	Share capital (€)	Number of shares	Total number of voting rights, including additional loyalty-attributed votes
02/07/2020	70,865,019.30	708,650,193	708,650,193

Remarks
<p>i) As of December 31, 2021, the share capital of Prisa amounts to EUR 70,865,019.30 and is represented by 708,650,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros, and have been fully paid up.</p> <p>ii) The date of the last change to the Company's capital (02/07/2020) is the date of execution of the deeds of the last share capital reduction transactions which were passed at the Shareholders' Meeting held on June, 29, 2020.</p>

State whether there are different classes of shares with different associated rights:

NO

A.2. List the company's significant direct and indirect shareholders at year end, including directors with a significant shareholding:

Name of shareholder	% of voting rights attached to the shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
JOSEPH OUGHOURLIAN	0.00	29.84	0.00	0.00	29.84
VIVENDI, S.E.	9.94	0.00	0.00	0.00	9.94
TELEFONICA, S.A.	9.03	0.00	0.00	0.00	9.03
RUCANDIO, S.A.	0.00	7.61	0.00	0.00	7.61
KHALID BIN	0.00	5.14	0.00	0.00	5.14

THANI BIN ABDULLAH AL- THANI					
GHO NETWORKS, S.A. DE CV	0.00	5.02	0.00	0.00	5.02
BANCO SANTANDER, S.A.	2.43	2.40	0.00	0.00	4.83
INVERSORA CARSO, S.A. DE CV	0.00	4.30	0.00	0.00	4.30
CARLOS FERNANDEZ GONZALEZ	0.00	4.03	0.00	0.00	4.03
MELQART ASSET MANAGEMENT (UK) LTD	0.00	0.00	2.21	0.00	2.21
POLYGON EUROPEAN EQUITY OPPORTUNITY MASTER FUND)	0.00	0.00	1.00	0.00	1.00

Remarks
<p>i) The significant holdings indicated in the tables above are in accordance with the information published on the CNMV's website as of 31 December 2021 and, in some cases, with the information provided by the Shareholders to the Company.</p> <p>ii) Mr. Joseph Oughourlian, external director representing significant shareholdings, controls Amber Capital UK, LLP (also external director), which acts as investment manager to Oviedo Holdings Sarl, Amber Capital Investment Management ICAV - Amber Active Investors Fund and Amber Capital Investment Management ICAV - Amber Global Opportunities Fund (which are the direct owners of the shareholding indicated in the table above).</p> <p>iii) Shk. Dr. Khalid bin Thani bin Abdullah Al-Thani is an external director representing significant shareholdings. International Media Group, S.A.R.L. (direct owner of the shareholding indicated in the table above) is 100% owned by International Media Group Limited which in turn is 100% owned by Shk. Dr. Khalid bin Thani bin Abdullah Al-Thani.</p> <p>iv) 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.</p> <p>v) Inversora Carso, S.A. de CV controls 99.99% of Control Empresarial de Capitales S.A. de CV (direct owner of the shareholding indicated in the table above)</p> <p>vi) Mr Carlos Fernández González controls the majority of the capital and voting rights of Grupo Far-Luca, S.A. de C.V., the owner of 99% of Grupo Finaccess, S.A.P.I. de C.V., which in turn owns 99.99% of the capital and voting rights of Finaccess Capital, S.A. of C.V. The latter controls FCapital Lux S.à.r.l (direct owner of the shareholding indicated in the table above)</p> <p>vii) Melqart Asset Management (UK) Ltd. acts as Investment Manager for and on behalf of Melqart Opportunities Master Fund Ltd.</p> <p>viii) Polygon European Equity Opportunity Master Fund is a fund managed by Polygon Global Partners LLP.</p>

Breakdown of the indirect holding:

Indirect Shareholder's Name	Direct Shareholder's Name	Total % of Voting Rights
JOSEPH OUGHOURLIAN	AMBER CAPITAL INVESTMENT MANAGEMENT ICAV - AMBER ACTIVE INVESTORS FUND	14.39%
JOSEPH OUGHOURLIAN	AMBER CAPITAL INVESTMENT MANAGEMENT ICAV - AMBER GLOBAL OPPORTUNITIES FUND	3.15%
JOSEPH OUGHOURLIAN	OVIEDO HOLDINGS, S.A.R.L	12.30%
RUCANDIO, S.A.	RUCANDIO INVERSIONES, SICAV, S.A.	0.01%
RUCANDIO, S.A.	PROMOTORA DE PUBLICACIONES, S.L.	0.02%
RUCANDIO, S.A.	AHERLOW INVERSIONES, S.L.	7.58%
KHALID BIN THANI BIN ABDULLAH AL-THANI	INTERNATIONAL MEDIA GROUP, S.A.R.L	5,14%
GHO NETWORKS, S.A. DE CV	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	5.02%
BANCO SANTANDER, S.A.	SULEYADO 2003, S.L	0.79%
BANCO SANTANDER, S.A.	CANTABRO CATALANA DE INVERSIONES, S.A	0.81%
BANCO SANTANDER, S.A.	CÁNTABRA DE INVERSIONES, S.A.	0.79%
INVERSORA CARSO, S.A. DE CV	CONTROL EMPRESARIAL DE CAPITALES S.A. DE CV	4.30%
CARLOS FERNANDEZ GONZALEZ	FCAPITAL LUX S.A.R.L.	4.03%

State the most significant shareholder structure changes during the year:

Most significant changes
<p>The most significant changes in the shareholder structure during the year 2021, based on the shareholders' disclosures to the CNMV and whether their shareholdings have reached, exceeded or fallen below the thresholds specified in article 23 of Royal Decree 1362/2007 of 19 October, implementing Law 24/1988 of 28 July on the Securities Market in relation to transparency requirements (3%, 5%, 10%, 15%, 20%, 25%... etc. of share capital), are as follows:</p> <p>i) Vivendi has acquired 9.94% of the share capital of PRISA.</p> <p>ii) HSBC HOLDINGS PLC, which as of December 31, 2020 held 9.11% of the share capital, has fallen below the threshold of 3% of the share capital in 2021.</p> <p>iii) Melqart Asset Management (UK) LTD, which as of December 31, 2020, held 4.62% of the share capital, has fallen below the threshold of 3% of the share capital in 2021.</p>

A.3 Give details of the participation at the close of the fiscal year of the members of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in Section A2 above:

Name of director	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights	% voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
ROSAURO VARO RODRIGUEZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BEATRICE DE CLERMONT-TONERRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ROBERTO LÁZARO ALCÁNTARA ROJAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARIA TERESA BALLESTER FORNÉS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FRANCISCO CUADRADO PÉREZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CARMEN FERNANDEZ DE ALARCON ROCA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARIA JOSE MARIN REY-STOLLE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CARLOS NUÑEZ MURIAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MANUEL POLANCO MORENO	0.01	0.02	0.00	0.00	0.03	0.00	0.00
TERESA QUIROS ALVAREZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JAVIER SANTISO GUIMARAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total percentage of voting rights held by the Board of Directors	35.01%
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Remarks
<p>i) The directors Mr. Joseph Oughourlian, Amber Capital UK LLP and Shk. Dr. Khalid bin Thani bin Abdullah Al-Thani, indirectly hold a significant stake in the Company's capital stock, as stated in section A.2 above.</p> <p>The indirect holding of Mr. Joseph Oughourlian and Amber Capital UK LLP is the same, since both form part of the chain of control of the direct holders of the holding.</p> <p>ii) Mr Roberto Lázaro Alcántara Rojas is the direct holder of 18,565 voting rights of Prisa, although his stake does not represent more than 0.00% of the share capital.</p> <p>iii) Mr Francisco Cuadrado is the direct holder of 23,263 voting rights of Prisa, although his stake</p>

does not represent more than 0.00% of the share capital.

iv) Given that the indirect holdings reported by director Mr Manuel Polanco Moreno don't represent 3% of the voting rights of the Company, it is not necessary identify the direct holders thereof, according to the terms of the Instructions for Completing the Annual Corporate Governance Report approved by CNMV Circular 3/2021.

v) Mr. Miguel Barroso, representative of Amber Capital UK LLP on the Board of Directors of Prisa, has stated that he indirectly owns 850,624 shares of Prisa (representing 0.12% of the share capital). This amount was not included in the total percentage of the Board of Directors' voting rights.

Breakdown of the indirect holding:

Name of director	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights	% voting rights that can be transmitted through financial instruments

Total percentage of voting rights represented on the Board of Directors	57,60%
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Remarks
This includes the voting rights held either directly or indirectly by: Mr Joseph Oughourlian (proprietary director); Vivendi, S.E. (significant shareholder represented on the Board through the proprietary director Ms Carmen Fernández de Alarcón); Rucandio, S.A. (significant shareholder represented on the Board through the proprietary director Mr. Manuel Polanco); D. Khalid Bin Thani (proprietary director); GHO Networks, S.A. de CV (significant shareholder represented on the Board through the proprietary director Mr Roberto Alcántara), and the directors Roberto Alcántara, Francisco Cuadrado and Manuel Polanco.

A.4 If applicable, state any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, except those that are reported in Section A.6:

Names of the Related Persons or Entities	Type of Relationship	Brief Description
AMBER CAPITAL UK LLP/ AMBER FUNDS	Contractual	Amber Capital UK LLP is the investment manager of Oviedo Holdings, SARL; Amber Capital Investment Management ICAV -Amber Active Investors Fund; and Amber Capital Investment Management ICAV - Amber Global Opportunities Fund and it is vested with discretion to exercise voting rights for the funds under its management pursuant to written investment management agreements. The exercise of the voting rights is also subject to Amber Capital UK LLP's policies and procedures.
VIVENDI, S.E./	Corporate	Vivendi owns 1% of the share capital of

TELEFÓNICA		Telefónica, S.A.
VIVENDI, S.E./BANCO SANTANDER, S.A.	Commercial	Banco Santander took part in the financing of Universal Music Group (formerly a subsidiary of Vivendi)
RUCANDIO, S.A./ AHERLOW INVERSIONES, S.L.	Corporate	Rucandio, S.A. controls indirectly 100% of the share capital of Aherlow Inversiones, through Timón, S.A.
RUCANDIO, S.A./ PROMOTORA DE PUBLICACIONES, S.L.	Corporate	Rucandio, S.A. controls directly 8.32% and indirectly 82.95% (through Timón, S.A.) of the share capital of Promotora de Publicaciones, S.L.
RUCANDIO, S.A./ RUCANDIO INVERSIONES, SICAV S.A	Corporate	Rucandio, S.A. holds 58,35% % of Rucandio Inversiones SICAV
GHO NETWORKS, S.A. DE CV/ CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	Corporate	GHO Networks, S.A. de CV holds 99.99% of the share capital Consorcio Transportista Occher, S.A. de CV
GHO NETWORKS, S.A. DE CV/ CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	Contractual	The Consorcio Transportista Occher, S.A. de CV is a subsidiary of GHO Networks, S.A. de CV, as a result of which there are various legal, fiscal and commercial links between them.

A.5 If applicable, state any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or group, unless they are insignificant or arise in the ordinary course of business:

See section D on related transactions

A.6 Describe the relationships, unless insignificant for the two parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives.

Explain, as the case may be, how the significant shareholders are represented. Specifically, state those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders and/or companies in its group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of directors, or their representatives, as the case may be, of the listed company, who are, in turn, members of the Board of Directors or their representatives of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
AMBER CAPITAL UK LLP	AMBER CAPITAL UK LLP	AMBER CAPITAL UK LLP	THE SHAREHOLDER AMBER CAPITAL UK LLP IS DIRECTOR (REPRESENTED BY THE

			PERSON OF MR. MIGUEL BARROSO AYATS).
JOSEPH OUGHOURLIAN	AMBER CAPITAL UK LLP	AMBER ACTIVE INVESTORS LIMITED.	JOSEPH OUGHOURLIAN IS DIRECTOR REPRESENTING AMBER ACTIVE INVESTORS LIMITED. MR. OUGHOURLIAN CONTROLS AMBER CAPITAL UK LLP (AS HE IS MAJORITY SHAREHOLDER OF AMBER CAPITAL MANAGEMENT LP, OWNER OF AMBER CAPITAL UK HOLDINGS LIMITED WHICH, IN TURN, OWNS AMBER CAPITAL UK LLP).
CARMEN FERNANDEZ DE ALARCON	VIVENDI, S.E.	VIVENDI, S.E.	CARMEN FERNANDEZ DE ALARCON IS A PROPRIETARY DIRECTOR REPRESENTING VIVENDI, S.E. AND, IN ADDITION, SHE IS THE CEO OF HAVAS ESPAÑA (A SUBSIDIARY OF VIVENDI).
ROSAURO VARO RODRIGUEZ	TELEFONICA, S.A.	TELEFONICA, S.A.	ROSAURO VARO INDIRECTLY HOLDS 0.045% OF TELEFONICA'S SHARE CAPITAL.
MANUEL POLANCO MORENO	RUCANDIO, S.A.	RUCANDIO, S.A.	MANUEL POLANCO IS DIRECTOR REPRESENTING TIMON, S.A. A COMPANY CONTROLLED BY RUCANDIO, S.A. MR POLANCO IS ALSO: I) CEO OF RUCANDIO, S.A., IN WHICH HE HOLDS 25% OF ITS SHARE CAPITAL; AND II) DIRECTOR OF RUCANDIO INVERSIONES, IN WHICH HE HOLDS DIRECTLY 10.19% AND INDIRECTLY 0.09% OF ITS SHARE CAPITAL.
KHALID BIN THANI BIN ABDULLAH AL-THANI	INTERNATIONAL MEDIA GROUP, S.A.R.L	INTERNATIONAL MEDIA GROUP, S.A.R.L	KHALID BIN THANI BIN ABDULLAH AL-THANI IS DIRECTOR REPRESENTING INTERNATIONAL MEDIA GROUP, S.A.R.L. (IMG). IMG IS 100% OWNED BY INTERNATIONAL MEDIA GROUP LIMITED WHICH, IN TURN, IS 100% OWNED BY MR. AL THANI.
ROBERTO LÁZARO ALCÁNTARA ROJAS	GHO NETWORKS, S.A. DE CV	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	ROBERTO LÁZARO ALCÁNTARA ROJAS IS DIRECTOR REPRESENTING CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV., BEING ALSO ITS CHAIRMAN AND

			HOLDER OF 85% OF ITS SHARE CAPITAL. MR LÁZARO IS ALSO CHAIRMAN OF GHO NETWORKS, S.A. DE CV AND HOLDER OF 18.18% OF ITS SHARE CAPITAL.
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A.7. State whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the Ley de Sociedades de Capital ("Corporate Enterprises Act" or "LSC"). If so, describe these agreements and list the party shareholders:

YES

Parties to the Shareholders' Agreement
RUCANDIO, S.A.
TIMON, S.A.

% of share capital: 0.02%

Brief Description of the Agreement: Shareholder Agreement in Promotora de Publicaciones, S.L (Propu): On May 21, 1992, Timon S.A. and a group of shareholders of Prisa entered into an agreement to govern the contribution of their Prisa shares in that company to Propu and their participation therein (participation in the management body, how they should vote, transfer of shares, etc.). According to information Rucandio has provided the Company, the only parties to this agreement who are still members of Propu are Rucandio, S.A. and Timón, S.A.

Expiry date of the agreement, if any: Indefinite

Parties to the Shareholders' Agreement
IGNACIO POLANCO MORENO
MARIA JESÚS POLANCO MORENO
MARTA LOPEZ POLANCO
ISABEL LOPEZ POLANCO
MANUEL POLANCO MORENO
JAIME LOPEZ POLANCO
LUCIA LOPEZ POLANCO

% of share capital: 7.61%

Brief Description of the Agreement: Shareholder Agreement in Rucandio: On December 23, 2003, Mr. Ignacio Polanco Moreno, Ms. Isabel Polanco Moreno-deceased- (whose children have succeeded to her position in this agreement), Mr. Manuel Polanco Moreno, Ms. M^a Jesús Polanco Moreno and their now deceased father Mr. Jesús de Polanco Gutiérrez and deceased mother Ms. Isabel Moreno Puncel signed a Family Protocol, to which a Shareholder Syndicate Agreement was annexed concerning shares in Rucandio, S.A., whose objective was to prevent the entry of third parties not members of the Polanco family in Rucandio, S.A., establishing procedures for voting, representation, exercising shareholder rights and the transfer of interests.

Expiry date of the agreement, if any: Indefinite

Remarks
The information on the previous shareholders' agreements is that which is published on the CNMV website: i) Shareholder Agreement in Promotora de Publicaciones, S.L. (Propu): Material disclosures no 48407 and 49622, dated 22 March 2004 and Material disclosure no.63701 dated January 30, 2006 and ii) Shareholder Agreement in Rucandio, S.A.: Material disclosures no 83185 dated 14 August 2007.

State whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

NO

Remarks
The concerted actions known to the Company are the shareholders agreements described above.

If any of the aforementioned agreements or concerted actions have been modified or terminated during the year, please specify expressly:

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A.8. State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Ley de Mercados de Valores ("Spanish Securities Market Act" or "LMV"). If so, please identify them:

NO

A.9. Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
2,335,568	0	0.33

Remarks
The Company has a liquidity contract with JB Capital Markets (the "Financial Intermediary") for the purpose of favoring the liquidity and regularity of the Company's shares quotation, within the limits established by the Company's Shareholders General Meeting and the applicable regulation, in particular, Circular 1/2017 of the CNMV.
The Financial Intermediary will perform the operation regulated by the Liquidity Contract in the Spanish regulated markets and multilateral trading system, through the market of orders, according to the contracting rules, within the usual trading hours of these and as established in Rule 3 of Circular 1/2017.

A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares.

On treasury stock policy, the Shareholders' Meeting held on April 25, 2018 agreed to grant express authorisation for derivative acquisition of shares of the Company, directly or through any of its
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subsidiaries, with the following limits or requirements:

- (i) Methods of acquisition: by purchase or by any other inter vivos act for consideration.
- (ii) Maximum amount: The par value of the shares acquired directly or indirectly, added to that of those already held by the Company and its subsidiaries and, if applicable, the controlling company and its subsidiaries, at no time will exceed the permissible legal maximum.
- (iii) Characteristics of the acquired shares: The acquired shares must be free of any liens or encumbrances, must be fully paid up and not subject to performance of any kind of obligation.
- (iv) Mandatory reserve: A restricted reserve may be established within net worth in an amount equivalent to the amount of the treasury shares reflected in assets. This reserve shall be maintained until the shares have been disposed of or cancelled or there is been a legislative change so authorising.
- (v) Term: 5 years from the date of approval of this resolution.
- (vi) Minimum and maximum price: the acquisition price may not be less than par value or more than 20 percent higher than market price, in both cases, at the moment of the acquisition. The transactions for the acquisition of own shares will be in accordance with the rules and practices of the securities markets.

All of the foregoing will be understood to be without prejudice to application of the general scheme for derivative acquisitions contemplated in article 146 of the current Capital Companies Act.

It is expressly stated that the shares acquired as a consequence of this authorisation may be used to be sold, amortized, or to the application of any remuneration system, plan or resolution by means of or any agreement for the delivery of shares or options on shares to the members of the Board of Directors and to the managers of the Company or its Group in force at any time, and that express authorisation is granted for the shares acquired by the Company or its subsidiaries pursuant to this authorisation, and those owned by the Company at the date of holding of this General Meeting, to be used, in whole or in part, to facilitate fulfilment of the aforementioned plans or agreements, as well as the performance of programs that increase the participation in the Company's share capital such as, for example, dividend reinvestment plans, fidelity bonus or other analogous instruments. The Board of Directors is also authorised to substitute the delegated powers granted by this General Shareholders Meeting regarding this resolution in favor of the Chairman of the Board of Directors, the Chief Executive Officer or the Secretary of the Board.

Likewise on December 31, 2021, the current powers conferred to issue shares, upon the Board of Directors at the Shareholders' Meeting, are the following:

- i. Resolution delegating authority to increase capital to the Board of Directors, with delegation to exclude preemption rights, if any, adopted by the General Shareholders Meeting of June 29, 2021, in effect until June 2026.
- ii. Resolution delegating to the Board of Directors authority to issue fixed income securities, both straight and convertible into newly-issued shares and/or shares exchangeable for outstanding shares of Prisa and other companies, warrants (options to subscribe new shares or acquire outstanding shares of Prisa or other companies), bonds and preferred shares, with delegation of the authority to increase capital by the amount necessary to cover applications for conversion of debentures or exercise of warrants, and to exclude the preemption rights of shareholders and holders of convertible debentures or warrants on newly-issued shares, adopted by the General Shareholders Meeting of April 25, 2018 in effect until April, 2023.
- iii. Medium-Term Incentive Plan for the period falling between 2018 and 2020 (the "Plan"), consisting of the award of Company shares linked to stock market value and to the performance of certain objectives, targeted at the former CEO, Senior Managers and other Managers of Promotora de Informaciones, S.A. and, as the case may be, of the dependent companies. To entrust the Board of Directors, including an express power of delegation, with the implementation, development,

formalization and enforcement of the aforesaid compensation scheme. The shares were to be awarded, as the case may be, within sixty (60) calendar days after the date on which the Company's Board prepares the 2020 financial statements. The Plan may be covered with treasury stock, with newly issued shares through a capital increase or through the Company's contracting of suitable financial coverage instruments. The agreement was adopted by the General Shareholders Meeting held on 25 April 2018. At the request of the beneficiaries of this compensation plan, the Board of Directors agreed to delay the settlement and payment of this compensation until January-February 2022.

A.11 Estimated working capital:

	%
Estimated working capital	16.67

Remarks
<p>Floating capital has been estimated following the instructions of CNMV Circular 3/2021, that is, not taking into account the part of the share capital in the hands of significant shareholders or the voting rights of members of the Board of Directors or treasury stock and avoiding duplicities which exist between the data reported in sections A.2 and A.3.</p> <p>Following these instructions, the figure for free float that is recorded in this Report (16.67%) differs from that recorded in the Company's management Report that accompanies the annual accounts (at around 20%), which has been calculated taking into account other criteria (in particular, within the 20% of floating capital have been considered some of the shareholdings included in section A.2 (since it is considered that not all of them are "reference shareholders") as well as the shareholdings of the directors and the treasury stock.)</p>

A.12 State whether there are any restrictions (article of associations, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restriction that may inhibit a takeover attempt of the company through acquisition of its shares on the market, and those regimes for the prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

NO

A.13 State if the shareholders have resolved at a meeting to adopt measures to neutralise a take-over bid pursuant to the provisions of Act 6/2007.

NO

A.14 State if the company has issued shares that are not traded on a regulated EU market.

YES

If so, please list each type of share and the rights and obligations conferred on each.

List each type of share
<p>At the Extraordinary General Meeting of PRISA held on 27 November 2010, ordinary class A shares and convertible class B shares were issued and were formally subscribed by a depositary bank (Citibank NA), acting purely in a fiduciary capacity for the benefit of the real owners of the PRISA shares. Simultaneously with the subscription, the depositary bank issued "American Depositary Shares" ("ADS"), representing Class A (ADS-A) and Class B (ADS-B) shares.</p> <p>The ADS representing Class A and Class B PRISA shares were listed on the New York Stock Exchange (NYSE) until: i) the mandatory conversion of the ADS-B shares in July 2014 and ii) the delisting of the ADS-A shares (requested by the Company) in September 2014.</p> <p>PRISA has continued the ADS program in the European Union via the non-organized OTC market on which the ADS shares may be traded.</p> <p>The Company's share capital is currently represented by ordinary shares, all of the same class and series, and the reference to Class A shares has disappeared.</p> <p>Each PRISA ADS gives the right to one ordinary PRISA share. The owners of the ADS have had the right to ask the depositary institution holding the aforementioned ADS (Citibank NA) for the direct delivery of the corresponding shares and their consequent trading on the Spanish stock exchanges.</p> <p>As of December 31, 2020 the number of ADSs was 433,149.</p>

B.1 State whether there are any differences between the quorum established by the LSC for General Shareholders' Meetings and those set by the company and if so, describe them in detail:

NO

B.2 State whether there are any differences in the company's manner of adopting corporate resolutions and the manner for adopting corporate resolutions described by the LSC and, if so, explain:

NO

B.3 State the rules for amending the company's Articles of Association. In particular, state the majorities required for amendment of the Articles of Association and any provisions in place to protect shareholders' rights in the event of amendments to the Articles of Association.

The amendment of the Bylaws is a matter for the General Shareholders Meeting and shall be carried out in accordance with the provisions contained in the Capital Companies Act and the Bylaws, whose article 14 provides that for approval of Articles amendments and unless the law otherwise provides, the favorable vote of the absolute majority of the voting shares present in person or by proxy at the General Shareholders Meeting will be required if the capital present in person or by proxy is more than 50%, or the favorable vote of two thirds of the capital present in person or by proxy at the Meeting when, on second call, shareholders are present that represent 25% or more of the subscribed voting capital without reaching 50%.

Regarding the voting of the agreement in the General Meeting, in any case those matters that are substantially independent and, in particular, each article or group of articles of the Bylaws that have their own autonomy, will be voted on separately in accordance with article 197 bis of the Capital Companies Law.

The Nominations, Compensation and Corporate Governance Commission shall report on proposals for amending the Bylaws. Furthermore, in accordance with the provisions of the Capital Companies Act, the Board shall prepare a report justifying the proposed bylaw amendment to be published on the website of the Company from the date of publication of the notice of the General Shareholders Meeting. Likewise, in the notice of the call of the General Meeting, the articles whose modification is proposed are clearly stated as well as the rights of all shareholders to examine the full text of the proposed modification and the report on it and to request the delivery or free delivery of said documents, which are also published uninterruptedly on the corporate website from the publication of the notice of the call.

Likewise, the shareholders may request, up to the fifth day prior to the day scheduled for the Meeting, the information or clarifications they deem necessary regarding the proposed amendment (as well as regarding all the matters included in the agenda), or formulate in writing the questions they deem pertinent, and may also request, during the Meeting, the information or clarifications they deem appropriate.

As an exception to the competence of the General Meeting, the Board of Directors is competent to change the registered office within the national territory as provided in articles 285.2 of the Capital Companies Law and 3 of the Articles of Association.

B.4 Give details of attendance at General Shareholders' Meetings held during the year of this report and the previous year:

Date of General Meeting	Attendance data				Total	Of which, free float:
	% physically present	% present by proxy	% distance voting			
			Electronic voting	Other		
3 June 2019	21,81	55,84	0.00	0.00	77,65	11.22
29 January 2020	7.79	77.45	0.00	0.00	85.24	13.82
29 June 2020	16.73	64.13	0.00	0.81	81.67	13.91
22 December 2020	17.36	67.28	0.00	0.00	84.64	19.91
29 June 2021	16.70	66.92	0.00	0.04	83.66	27.15

Remarks
<p>i) The data provided in the above table as to the free float shareholders present at the shareholders' meetings, in person or by proxy, are the result of estimates made by the Company solely for the purpose of completing this template and so cannot be considered exact. The free float shown at the mentioned shareholders' meetings includes both shareholders present in person and those who attended by proxy.</p> <p>ii) The percentages of electronic voting were the following: 0.001% at the shareholders 'meetings of June 3, 2019, January 29, 2020 and June 29, 2021; 0.002% at the shareholders 'meetings of June 29, 2020, and December 18, 2020 . These data are not recorded in the table, because the CNMV's templates only allows inserting figures with two decimals.</p> <p>iii) The General Shareholders' Meeting which took place on June 29, 2020; December 18, 2020; and June 29, 2021, were held exclusively remotely.</p>

B.5 State whether any point on the agenda of the General Shareholders' Meetings during the year has not been approved by the shareholders for any reason.

NO

B.6 State if the Articles of Association contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or on distance voting:

NO

B.7 State whether it has been established that certain decisions other than those established by law exist that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions that must be subject to the approval of the General Shareholders' Meeting.

NO

B.8 State the address and manner of access to the page on the company website where one may find information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

The Company maintains a website for the information of shareholders and investors whose URL is
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<http://www.prisa.com>.

Within this website there is a section entitled “Shareholders and Investors”, within which is posted all information PRISA must make available to its shareholders.

As of December 31, 2021, the section “Shareholders and Investors” was organized into the following sections: I. GENERAL INFORMATION: i) Communication channels, ii) Shares and Share Capital, iii) Major Shareholders and Treasury Stock, iv) Shareholder agreements Pactos parasociales, v) Dividends, and vi) Prospectus; II. CORPORATE GOVERNANCE: i) Bylaws, Regulations And Other Internal Rules, ii) Board of Directors and Board Committees, iii) Senior management, iv) Remuneration of Board members and v) Corporate Governance Report; III. FINNACIAL INFORMATION: i) Periodic Public Information (IPP), ii) Audited Financial Statements and Management Report iii) Average payment period to suppliers IV. GENERAL SHAREHOLDERS’ MEETING : i) Annual General Meeting Regulations , ii) Exercising the Right to Information , iii) Distance and proxy voting , iv) AGM 2021; v) AGMs 2020; vi) AGMs 2019; vii) AGMs 2018 viii) AGMs 2017, ix) AGM 2016; x) AGM 2015, and xi) Shareholders meetings preceding to 2015 and V) COMMUNICATIONS TO CNMV: i) Inside Information, ii) Webcast Debt refinancing and Santillana España disposal; iii) Other Relevant Information; and iv) Relevant Information until February 8th, 2020.

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the Articles of Association and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the general meeting	14

C.1.2 Complete the following table on directors:

Name of director	Natural person representative	Director category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
JOSEPH OUGHOURLIAN	--	PROPRIETARY	CHAIRMAN	18 December 2015	29 June 2020	RESOLUTION BY THE SHAREHOLDERS' MEETING
ROSAURO VARO RODRIGUEZ	--	INDEPENDENT	DEPUTY CHAIRMAN	22 December 2020	29 June 2021	RESOLUTION BY THE SHAREHOLDERS' MEETING
BEATRICE DE CLERMONT-TONERRE	--	INDEPENDENT	LEADING DIRECTOR	3 June 2019	3 June 2019	RESOLUTION BY THE SHAREHOLDERS' MEETING
ROBERTO LÁZARO ALCÁNTARA ROJAS	--	PROPRIETARY	DIRECTOR	24 February 2014	3 June 2019	RESOLUTION BY THE SHAREHOLDERS' MEETING
AMBER CAPITAL UK LLP	MIGUEL BARROSO AYATS	PROPRIETARY	DIRECTOR	22 March 2018	29 June 2020	RESOLUTION BY THE SHAREHOLDERS' MEETING
MARIA TERESA BALLESTER FORNES	--	INDEPENDENT	DIRECTOR	30 July 2019	29 January 2020	RESOLUTION BY THE SHAREHOLDERS' MEETING
FRANCISCO CUADRADO PÉREZ	--	EXECUTIVE	DIRECTOR	27 July 2021	27 July 2021	COOPTATION
CARMEN FERNÁNDEZ DE ALARCON ROCA	--	PROPRIETARY	DIRECTOR	29 June 2021	29 June 2021	RESOLUTION BY THE SHAREHOLDERS' MEETING
MARIA JOSE MARIN REY-STOLLE	--	INDEPENDENT	DIRECTOR	23 February 2021	29 June 2021	RESOLUTION BY THE SHAREHOLDERS' MEETING
CARLOS NUÑEZ	--	EXECUTIVE	DIRECTOR	29 June	29 June	RESOLUTION BY

MURIAS				2021	2021	THE SHAREHOLDERS' MEETING
MANUEL POLANCO MORENO	--	PROPRIETARY	DIRECTOR	19 April 2001	29 June 2020	RESOLUTION BY THE SHAREHOLDERS' MEETING
TERESA QUIRÓS	--	INDEPENDENT	DIRECTOR	30 November 2021	30 November 2021	COOPTATION
JAVIER SANTISO GUIMARAS	--	INDEPENDENT	DIRECTOR	22 December 2020	29 June 2021	RESOLUTION BY THE SHAREHOLDERS' MEETING
KHALID BIN THANI BIN ABDULLAH AL-THANI	--	PROPRIETARY	DIRECTOR	18 December 2015	29 June 2020	RESOLUTION BY THE SHAREHOLDERS' MEETING

Total number of directors	14
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State if any directors, whether through resignation, dismissal or any other reason, have left the Board during the period subject to this report:

Name of director	Director type at time of leaving	Date of last appointment	Date director left	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term
JAVIER DE JAIME GUIJARRO	INDEPENDENT	29 June 2020	23 February 2021	DELEGATED COMMISSION	YES
MANUEL MIRAT SANTIAGO	EXECUTIVE	29 June 2021	27 July 2021	DELEGATED COMMISSION	YES
DOMINIQUE D'HINNIN	INDEPENDENT	3 June 2019	30 November 2021	AUDIT, RISKS AND COMPLIANCE COMMISSION	YES

Reason for leaving and other remarks
<p>Mr. Javier de Jaime Guijarro communicated to the Company his resignation as member of the Board by means of a letter dated 23 February 2021. The circumstances that motivated his resignation were, on the one hand, the expectation that his professional situation was going to difficult the compliance with his duties as director and member of the Delegated Commission of PRISA with the full dedication and diligence required and, on the other hand, his desire to improve gender diversity on the PRISA Board of Directors, which facilitated leaving a free vacancy on the Board. He explained such reasons in a letter that was sent to all members of the Board of Directors.</p> <p>Mr Manuel Mirat resigned as member of the Board of Directors due to profesional reasons, notifying the Company of that decision in a letter dated 27 July 2021 and at the Board meeding held that same day.</p> <p>Mr. Dominique D'Hinnin communicated to the Company his resignation as member of the Board by means of a letter dated 30 November 2021, after the expiration of his mandate as Chairman of the</p>

Audit, Risk and Compliance Committee on 20 November, 2021, foreseeing that, in the near future, his numerous professional commitments in France were going to difficult the compliance with his duties as director of PRISA with the full dedication and diligence required. Mr. D’Hinnin explained this at the Board meeting held on 30 November 2021.

The Company filed the corresponding announcements of the three aforementioned resignations with the CNMV.

C.1.3 Complete the following tables regarding the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name of director	Post in organisational chart of the company	Profile
FRANCISCO CUADRADO PÉREZ	EXECUTIVE CHAIRMAN OF SANTILLANA	<p>Francisco Cuadrado has a degree in Economics from the Complutense University of Madrid and an MBA from IPADE / IESE in Mexico City.</p> <p>He has more than 30 years’ experience in the education sector, particularly in project management in Latin America. He has developed much of his professional career at Grupo PRISA, where he has held a range of positions of responsibility. Since 2010 he has headed Global Education, where he has been instrumental in promoting the group’s commitment to digital business, which is now Santillana’s chief revenue source. Previously, he was Global Director of the Trade Division, Managing Director in Colombia and Deputy Managing Director of Santillana in Mexico. He has held the position of Executive Chair of Santillana and that of executive director on the Board of PRISA since July 27, 2021.</p>
CARLOS NUÑEZ MURIAS	EXECUTIVE CHAIRMAN OF PRISA MEDIA	<p>Carlos Núñez is a Telecommunications Engineer with a degree from the Polytechnic University of Valencia, an Executive MBA from IESE, PA in Corporate Finance from IE and PADDB + from The Valley Digital Business School.</p> <p>He began his professional career at Andersen Consulting (now Accenture). In 2000, together with other partners, he launched the Internet startup Verticalia, the first vertical industry portal for Spain and Latin America. In 2001, he joined Unión Fenosa in the area of investment analysis, and then became part of the Corporate Strategy and Development team until 2005, when he joined the international strategic consulting firm Oliver Wyman where he was appointed partner in 2012. During his tenure there, Mr. Núñez built up extensive experience in strategy and finance projects in the media, energy and telecommunications sectors, both nationally and internationally.</p> <p>In 2014 he joined Spanish communication group</p>

		Henneo, where a year later he was appointed general manager. He was also appointed as member of the Boards of Directors of Factoría Plural, Radio Zaragoza, Publicaciones y Ediciones del Alto Aragón, Diximedia and the IT company Hiberus. He is also an independent director of Catenon, a company listed on the MAB.
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Remarks
Section C.1.10 provides more information on other positions held by the directorS at Grupo Prisa.

Total number of executive directors	2
Percentage of Board	14.29%

PROPRIETARY DIRECTORS

Name of director	Name of the significant shareholder represented or that has proposed their appointment	Profile
JOSEPH OUGHOURLIAN	AMBER ACTIVE INVESTORS LIMITED	Joseph Oughourlian is the founder of Amber Capital. Mr Oughourlian founded Amber Capital in New York in November 2005. Mr Oughourlian began his career at Société Général in Paris in 1994 and moved to New York in 1996. In 1997, he ventured into proprietary trading at Societé Generale, which led to the first Amber Fund being established in October 2001 with seed capital from the Bank. Mr.Oughourlian graduated from the HEC Business School and from IEP (Sciences Po.), both in Paris, and earned his MSc in Economics from the Sorbonne in Paris. Oughourlian currently sits on the boards of a range of companies. He was appointed director of PRISA in December 2015, Vice-Chairman of the Board of Directors in April 2019 as is the Chairman of the Board since February 2021.
AMBER CAPITAL UK LLP	AMBER CAPITAL UK LLP	Miguel Barroso Ayats (representant of the director Amber Capital) graduated in Law and also in Philosophy and Letters (specializing in Modern and Contemporary History) at the University of Barcelona. While practicing journalism in various media, including El País, his professional activity has always remained focused on Communication. He offered media consulting services in several Latin American countries commissioned by Hispasat. Part of his responsibilities in FNAC Group included leading the launch of its brand in Spain; served as CEO in Spain and later, International Vice President for Marketing and Communication at the Group's international headquarters in Paris.

		<p>Later, he was Secretary of State for Communication during the first two years of Rodríguez Zapatero's presidency (2004/2005). During this period, private channel ownership was expanded and, the law enshrining the independence of RTVE was approved, allowing public news channels to achieve high levels of prestige and independence. Also, during that period, EFE agency developed a fully autonomous project. Later, he was General Director of the Casa de America, after being consensually nominated by the three administrations that make up the Board of the Institution: Government, Community of Madrid and City Council.</p> <p>For the last decade he has been linked to WPP, the world's leading communication and marketing group. First as CEO of the advertising agency, Young & Rubicam in Spain, later as Development Director of WPP for Central America and the Caribbean based in Havana; finally, as Director of WPP Spain.</p> <p>He is co-author of a book of journalistic chronicles, "Crónicas Caribes" (Editorial El País / Aguilar) and has also published two novels: "Amanecer con Hormigas en la Boca" and "Un Asunto Sensible" both published by Random House; and the first, translated into eight languages and made into a movie by his brother Mariano Barroso. He has translated several volumes on Geography, Sociology and Philosophy into Spanish from Italian and French.</p>
<p>CARMEN FERNANDEZ DE ALARCON ROCA</p>	<p>VIVENDI, S.E.</p>	<p>Carmen Fernández de Alarcón has a degree in Economic and Business Sciences (Icade E-2) from the Universidad Pontificia de Comillas. She has more than 25 years of professional experience, at both national and international level, in the design, development and management of sales, marketing and communication strategies in key sectors such as retail, entertainment, telecommunications, tourism, CSR, energy, media, finance, automotive, luxury and e-commerce. She has wide expertise in the transformation and digitization of businesses and brands. She began her professional career at Procter & Gamble, where she spent seven years, and later held posts at JWT Total Communications (WPP Group), DEC Madrid (BBDO Group) and EHSBRANN (Media Planning Group), where she was Managing Director and member of the Executive Committee at each. At Havas Media Group (formerly Media Planning Group) she held a range of positions, including Chief Commercial Officer and CEO of Havas Sport & Entertainment. She combined the latter position with that of Head of Global Business Transformation. She is currently the CEO of Havas Spain, one of the world's largest advertising-content and media groups with a presence in more than 100 countries.</p> <p>She was one of the 40 female business leaders selected to participate in the second edition of the</p>

		<p>initiative "Women to Watch" 2018 organized by PWC (a program which seeks to help women managers become directors). She is currently a member of the Alumni Board of said program. In addition, she has made the list of the 100 Women Leaders in Spain in the Senior Management category (2019). She is a member of the Executive Committee of ACT (Transformative Creativity Association).</p>
<p>MANUEL POLANCO MORENO</p>	<p>TIMON, S.A.</p>	<p>Manuel Polanco holds a degree in Economics and Business Studies from the Autonomous University of Madrid. He has a thorough understanding of PRISA, where he has spent his entire professional career. He began his career in Latin America, a region which has long proved crucial for the development of the Group. From 1991 to 1993 he headed Santillana in Chile and Peru. He was subsequently appointed editor-in-chief of the Mexican newspaper La Prensa and he was instrumental in the launch of the American edition of El País in Mexico City, the first Spanish newspaper to be published simultaneously in both countries. It quickly became the newspaper of record and set the standard for international reporting in Latin America. In 1996 he became director of Santillana in Latin America and the United States, based in Miami, a period which saw the creation of the last Santillanas in the region. He also improved coordination between offices in different countries. Back in Spain in 1999, he became president of the media sales arm of the entire Group through GDM (Gerencia de Medios) and a year later he was named president of GMI (Gestión de Medios Impresos) which brought together the newspapers Cinco Dias and AS, magazines and new investments in regional press. In 2005, after the acquisition of Media Capital by PRISA, he was made CEO of the Portugal's leading television and audiovisual production company. Here he oversaw a period of international expansion into other Portuguese-speaking markets and he consolidated the Portuguese company's lead in television, with TVI, as well as in audiovisual production for television through the company Plural. In 2009, he returned to Spain as a Managing Director at PRISA, and he subsequently oversaw the Group's television interests, including Canal + until its sale to Telefonica in 2015. He led the launch of PRISA's new production and video division while Deputy Chair of the Group. Polanco has been a director of PRISA since 2001 and a member of its Executive Committee since 2008. On January 1, 2018, he took over as Chairman of the Board of Directors of PRISA, a post he held until December of that year.</p>
<p>KHALID BIN THANI BIN ABDULLAH AL THANI</p>	<p>INTERNATIONAL MEDIA GROUP, S.À.R.L.</p>	<p>Shk. Dr. Khalid bin Thani bin Abdullah Al Thani is a prominent Qatari businessman with diverse interests in banking, real estate, insurance, financial securities, healthcare, telecommunications, media, information technology, humanitarian services, education and travel industries. He is chairman of several listed companies in Qatar, as well as co-founder and</p>

		benefactor of a number of non-profit organizations and business associations. In addition to his business interests, Shk. Dr. Khalid is an avid sports fan and a key benefactor of sports events and international and domestic sports associations.
ROBERTO LAZARO ALCANTARA ROJAS	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE C.V	Roberto Alcántara Rojas (Mexico, 1950), a businessman involved in the long-haul transport sector, president of Toluca Group and the low-cost airline VivaAerobus, which he founded in 2006 with the Irish carrier Ryanair. He is shareholder and chairman of the Board of Directors of the consortium Iamsa – Inversionistas en Autotransportes Mexicanos, S.A de CV - Investors in Mexican Transport – which encompasses the largest transport companies in Mexico. Between 1991 and 1999 he was Chairman of the Board of Directors of BanCreceer, SA. Alcántara has also been included in the list of Top 100 Mexican executives, produced annually by CNN.

Total number of proprietary directors	6
Percentage of the Board	42.86%

Remarks
i) Timón, S.A. is a company controlled by Rucandio, S.A.
ii) Sections A.6, C.1.10 and C.1.11 provide information on the directors' relationships with significant shareholders and on other of their professional occupations.

INDEPENDENT DIRECTORS

Name of director	Profile
ROSAURO VARO RODRIGUEZ	Rosauro Varo has a degree in Law from the University of Seville and has been successfully forging a career in business and entrepreneurship for 20 years. He now oversees his range of business initiatives through GAT Inversiones, of which he is Chair. He also sits on the Board of Directors of Acciona Energía and is a member of the Board of Directors of the business association Círculo de Empresarios del Sur de España (CESUR). Varo was previously deputy chair of the telecommunications company PepePhone and a member of various Boards of Directors, including El León de El Español Publicaciones, SA, the publishing company behind digital newspaper El Español and the business and finance portal Invertia. He's a lecturer for the Masters in Finance and Banking at the Pablo Olavide University of Seville and the Senior Management Program of Leading Companies and Institutions of the San Telmo Business School, where he addresses subjects such as business mergers and acquisitions as well as the digital economy. He channels his social commitment through the ALALÁ Foundation, which sets the standard for the development of social integration projects for the disadvantaged in southern Spain.

	<p>He is a member of the Board of Trustees of Madrid's Royal Theater as well as the of the CYD Foundation on behalf of Grupo PRISA.</p> <p>In 2021, the consulting firm EY honored Rosauro Varo with its Entrepreneur of the Year Award for Andalusia, Extremadura, Ceuta and Melilla.</p>
<p>BEATRICE DE CLERMONT</p>	<p>Béatrice de Clermont Tonnerre is a member of the Executive Committee of the artificial intelligence company Kayrros, which focuses on energy markets. Until September 2019 she was serving as GOOGLE Director for AI Partnerships. She is based at the AI Research Center in Paris she oversaw and engages with large clients on Machine Learning solutions. From 2013 to 2018 she was Southern Europe Director for monetisation at GOOGLE, covering France, Spain and Italy. She was previously Senior VP Business Development at LAGARDERE leading mergers and acquisitions in pay TV, book and magazine publishing, sports rights and digital media; after working for the CANAL PLUS Group from 2001 to 2005 as Head of Interactive Television and Co-Head of Programming.</p> <p>Mrs. de Clermont Tonnerre started her career as a radio journalist for two years and she entered the business world as a strategy analyst at MATRA working on the space industry and defense electronics. She participated, in 1995-1999 as a junior member of the team to the build-up that led to the creation of EADS Group (now AIRBUS Group).</p> <p>Béatrice de Clermont Tonnerre graduated from IEP Paris (BA in Political Sciences and Economy) and obtained her MBA degree from ESSEC (École Supérieure des Sciences Economiques et Commerciales).</p> <p>She was until June 2018 the Vice-Chairwoman of HURRIYET, the leading Turkish Newspaper (company listed in Istanbul Turkey). She is currently a Board Member at KLEPIERRE (a European specialist in Shopping Centers, Paris listed company), SES (Luxembourg listed Company) and My Money Bank. Mrs de Clermont Tonnerre is Chevalier dans l'Ordre National du Mérite.</p>
<p>MARIA TERESA BALLESTER FORNES</p>	<p>Graduated Cum Laude in Finance and Political Science from Boston College and holds an MBA from Columbia University in New York City. Her career began at GTE Corporation (Verizon) in the United States as a financial executive, later joining the consulting firm Booz, Allen & Hamilton as a strategy consultant for leading multinationals in Mexico, United Kingdom, Spain and Portugal.</p> <p>She has been CEO of 3i in Spain, where she developed extensive experience in the international private equity sector, leading many investments and divestments, and participating in the recruitment process of institutional investors for global funds promoted by 3i. He has also led numerous refinancing operations, IPOs and has wide-ranging experience on boards of directors of several companies, both listed and non-listed.</p> <p>Between 2014 and January 2017 Ms. Ballester provided services to EY as external advisor of the Transaction Services (TAS) Division. She is currently the founder and Managing Partner of the private equity fund Nexxus Iberia I.</p> <p>Ms. Ballester was also President of the Spanish Private Equity Association (ASCRI) and, until 2021, she served as a Director of Repsol and as member of its Audit and Remuneration Committee. She currently sits on the Advisory Board of ING.</p>

	<p>She's a member of the "Círculo de Empresarios", the Directors' Institute (ICA) – where she also teaches – the Women Corporate Directors (WCD), the International Women Forum and collaborates with business schools and professional associations on matters such as sustainability and private equity.</p>
<p>MARIA JOSÉ MARÍN REY-STOLLE</p>	<p>María José Marín Rey-Stolle is one of the most prominent figures in the world of Spanish entrepreneurship. She has a solid background in international management and business finance and a double Spanish-French international business degree from ICADE and Reims Management School.</p> <p>After working as a consultant at Oliver Wyman and as an auditor at PwC, she founded and is now CEO of We Are Knitters, the world's leading digital brand in the hobby and crafts sector. Ten years after its founding, the company has a turnover of 20 million euros selling knitting kits and wool online, 95% outside of Spain. From an initial investment of just 13,000 euros, the company has grown to a team of 32 people, thanks to digitization. We Are Knitters is an example of digitization in a purely analog and traditional market that has built up a community of more than a million people worldwide.</p> <p>María José Marín was honored in 2020 with the Princess of Girona Business Award for "knowing how to unite tradition and modernity, turning the age-old tradition of knitting into a modern hobby". Spanish President Pedro Sánchez has said that her example "inspires not only young people, but all of us – because we all need inspiration, we all need to see young people like you creating companies, jobs and inspirational examples." María José participated as a speaker and an example of success at the presentation of the 2025 Digitization Plan unveiled by Vice President Nadia Calviño and the President of the Government himself.</p> <p>Since 2019, María José has been an Endeavor Spain Entrepreneur along with other prominent entrepreneurs such as Juan de Antonio from Cabify, Verónica Pascual from Asti and Óscar Pierre from Glovo. In addition, María José was a finalist as Protagonist of the Year in ModaEs, along with Pablo Isla, and We Are Knitters has won the SME of the Year Award in Emprendedores, the Aster Award from ESIC, the DHL Award for Internationalization and the Award for Internationalization of the Spanish Association of Young Entrepreneurs, CEAJE.</p> <p>At business and social forums, she is an active champion in the fight against the digital divide, as well as socio-economic and gender gaps in entrepreneurship, and she has spoken at events such as DEMO 2020 and South Summit, among others. She teaches at IE University, ISDI, ICADE and IESE.</p> <p>Since May, 2021 she has served as First Secretary of the Ateneo de Madrid as the driving force in 'Grupo 1820' to revitalize and regenerate this prominent Madrid institution devoted to the dissemination of the arts, sciences and letters for over 200 years.</p>
<p>TERESA QUIRÓS ÁLVAREZ</p>	<p>Teresa Quirós holds a degree in Economics and Business Administration from the Faculty of Economics at the University of Malaga. She has completed postgraduate studies in a range of programs including the IESE Directors Program, the Executive Program for Women in Senior Management at ESADE, the Executive Program at Harvard and the Real Colegio Complutense (RCC).</p> <p>Quirós has wide and varied experience in the financial sector, where she has led projects at both national and international level. She has also</p>

	<p>overseen multiple projects in matters of risk control, regulatory compliance and sustainability, and has developed and implemented innovative strategies in the areas of ESG and corporate governance. Quirós has spent much of her professional career at Red Eléctrica Corporación, a company she joined in 1986 and where she has held numerous different posts. In 1999 she was instrumental in launching the company's IPO, in 2002 she was named Finance Director, and in 2015 she was appointed Chief Financial Officer of the Group. She has been a member of the Executive Committee, the Innovation Steering Team, the Corporate Social Responsibility Committee, the Procurement Committee and the International Affairs Committee. She has also served as Chairperson of REE FINANCE BV, the group's financial subsidiary. She is currently a director and member of the Audit Committees of Grenergy and Sngular, having previously held the same post at Hispasat.</p>
<p>MR. JAVIER SANTISO GUIMARAS</p>	<p>Javier Santiso is CEO and General Partner of Mundi Ventures, a venture capital fund (200 million euros) with offices in Madrid, Barcelona, London and Tel Aviv. He is an investor in European tech unicorns such as Farfetch and Skyscanner in the UK and Auto1 and Wefox in Berlin.</p> <p>He is a member of the board of directors of the Paris-based multinational FNAC Darty. Previously, he served as chief economist at Indosuez (Paris) and BBVA (Madrid) and as Director of the OECD and Chief Economist at the OECD Development Center. He oversaw corporate transformation at the Amerigo venture capital fund, which he founded, at Telefónica. He has also served as CEO in Europe of Khazanah, Malaysia's sovereign wealth fund (US\$50 billion) and as its global head of technology investments. Khazanah has invested in a dozen unicorns, including Alibaba in China and Palantir in the United States.</p> <p>Santiso is an avid art collector and is a patron of culture. He is the founder of the art and poetry publishing house La Cama Sol www.lacamasol.com, and works with artists such as Lita Cabellut, Etel Adnan, Soledad Sevilla, Anselm Kiefer, Jaume Plensa, Miquel Barceló, Rafael Canogar, Carlos León, César Galicia, Juan Uslé, Jerónimo Elespe, and writers such as Joan Margarit, Pere Gimferrer, Christian Bobin, Tahar Ben Jelloun, Pascal Quignard. He has published a dozen books, the most recent being the novel <i>Vivir con el corazón</i> (Living with the heart) (Madrid, La Huerta Grande, 2021) and <i>Un sol de pulpa oscura</i> (A sun of dark pulp) (Madrid, Franz Ediciones, 2020) with the Iranian artist Shirin Salehi.</p>

<p>Number of independent directors</p>	<p>6</p>
<p>Percentage of the Board</p>	<p>42,86%</p>

<p>Remarks</p>
<p>Sections A.6 and C.1.11 provide information on the directors' relationships with significant shareholders and on other of their professional occupations.</p>

State whether any independent director receives from the company or any company in the group any amount or benefit other than compensation as a director, or has or has had a business relationship with the company or any company in the group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

In this case, include a statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name of the director	
Description of the relationship	
Statement	

OTHER EXTERNAL DIRECTORS

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:

Name of director	Reason	Company, director or shareholder to whom the director is related	Profile

Total number of other external directors	0
Percentage of the Board	0.00%

State any changes in status that has occurred during the period for each director:

Name of director	Date of change	Previous Status	Current status

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of female directors				Percentage of the total number of directors in each category			
	Year 2021	Year 2020	Year 2019	Year 2018	Year 2021	Year 2020	Year 2019	Year 2018
Executive	0	0	0	0	0.00	0.00	0.00	0.00
Proprietary	1	0	0	0	16.66	0.00	0.00	0.00
Independent	4	2	3	1	66.66	33.33	42.85	20.00
Other External	0	0	0	0	0.00	0.00	0.00	0.00
Total:	5	2	3	1	35.71	16.66	23.08	7.69

C.1.5 State whether the company has diversity policies in relation to the Board of Directors of the company on such questions as age, gender, disability and training and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Accounts Audit Act, will have to report at least the policy they have implemented in relation to gender diversity.

YES

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also state the specific measures adopted by the Board of Directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

In the event that the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been implemented, including results achieved

Policies on Diversity:

The Company's Board of Directors Regulation provides that the Board shall ensure that the procedures for selecting its members promote diversity of knowledge, experience, origin, age and gender, and do not reflect implicit biases that might result in any type of discrimination. The Company likewise has a Policy on Diversity of the Board of Directors and Director Selection, that contain the following objectives:

- i) The director selection or reelection process intends to achieve an appropriate balance and diverse composition of the Board of Directors as a whole.
- ii) In its broadest sense, the principle of diversity in the composition of the the Board of Directors implies seeking persons fulfilling the defined requisites as to qualifications and personal and professional integrity, and capacity and compatability, and whose appointment will favor a diversity of knowledge, experience, origin, age and gender on the Board.
- iii) In matters of gender diversity and pursuant to the provisions of Code of Good Governance for Listed Companies recommendations ("CBG") 14 and 15: (i) efforts will be made to ensure that there is a significant number of women in the Company's senior management, and (ii) the objective is to ensure that prior to the end of 2022 and beyond, women will represent at least 40% of the total members of the Board of Directors, while previously not being less than 30%.

Implementation of Policies

In 2021, and upon the advice and with reports from the Appointments, Compensation and Corporate Governance Committee (CNRGC), the Board of Directors assessed the requisites and skills required on the Board, which provided a starting point for the processes that led to the reelection of the directors and the selection of new director candidates (taking into account their compatibility with the board skills matrix prepared by the CNRGC).

Likewise, and in accordance with the "Policy" (which provides that when a vacancy on the Board arises and the selection process commences, there must be at least one female candidate, without prejudice to the principles of merit and capacity), during 2021 a considerable number of female candidates were considered in each selection process conducted.

Bias was avoided in those processes and, in the company's best interest, merit was the principal selection criterion for identifying the most qualified candidates.

The application and implementation of the Company's diversity policies and objectives must be conducted within the framework determined by the present composition of the Board:

- i. Of the current 14 directors, there are two executive directors (who are respectively the Executive Chairmen of Grupo PRISA's two business units, Prisa Media and Santillana) who joined the Board in 2021, and it is in the Company's interest that they remain in this post for the medium and even the long term.

- ii. Six directors are proprietary directors representing five significant shareholders who appoint them based on their own considerations about which the Board can make recommendations, but not exercise decisive influence.
- iii. Thus, the CNRGC and the Board can actually only directly apply the aforementioned policies to the other six independent directors.

The following sections (particularly section C.1.6) detail the results of the CNRGC's assessment of the application of the Board's diversity policies, particularly with regard to gender diversity.

Management Team:

During 2021 senior management has undergone a complete reorganization. Until 30 June 2021 this group was composed of the members of the former Business Management Committee and the managers who habitually attended meetings of that Committee, and Prisa's Director of Internal Audits. Since then senior management includes the Executive Chairmen of the two Group businesses (Education and Media), who are likewise executive directors of PRISA (Mr Francisco Cuadrado and Mr Carlos Nuñez), the Secretary to the Board of Directors (Mr Pablo Jiménez de Parga, who joined the Company in July 2021), the CFO (Mr David Mesonero, who also joined the Company in July 2021), the Director of Communication and Institutional Relations (Mr Jorge Rivera) and the Director of Internal Audits of Prisa (Ms Virginia Fernández). Thus, senior management is composed of six members, one of whom is a woman.

The profiles of senior managers reflect diversity with respect to age, education, experience and professional qualifications. The ages of senior managers range from the most veteran who is 59 years old to the youngest executive who is 42. This ensures a balance between the maturity, broad experience and market knowledge of the older directors and the addition of new skills provided by the younger executives, all of whom work together to adapt our business to its current environment.

Likewise, among the 44 key managers, 30% are women. Much progress has been made in this matter during 2021, noting specifically that this year two women, Ms. Pepa Bueno and Ms. Montserrat Domínguez, were appointed respectively as director of the El País newspaper and content director of Cadena SER, two key positions within Grupo PRISA. All of them have diverse profiles with regard to age, education, experience and professional qualifications.

C.1.6 Describe the means, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates and which makes it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of means
<p>As previously indicated in section C.1.5 above, the principles and objectives of the Company's Policy on Diversity of the Board of Directors and Director Selection include, among others, achieving greater representation of women on the Board of Directors and encouraging the Company to have a significant number of women among senior management.</p> <p>Diversity has been a guiding criterion with regard to the composition of the Board of Directors and, very especially, gender diversity. In that regard, during 2021 a considerable number of women were considered in the selection processes conducted by the Board of Directors, as well as in the process to find a candidate for such a relevant post as the Company's Financial Director. In those processes, several women included in the final candidate lists.</p> <p>Three new female directors joined the Board in 2021. There are now five women directors, representing 35.7% of total board members. Thus, in 2021 we achieved the goal of having at least 30% female members on the board.</p>

At the closing of 2021 the female directors maintain a notable presence on company bodies: Ms. Beatriz de Clermont-Tonnerre is the Coordinating Director, Chairperson of the CNRGC, and a member of the Delegated Committee; Ms Teresa Quirós chairs the Audit Risks and Compliance Commission; Ms Carmen Fernández de Alarcón es member of the CNRGC; Ms. María Teresa Ballester is a member of the Audit, Risk and Compliance Committee; and Ms Pepita Marín Rey-Stolle is member of the Delegated Committee and the Audit, Risk and Compliance Committee.

It should be noted that in February 2022 the Board of Directors resolved as follows: i) to create a Sustainability Committee comprising five directors, four of whom are women (the chairperson Ms. María Teresa Ballester, Ms. Beatriz de Clermont-Tonnerre, Ms. Teresa Quirós and Ms. Carmen Fernández de Alarcón) and ii) to have director Ms. Carmen Fernández de Alarcón join the Audit, Risks and Compliance Committee, replacing Amber Capital. Thus, at present the presence of women on board committees is quite significant, since they comprise 100% of the Audit, Risks and Compliance Committee; 80% of the Sustainability Committee; 50% of the CNRGC and 25% of the Delegated Committee.

There are no disabled persons among the personnel in our management bodies, although internal human resources policies guarantee that disability would not be an impediment to seeking a senior management position.

If there are still few or no female directors, despite the measures that may have been taken, if applicable, explain the justifying reasons:

Explanation of means
As previously noted, 35.7% of board members are women.
The Board of Directors intends to take the appropriate action to achieve the CNMV's recommendation (which is expressly contained in the Policy) to ensure that before the end of 2022 and thereafter, women should represent at least 40% of total board members.

C.1.7 Describe the conclusions of the appointments committee regarding verification of compliance with the selection policy for directors; in particular, as it relates to the goal of ensuring that the number of female directors represents at least 30% of the total membership of the Board of Directors by the year 2020.

The CNRGC's analysis and review made in 2022 concluded that the present composition of the Board of Directors is reasonably diverse with regard to the directors' knowledge, experience, origin, age and gender, having an overall positive balance. In effect, the CNRGC verified that during 2021 the principles, objectives and procedures provided for in the Policy on Diversity of the Board of Directors and Director Selection were taken into account in proposals for the appointment and reelection of directors, as well as for election to other posts.

The specific analysis of the situation of the most relevant of these factos is summarized below:

i) As for knowledge and experience, nature of Prisa's business requires that the Board as a whole possess skills in a variety of principal areas, such as: global entrepreneurial experience; knowledge of the group's or related sectors of activity; transformation processes, with particular attention to technological and digital impacts; experience and knowledge of international markets in general and Latin America in particular; executive and talent management; finance and control and, finally, experience in corporate governance.

All of these are sufficiently represented on the Board and each and every director has significant skills in several of them, as evidenced in the biographical notes on each one available in section C.1.3 above.

For the appointment of the 5 new directors (Carmen Fernández de Alarcón, Pepita Marín, Carlos Nuñez, Francisco Cuadrado and Teresa Quirós), the Board of Directors considered the skills matrix for board members, especially taking into consideration the following:

- With regard to Ms. Marín, her accumulated practical and professional experience in matters relating to the digitalization of traditionally analogical businesses, internationalization, and her understanding of the key aspects of auditing;
- Concerning Mr. Nuñez, his highly innovative profile and strategic vision, clearly focused on achieving business development and profitability objectives. Worthy of mention is the transformation he implemented in the business model of one of Spain’s principal publishing groups, developing new technology-based business models, while simultaneously leading changes in the company’s organization and governance. He was likewise able to reach agreements with other publishing groups, becoming one of the leaders in digital and technological transformation in this sector in the Spanish-speaking market, while having ample experience in other international markets (principally Europe, the Middle East and Latin America). Having in-depth knowledge of business and commerce, he is well acquainted with the evolution of this market and focused on designing and implementing strategies in line with customer needs.
- Regarding Ms. Fernández de Alarcón, her broad multisector experience in designing, developing and managing commercial, marketing and communication strategies in both national and international contexts, as well as her experience in the transformation and digitalization of businesses and brands.
- Concerning Mr. Cuadrado, it should be noted that the CNRGC and the Board concluded that to replace Mr Mirat as Executive Chairman of Santillana and executive director of PRISA, it was necessary to appoint an executive director with in-depth knowledge of the education business, the Latin American market, Santillana’s structure and operations and who, preferably, had ample experience within Grupo Prisa. In view of those requirements, Mr. Cuadrado was deemed the appropriate candidate, having over 30 years’ experience in the Group while successfully assuming different management responsibilities in Santillana; and
- Concerning Ms Quirós, taken into account was her significant experience as director in other traded and non-traded companies. both national and international, in which she was or currently member (and even chairperson) of the Audit committees and has served as CFO in a listed Company, among other responsibilities.

ii) Concerning geographical diversity, there are 4 foreign directors with citizenship and residence in three continents.

iii) As for age, the directors’ ages range from 71 to 34 years old, with an average of 54.

iv) There are five women directors on the Board, representing 35.7% of its total members, thus having achieved the objective of having at least 30% female directors.

Thus, in the indicated areas the above merits a favorable assessment.

C.1.8 If applicable, please explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name of shareholder	Reason

State whether the Board has failed to meet any formal requests for membership from shareholders whose equity interest is equal to or higher than that of others at whose request proprietary directors have been appointed. If this is the case, please explain why the aforementioned requests were not met:

NO

C.1.9 State the powers delegated by the Board of Directors, as the case may be, to directors or Board committees:

Name of director	Brief description
DELEGATED COMMISSION	It has been delegated all powers of the Board of Directors except those that cannot be delegated by law. Notwithstanding the Board of Directors Regulation provides that, when duly justified urgent circumstances arise and the law permits it, the Delegated Commission, or any other authorized committee, may adopt resolutions related to the matters referred to in section 5.3 of the Regulations, which shall be confirmed in the first meeting of the Board of Directors held after they are adopted.

C.1.10 Identify any members of the Board who are also directors or officers in other companies in the group of which the listed company is a member:

Director's Name	Name of the Group Company	Position	Does he/she has executive functions?
ROSAURO VARO RODRIGUEZ	DIARIO EL PAIS, S.L.U	DIRECTOR	NO
BEATRICE DE CLERMONT-TONERRE	GRUPO SANTILLANA EDUCACIÓN GLOBAL, S.L.U.	DIRECTOR	NO
FRANCISCO CUADRADO PÉREZ	GRUPO SANTILLANA EDUCACIÓN GLOBAL, S.L.U.	EXECUTIVE CHAIRMAN	YES
FRANCISCO CUADRADO PÉREZ	SANTILLANA SISTEMAS EDUCATIVOS, S.L.U.	SOLE DIRECTOR	YES
FRANCISCO CUADRADO PÉREZ	SANTILLANA LATAM, S.L.U.	SOLE DIRECTOR	YES
FRANCISCO CUADRADO PÉREZ	SANTILLANA EDUCACIÓN PACÍFICO, S.L.	SOLE DIRECTOR	YES
CARLOS NUÑEZ MURIAS	PRISA MEDIA, S.L.U.	EXECUTIVE CHAIRMAN	YES
CARLOS NUÑEZ MURIAS	DIARIO AS, S.L	EXECUTIVE CHAIRMAN	YES
CARLOS NUÑEZ MURIAS	DIARIO EL PAIS, S.L.U.	EXECUTIVE CHAIRMAN	YES
CARLOS NUÑEZ MURIAS	PLANET EVENTS, S.A.	CHAIRMAN	NO
CARLOS NUÑEZ MURIAS	PRISA RADIO, S.A.	EXECUTIVE CHAIRMAN	YES
CARLOS NUÑEZ MURIAS	SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN, S.L.U.	EXECUTIVE CHAIRMAN	YES
MANUEL POLANCO MORENO	GRUPO SANTILLANA EDUCACION GLOBAL, S.L.U	DIRECTOR	NO
MANUEL POLANCO MORENO	DIARIO EL PAIS, S.L.U	DIRECTOR	NO

Remarks
<p>i) Mr Carlos Nuñez represents PRISA MEDIA, S.L.U as: i) Sole Director of PRISA NOTICIAS, S.L.U.; and ii) Joint and Several Director of DIARIO CINCO DÍAS, S.L.U.; EDICIONES EL PAIS, S.L.; ESPACIO DIGITAL EDITORIAL, S.L.U.; FACTORIA PRISA NOTICIAS, S.L.U.; GRUPO DE MEDIOS IMPRESOS Y DIGITALES, S.L.U.; PRISA BRAND SOLUTIONS, S.L.U.; PRISA TECNOLOGÍA, S.L.U.; and PODIUM PODCAST, S.L.</p>
<p>ii) Mr Carlos Nuñez represents to PRISA RADIO, S.A. as Joint and Several Director of ANTENA 3 RADIO DE LEÓN, S.A.; COMPAÑÍA ARAGONESA DE RADIODIFUSIÓN, S.A.; PROPULSORA MONTAÑESA, S.A.; RADIO CLUB CANARIAS, S.A.; RADIO RIOJA, S.A.; and TELESER, S.A.</p>
<p>iii) Mr Carlos Nuñez represents to SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN, S.L.U as CEO of EDICIONES LM, S.L.; INICIATIVAS RADIOFÓNICAS CASTILLA-LA MANCHA, S.A.; ONDAS GALICIA, S.A.; RADIO ZARAGOZA, S.A.; and RADIO LLEIDA, S.L.</p>
<p>iv) Mr Miguel Barroso (who is the representant of Amber Capital UK LLP in the Board of Directors of PRISA) es Director of Diario El País, S.L. and Prisa Radio, S.A.</p>

C.1.11 List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Director's Name	Company name of the listed or non-listed entity	Position
JOSEPH OUGHOURLIAN	AMBER CAPITAL UK LLP	MANAGING DIRECTOR
JOSEPH OUGHOURLIAN	AMBER CAPITAL ITALIA SGR SPA	CHAIRMAN
JOSEPH OUGHOURLIAN	RACING CLUB DE LENS	CHAIRMAN
JOSEPH OUGHOURLIAN	FUNDACION INSTITUTO HERMES	MEMBER OF THE BOARD
JOSEPH OUGHOURLIAN	ARMENIAN GENERAL BENEVOLENT UNION (AGBU)	MEMBER OF THE BOARD
ROSAURO VARO RODRIGUEZ	ACCIONA ENERGÍA	DIRECTOR
ROSAURO VARO RODRIGUEZ	GAT HEADQUARTERS, S.L.	CHAIRMAN
ROSAURO VARO RODRIGUEZ	FUNDACION ALALÁ	MEMBER OF THE BOARD
ROSAURO VARO RODRIGUEZ	TEATRO REAL DE MADRID	MEMBER OF THE BOARD
BEATRICE DE CLERMONT-TONERRE	KAYRROS	MEMBER OF THE EXECUTIVE COMMITTEE
BEATRICE DE CLERMONT-TONERRE	KLEPIERRE	DIRECTOR
BEATRICE DE CLERMONT-TONERRE	SES	DIRECTOR
BEATRICE DE CLERMONT-TONERRE	KAYRROS	MEMBER OF THE EXECUTIVE COMMITTEE
BEATRICE DE CLERMONT-TONERRE	LE MONDE	DIRECTOR
BEATRICE DE CLERMONT-TONERRE	L`OBS	DIRECTOR
BEATRICE DE CLERMONT-TONERRE	MYMONEYBANK	DIRECTOR
BEATRICE DE CLERMONT-TONERRE	FONDS DE DOTACION DESCARTES	MEMBER OF THE BOARD
BEATRICE DE CLERMONT-TONERRE	FRENCH AMERICAN FOUNDATION	MEMBER OF THE BOARD
ROBERTO LÁZARO ALCÁNTARA	GRUPO HERRADURA	CHAIRMAN

ROJAS	OCCIDENTE S.A. DE CV	
ROBERTO LÁZARO ALCÁNTARA ROJAS	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	CHAIRMAN
ROBERTO LÁZARO ALCÁNTARA ROJAS	IAMSA -INVERSIONISTAS EN TRANSPORTES MEXICANOS, S.A. DE C.V	CHAIRMAN
ROBERTO LÁZARO ALCÁNTARA ROJAS	GHO NETWORKS, S.A. DE CV	CHAIRMAN
MARIA TERESA BALLESTER FORNES	NEXXUS IBERIA I.	DIRECTOR
MARIA TERESA BALLESTER FORNES	AFERA INVESTMENTS, S.L.	DIRECTOR
MARIA TERESA BALLESTER FORNES	SIGNIFICANT IMPACT SYSTEMS SL	DIRECTOR
MARIA TERESA BALLESTER FORNES	SPAICOL LDA	DIRECTOR
CARMEN FERNÁNDEZ DE ALARCON ROCA	HAVAS ESPAÑA	CEO
MARIA JOSE MARIN REY-STOLLE	WE ARE KNITTERS, S.L.	DIRECTOR
CARLOS NUÑEZ MURIAS	CATENON	DIRECTOR
MANUEL POLANCO MORENO	RUCANDIO, S.A.	CEO
MANUEL POLANCO MORENO	TIMÓN, S.A.	DEPUTY CHAIRMAN
MANUEL POLANCO MORENO	RUCANDIO INVERSIONES SICAV	DIRECTOR
MANUEL POLANCO MORENO	QUALITAS VENTURE CAPITAL, S.A. S.C.R	DIRECTOR
MANUEL POLANCO MORENO	TROPICAL HOTELES, S.A.	DIRECTOR
JAVIER SANTISO GUIMARAS	FNAC DARTY	DIRECTOR
JAVIER SANTISO GUIMARAS	LE MONDE	DIRECTOR
JAVIER SANTISO GUIMARAS	MR JEFF	DIRECTOR
JAVIER SANTISO GUIMARAS	CLARITY.AI	DIRECTOR
JAVIER SANTISO GUIMARAS	TWINCO	DIRECTOR
JAVIER SANTISO GUIMARAS	LA CAMA SOL	CEO
JAVIER SANTISO GUIMARAS	ARROS	DIRECTOR
TERESA QUIRÓS ÁLVAREZ	GREENERGY RENOVABLES	DIRECTOR
TERESA QUIRÓS ÁLVAREZ	SNGULAR	DIRECTOR
TERESA QUIRÓS ÁLVAREZ	TUBOS REUNIDOS	DIRECTOR
KHALID BIN THANI BIN ABDULLAH AL-THANI	EZDAN HOLDING GROUP	CHAIRMAN
KHALID BIN THANI BIN ABDULLAH AL-THANI	QUATAR INTERNATIONAL ISLAMIC BANK	CHAIRMAN
KHALID BIN THANI BIN ABDULLAH AL-THANI	MEDICARE GROUP	DIRECTOR
KHALID BIN THANI BIN ABDULLAH AL-THANI	DAR AL SHARQ PRINTING PUBLISHING & DISTRIBUTION CO.	CHAIRMAN

Remarks
<p>i) PRISA has holdings in Le Monde (but Le Monde is not a part of Grupo PRISA).</p> <p>ii) Additionally, it is stated that Mr. Joseph Oughourlian is the PRISA Group representative on the board of trustees of the following Foundations: Fundación Pro-Cnic, Fundación Amigos del Meseo Reina Sofía, y Fundación Carolina. Likewise, Mr. Rosauro Varo is a representative of the PRISA Group on the board of trustees of the Fundación Crecimiento y Desarrollo.</p>

Likewise the following directors form part of the board of trustees of the UAM-El País School of Journalism Foundation, which is a Foundation integrated in equal parts by the Autonomous University of Madrid and the newspaper EL PAÍS (Grupo PRISA): Mr. Joseph Oughourlian , Mr. Carlos Nuñez, Mr. Javier Santiso and Mr. Rosauro Varo.

iii) Miguel Barroso (natural person who represents Amber Capital on the Board of Directors of PRISA) is director of DGP, S.A. and Sole Director of Parkbarroso, S.L.

iv) Following the instructions for filing this Report (approved in CNMV Circular 3/2021), the following posts listed in the previous table are remunerated:

- Joseph Oughourlian: Amber Capital UK, LLP.
- Rosauro Varo: Acciona Energía; GAT Headquarters.
- Beatrice de Clermont: Klepierre; SES; Kayrros; Mymoneybank.
- Roberto Lázaro Alcantara: Grupo Herradura de Occidente, S.A. de CV; IAMSA.
- Maria Teresa Ballester: Nexxus Iberia I.
- Carmen Fernández de Alarcón: Havas España.
- María José Marín Rey-Stolle: We are Knitters, S.L.
- Carlos Nuñez: Catenon.
- Manuel Polanco Moreno: Timón, S.A.
- Javier Santiso: Fnac Darty.
- Teresa Quirós: Grenergy Renovables; Sngular; Tubos Reunidos.

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
MARIA TERESA BALLESTER FORNES	Member of ING's Advisory Council.
MARIA JOSE MARIN REY-STOLLE	Occasional professor in universities and business schools, and income from rental properties.

C.1.12 State whether the company has established rules on the number of boards on which its directors may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

YES

Explanation of the rules and identification of the document where this is regulated
Article 11 of the Board Regulations provides that regarding the number of other boards of which they may be members, the general rule shall be that directors may not be members of so many

other boards that it prevents or hinders them from dedicating the proper amount of time to their position as Company director. In this regard, the Company directors shall comply with the following restrictions:

- (i) Executive directors may hold administrative posts at other companies, provided that they do not perform executive duties at any of them.
- (ii) Non-executive directors may hold administrative posts at six other companies, provided they do not perform executive duties at any of them. However, they may only hold administrative posts at two other companies if they perform executive functions in one of them. Those who perform executive functions at two or more companies may not be non-executive directors of the Company.

For purposes of paragraphs (i) and (ii) above, (a) only companies whose shares are admitted to trading on stock exchanges or alternative markets, domestic or foreign, and others that require an equal commitment, shall be taken into account; and (b) all the management bodies of companies that belong to the same group shall be treated as a single administrative body, as well as those that partly consist of proprietary directors proposed by any company of the group, although a stake in the capital or degree of control of the company does not allow it to be considered a member of the group.

Notwithstanding these restrictions, the Board shall assess the personal and professional circumstances of the director in each case, particularly the case of proprietary directors. As an exception in duly justified cases, the Board of Directors may exempt the director from these restrictions.

C.1.13. State total remuneration received by the Board of Directors

Board remuneration in financial year (thousand euros)	4,722
Amount of vested pension interests for current members (thousand euros)	0
Amount of vested pension interests for former members (thousand euros)	0

Remarks
<p>i) The amount of the total directors' remuneration is the amount accrued in 2021 following the accrual criterion specified in CNMV Circular 3/2021 (which modifies the template for the annual directors' report of listed public limited companies) and differs by 47 thousand euros from the total amount of directors' remuneration recorded in the Notes to the consolidated financial statements and the semi-annual financial statements for 2021 (4,769 thousand euros), which reflects the accounting records. The difference basically corresponds to the annual variable remuneration of the executive directors and some compensations corresponding to the former CEO Mr Manuel Mirat (Medium Term Incentive Plan for the period 2018/2020, extraordinary bonuses linked to 2020 transactions and compensation for post-contractual non-competition agreement).</p> <p>ii) The overall remuneration of the Board of Directors includes that of Mr D. Dominique D'Hinnin, Mr Manuel Mirat Santiago, and Mr Javier de Jaime Guijarro, up to the time of their resignations as a director on November, July and February 2021, respectively. .</p> <p>iii) The remuneration shown in the above table therefore coincides with that stated in the directors' remuneration report, to which we refer for further explanations.</p>

C.1.14 Identify senior management staff who are not executive directors and their total remuneration accrued during the year:

Name	Position
PABLO JIMENEZ DE PARGA MASEDA	SECRETARY OF THE BOARD
DAVID MESONERO MOLINA	CFO
JORGE RIVERA	CHIEF OF COMMUNICATION AND INSTITUTIONAL RELATIONS
VIRGINIA FERNANDEZ IRIBARNEGARAY	INTERNAL AUDIT DIRECTOR

Number of women in senior management	1
Percentage of total senior management	16.67%

Total senior management remuneration (thousand euros)	9,733
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Remarks
<p>i) The senior management has undergone a deep reorganization during 2021. Until June 2021 members of senior management were the members of the now extinct Management Committee and those who were generally in attendance at its meetings who were not executive directors of Prisa and the Internal Audit Manager of Prisa. Since then, members of senior management are the Executive Chairmen of the two businesses of the Group, education and Media, who are, in turn, executive directors of PRISA (Messrs. Francisco Cuadrado and Carlos Nuñez), the Secretary of the Board of Directors (Mr. Pablo Jiménez de Parga, who joined the Company in July 2021), the CFO (Mr. David Mesonero, who also joined the Company in July 2021), the Director of Communication and Institutional Relations (Mr. Jorge Rivera) and, in addition, the director of internal audit of Prisa (Mrs. Virginia Fernández).</p> <p>The Director of Internal Audits is included in senior management for the sole effect of the Company's legal reporting obligations.</p> <p>ii) The aggregate remuneration of the Directors that is stated in the table above is that corresponding to the 4 members of senior management who are not executive directors of Prisa (while the remuneration of these two executive directors is included in heading C .1.13 of this Report), that is, Mr. Pablo Jiménez de Parga, Mr. David Mesonero, Mr. Jorge Rivera and Ms. Virginia Fernández.</p> <p>The overall remuneration of the Senior Management also includes that of Mr Xavier Pujol, Mr Guillermo de Juanes, Mr Augusto Delkader, Mr Miguel Angel Cayuela, Mr Pedro García- Guillén and Mr Alejandro Martínez Peón, until their respective cessation, in the first half of 2021, as General Secretary and Secretary to the Board of Directors, CFO, Director Editorial, CEO of Santillana, CEO of Prisa Radio and CEO of Prisa Noticias. Likewise, it has been included the remuneration of the previous members and assistants of the Management Committee, Mr. Jorge Bujía (Director of Risk Control and Management Control) and Ms. Marta Bretos (Director of HR and Talent Management), until June 30, 2021.</p> <p>iii) Mr. Jiménez de Parga has entered into a contract with the company for the provision of professional services in which his compensation for those services consists exclusively of a fixed monthly amount.</p> <p>iv) This total remuneration is the amount accrued in 2021 following the accrual criterion specified in CNMV Circular 2021/3 and differs by 586 thousand euros from the amount of remuneration shown in the Consolidated Financial Statements and Semi-annual Financial Information for 2021 (10,319 thousand euros), which relates to the accounting provision.</p>

C.1.15 State whether the Board rules were amended during the year:

YES

With the goal of continually updating and reviewing our system of corporate governance and the Company's internal regulations in order to align them with the best corporate governance practices, in 2021 the Company conducted a review and revised our internal regulations, including the Board of Directors Regulation.

In particular, the following changes have been made to the Board Regulations:

i. The Board of Directors, at its meeting held on February 23, 2021, agreed to amend articles 13 and 14 Regulations of the Board of Directors, on the occasion of the appointment of the former Vice Chairman of the Board (who had the status of Proprietary Director) as non-executive Chairman of the Board of Directors, to provide maximum flexibility when appointing a new Vice Chairman and to indicate that the post would not necessarily also fall to the Coordinating Director, thus effectively separating the posts of Vice Chairman and Coordinating Director. This was explained in the report that the Board of Directors made available to the shareholders for the Shareholders' Meeting held on June 29, 2021.

ii. Subsequently, on July 1, 2021, the Board of Directors modified the Regulations of the Board of Directors of the Company, in order to: i) adjust its content to the new organization chart of the Company, which was a consequence of the new organization of the PRISA Group with two completely operationally separate business areas (Education and Media), each of which has an Executive President who is, in turn, an executive director in PRISA and, ii) include some of the modifications introduced by the Law 5/2021, of April 12, which modifies the text of the Capital Companies Law and other financial regulations, with regard to promoting the long-term involvement of shareholders in listed companies.

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors: the competent bodies, steps to follow and criteria applied in each procedure.

Procedures for the selection, appointment, reelection and removal of directors are regulated by the Bylaws and the Board Regulations and they will be governed by the principles established in the "Policy of diversity in the composition of the Board of Directors and selection of directors", referred to in section C.1.5. of this Report.

According to the Bylaws, the Board shall have a minimum of five and a maximum of fifteen members. The General Meeting shall establish the number of directors in an express resolution.

In exercising its powers to submit proposals to the General Meeting of Shareholders and co-opt to fill vacancies, the Board of Directors shall ensure that the Board's composition is such that the external directors represent a large majority of the Board, and that the number of independent directors represent at least half of the total Board members and, in any case, a third. The number of the executive directors shall be the minimum necessary, taking into account the complexity of the corporate Group and the share of the executive directors in the Company's capital.

To establish a reasonable balance between the proprietary directors and the independent directors, the Board shall take into account Company shareholder structure, considering the importance of the shareholdings, in absolute and comparative terms, as well as the degree of permanence and strategic connection with the Company of those shareholders. In any case, the Board shall ensure that the percentage of non-executive directors who are proprietary directors does not exceed the percentage of the Company's capital represented by those proprietary directors.

Chairman and Vice-Chairman: The Board of Directors shall appoint one of its members Chairman at the proposal of the Nominations, Compensation and Corporate Governance Committee, with the active participation of the Coordinating Director, and may also appoint one or more Vice-Chairmen, who shall substitute the Chairman in case of temporary absence, momentary incapacity, or the specific delegation of the latter, regarding to the functioning of the Board of Directors, and shall have the other powers established in the internal rules of the Company. Provided that the Chairman of the Board is not considered an independent director, the first or sole Vice Chairman, as the case may be, shall be appointed from among the independent directors, with the abstention of the executive directors.

Coordinating Director: If the Chairman is not considered an independent director, the Board, on the proposal of the Nominations, Compensation and Corporate Governance Committee, shall appoint, with the abstention of the executive directors, a Coordinating Director from among the independent directors.

Executive directors and Chief Executive Officers: Without prejudice to the directors who have the category of executive directors under the law, the Board of Directors may appoint, with the favourable vote of two thirds of its members and at the proposal of the Nominations, Compensation and Corporate Governance Committee, one or more Chief Executives, giving the latter all or some of the powers of the Board that are not considered non-delegable powers under the law and the Bylaws.

Nominations of directors that the Board of Directors submits to the General Meeting for consideration and the resolutions to appoint them that are adopted by the aforementioned body by virtue of its powers of co-optation under the law shall be preceded by the corresponding proposal in the case of independent directors, or report for other directors, of the Nominations, Compensation and Corporate Governance Committee. Nominations of directors shall always be accompanied by a supporting statement from the Board of Directors. All of the proposals and statements for the appointment of directors shall assess the suitability of the proposed candidates for the position of director, with special attention to their expertise, experience and accomplishments, as well as their ability to commit to the duties that correspond to the position.

Directors shall serve a term of three years and may be reappointed. Directors shall cease to hold office when the term for which they were appointed expires, or when the General Meeting resolves their termination.

Directors who leave the post before their term expires because they resign, or for another reason by resolution of the General Shareholders Meeting shall explain their reasons for leaving as provided in the Board Regulations. Directors shall inform the Board of Directors and formally resign from the post, if the latter deems it necessary, in the cases provided in the Board of Directors Regulation (see section C.1.19 of this Report). The Board of Directors shall not propose the termination of any independent director before the statutory term for which the latter was appointed expires, unless the Board determines that there is just cause after a report from the Nominations, Compensation and Corporate Governance Committee.

C.1.17 Explain how the annual evaluation of the Board has given rise to significant changes in its internal organisation and to procedures applicable to its activities:

Description
<p>During 2021, a self-assessment was conducted of the composition and work of the Board of Directors and its committees during 2020. The performance of the Chairman of the Board, the CEO, and the Chairmen of the Committees was also assessed.</p> <p>The Nominations, Compensation and Corporate Governance Committee submitted a report to the Board of Directors on the findings of this assessment and the Board approved a proposed plan of action to correct the deficiencies detected. The aspects which received the least positive scores in the 2020 assessment and the action plans implemented in 2021 were as follows:</p> <p>i) The operations and composition of the governing bodies. As a result of the assessment conducted with regard to the operations and composition of the governing bodies, the composition of the Board of Directors and its Committees was reviewed, and a majority of the deficiencies detected were addressed with the new structure and operations of the Board and its Committees.</p> <p>ii) Gender diversity. Gender diversity was the aspect that received the lowest scores in the 2020 assessment, with results that were clearly insufficient, requiring decisive measures for improvement. As explained in section C.1.6 of this Report, diversity has been very present in 2021 as a guiding criterion for the composition of the Board of Directors, particularly gender diversity. During 2021 a large number of women were considered in each of the selection processes conducted by the Board of Directors, as well as in the search for candidates for posts as relevant as the Company's Financial Director. In these processes, several women were on the final list of candidates.</p> <p>In 2021 three new female directors joined the Board. The Board of Directors now has five women directors representing 35.7% of the total board members, having thus achieved the goal of having at least 30% female directors before the end of 2021.</p> <p>At the end of 2021, female directors have a notable presence on Company bodies: Ms. Beatriz de Clermont-Tonnerre is Coordinating Director, Chair of the CNRGC and member of the Delegated Committee; Ms. Teresa Quirós presides the Audit, Risks and Compliance Committee; Ms. Carmen Fernández de Alarcón is a member of the CNRGC; Ms. María Teresa Ballester is a member of the Audit, Risks and Compliance Committee; and Ms. Pepita Marín Rey-Stolle sits on both the Delegated Committee and the Audit, Risks and Compliance Committee.</p> <p>It should likewise be noted that in February 2022 the Board of Directors resolved the following: i) to create a Sustainability Committee composed of five members, four of whom are women (its Chairperson Ms. María Teresa Ballester, Ms. Beatriz de Clermont-Tonnerre, Ms. Teresa Quirós and Ms. Carmen Fernández de Alarcón) and ii) the addition of Ms. Carmen Fernández de Alarcón as member of the Audit, Risks and Compliance Committee, replacing Amber Capital. Thus, at present the presence of women on the board committees is quite significant: 100% of the Audit, Risks and Compliance Committee; 80% of the Sustainability Committee; 50% of the CNRGC and 25% of the Delegated Committee.</p>

Describe the evaluation process and the areas evaluated by the Board of Directors with the help, if any, of external advisors, regarding the function and composition of the board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and evaluated areas
<p>The Board of Directors' self-assessment for 2021 (with regard to the 2020 fiscal year) was conducted internally by the Company without outside advice (since KPMG assisted in the 2019 assessment and the CNMV's good governance recommendations suggest seeking outside support every three years). The Board of Directors Regulations regulates the evaluation process and areas that should be assessed, as follows:</p> <p>1. Each year, the Board of Directors shall hold specific meetings to evaluate:</p> <p>(i) The quality and efficiency of the Board's function and the quality of the work, as well as diversity in its composition and skills, based on a report submitted by the Nominations, Compensation and</p>

Corporate Governance Committee;

(ii) The performance of the duties of the Chairman of the Board of Directors and the Executive Directors of the Company (the latter being applicable for the 2021 assessment, conducted in 2022), at the same or in separate meetings, based on a report submitted by the Nominations, Compensation and Corporate Governance Committee;

(iii) The function and composition of the Committees, based on the report that each of the latter submits to it; and

(iv) The performance and contribution of the directors, paying special attention to the directors chairing the various Board Committees.

2. The Chairman of the Board of Directors shall organize and coordinate the aforementioned evaluation process, except as it applies to him, along with the chairmen of the Audit, Risks and Compliance and the Nominations, Compensation and Corporate Governance Committees, as well as the Coordinating Director, if one is appointed. The evaluation of the Chairman shall be organized by the Coordinating Director or, in the absence thereof, the Chairman of the Nominations, Compensation and Corporate Governance Committee.

3. The Chairman of the Board and the Chief Executive Officer will be absent during the debates corresponding to their respective evaluations. In the Chairman's absence, the Board —and, where appropriate, the respective Committee— shall be chaired by the Vice-Chairman, and in the latter's absences, by the Coordinating Director; and in his absence, by the Chairman of the Nominations, Compensation and Corporate Governance Committee.

4. Based on the results of the annual evaluation, the Board of Directors shall propose the appropriate actions to remedy the problems identified and promote improvements.

Regarding the self-evaluation for 2020 (performed in 2021) and in accordance with the Board of Directors Regulations, the Board Chairman together with the chairmen of the Commissions, organised and co-ordinated said self-evaluation process. The areas evaluated were those set out in the Board of Directors Regulations, except concerning the Board members' individual contributions and performance.

Based on the results of the annual evaluation (compiled from responses from questionnaires submitted to the directors) and a report and proposals from the Appointments, Compensation and Corporate Governance Committee, the Board of Directors approved an action plan to correct the deficiencies detected and implement improvements (which were described in the previous section).

C.1.18 Describe, in those years in which the external advisor has participated, the business relationships that the external advisor or any group company maintains with the company or any company in its group.

For the first and sole time and for the 2019 evaluation (conducted in 2020) the Company had the assistance of an outside independent advisor (KPMG).

C.1.19 State the situations in which directors are required to resign.

As provided for in article 23 of the Board of Directors regulation, Directors shall inform the Board of Directors and formally resign from the post, if the latter deems it necessary, in the following cases:

- i. If, due to unforeseen circumstances, they have incurred in any of the situations of incompatibility or prohibition or grounds for termination, as defined in the law.
- ii. If, events or conduct attributable to the director result in – or in the Board's judgement could result in – serious harm to the equity or reputation of the Company, or there is a risk of criminal liability for the Company or one of the companies of the Group.

- iii. If they consider themselves to have been significantly harmed in terms of the reputation, suitability, solvency, competency, availability or commitment necessary to be a director of the Company. Particularly when the activities of the director or the companies it controls, directly or indirectly, or the individuals or legal entities who are shareholders or associated with any of them, or the person representing a director that is a legal entity, could compromise their suitability.
- iv. If they are seriously reprimanded by a resolution adopted by two-thirds of the Board of Directors for having breached their obligations as directors.
- v. When the reasons for which they were appointed disappear, particularly in the case of proprietary directors, when the shareholder or shareholders that proposed, required or designated their appointment, sell or transfer all or part of their stake so that it is no longer significant or sufficient enough to justify the appointment.
- vi. If an independent director incurs in any of the circumstances that prevent the latter from being considered as such, pursuant to the provisions of the law.
- vii. If the Board considers that the number of times that the director has missed meetings of the Board, and the Committees on which the latter serves, to be high.

In all events, the director shall inform the Board and, if necessary, resign when situations arise that affect him, related or not to their actions within the Company, provided that they may harm its credit and reputation.

In particular, all directors shall inform the Board of Directors, via the Secretary of the Board of Directors, in the event they are under investigation, will be prosecuted or indicted in a criminal proceeding for any offence, and about any important milestones in such proceedings.

The Board of Directors, once informed or been aware otherwise of any of the aforementioned circumstances, shall review the case as soon as possible and, attending to the particular circumstances, shall resolve, following a report by the Nominations, Compensation and Corporate Governance Committee, whether or not to adopt any measures it deems to be in the Company's interest, such as opening an internal investigation, calling on the director to resign or proposing his or her dismissal. The Board of Directors shall disclose this in the Annual Report of Corporate Governance, unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the Company shall disclose, if appropriate, at the time it adopts the corresponding measures.

In the cases described above, the Board of Directors may require the resignation of the director and recommend the latter's termination to the General Shareholders Meeting.

If, in the cases described in paragraphs v) and vi) above, after a report from the Nominations, Compensation and Corporate Governance Committee, the Board of Directors considers that there are justified grounds for the director to stay, it shall review the latter's classification, taking into account the new circumstances that have arisen.

The cases described above shall also apply to the person representing a director who is a legal entity.

C.1.20 Are qualified majorities other than those established by law required for any specific decision?

YES

The decisions that require reinforced majorities for their approval, other than the legal ones, are listed below:

Article 3.4 of the Regulations of the Board establishes that the modification of the Regulations will require a resolution adopted by the absolute majority of the members of the Board for its validity.

The decision of the Board to request a director to formalize his resignation when he is seriously reprimanded by the Board of Directors for having breached his obligations as a director provided

for in article 23.3.(iv) of the Board Regulations, must be adopted by a two-thirds majority of the directors.

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, to be appointed as chairman of the Board of Directors.

NO

C.1.22 State whether the Articles of Association or the Board Rules establish any limit as to the age of directors:

NO

C.1.23 State whether the Articles of Association or the Board Rules establish any term limits for independent directors other than those required by law:

NO

C.1.24 State whether the Articles of Association or Board Rules establish specific proxy rules for votes at Board meetings, how they are to be delegated and, in particular, the maximum number of delegations that a director may have, as well as if any limit regarding the category of director to whom votes may be delegated and whether a director is required to delegate to a director of the same category. If so, please briefly describe the rules.

Article 20 of the Company Bylaws and Article 19 of the Board Regulations provide that if it is impossible for them to attend board meetings, they will appoint another director as proxy. In that regard, proxies must be in writing, specifically for the meeting in question and instructing to the representative about the sense of any vote. Non-executive directors can only delegate their representation to other non-executive directors. Representation cannot be delegated on matters in which the director has a conflict of interest.

C.1.25 State the number of meetings held by the Board of Directors during the year, and if applicable, the number of times the Board met without the chairman present. Meetings where the chairman sent specific proxy instructions are to be counted as attended.

Number of Board meetings	10
Number of Board meetings without the chairman	0

State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	1
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Please specify the number of meetings held by each committee of the Board during the year:

Number of meetings held by the Delegated Commission	2
Number of meetings held by the Audit, Risks and Compliance Commission	8

Number of Meetings held by the Appointments, Remuneration and Corporate Governance Commission	14
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C.1.26 State the number of meetings held by the Board of Directors during the year and the details of attendance:

Number of meetings attended by at least 80% of the directors	8
% of attendance over total votes during the year	87.69%
Number of meetings in situ or representations made with specific instructions of all directors	9
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year	99.23%

Remarks
Attendance is deemed to include attendance in person and by videoconference.

C.1.27 State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

YES

Identify, where applicable, the persons who certified the company's individual and consolidated annual accounts for approval by the Board:
DAVID MESONERO MOLINA (CFO)
FRANCISCO CUADRADO (EXECUTIVE CHAIRMAN OF SANTILLANA AND PRISA EXECUTIVE DIRECTOR)
CARLOS NUÑEZ MURIAS (EXECUTIVE CHAIRMAN OF PRISA MEDIA AND PRISA EXECUTIVE DIRECTOR)

Remarks
Mr. David Mesonero, Mr. Francisco Cuadrado and Mr. Carlos Nuñez have certified the 2021 annual accounts i(which are prepared an approved in 2022 financial year).
The annual accounts for the 2020 financial year (prepared in March 2021) were certified by the then Chief Executive Officer and Chief Financial Officer of PRISA, Mr. Manuel Mirat and Mr. Guillermo de Juanes.

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

The Regulations of the Board of Directors (articles 27 and 43) establish that:
<ul style="list-style-type: none"> i. It is the responsibility of the Audit, Risks and Compliance Committee to ensure that the annual accounts that the Board of Directors submits to the General Shareholders Meeting are drawn up in accordance to accounting legislation. In those cases where the auditor includes any qualification in its audit report, the Chairman of the Audit, Risks and

Compliance Committee shall clearly explain at the general meeting the opinion of the Audit, Risks and Compliance Committee regarding its scope and content, and a summary of that opinion shall be made available to the shareholders at the time of the publication of the notice of the meeting, along with the rest of proposals and reports of the board.

- ii. The Board shall do its best to submit the annual financial statements to the General Meeting without reservations or qualifications in the audit report. If these exist, the Board shall ask the external auditors to clearly explain them to the shareholders at the Ordinary General Meeting.

C.1.29 Is the secretary of the Board also a director?

NO

If the secretary is not a director, please complete the following table:

Name of the secretary	Representative
PABLO JIMENEZ DE PARGA MASEDA	

C.1.30. State, if any, the concrete measures established by the entity to ensure the independence of its external auditors, financial analysts, investment banks, and rating agencies, including how legal provisions have been implemented in practice.

The Board of Directors Regulations provides that the relationship with the external auditors shall be channelled through the Audit, Risks and Compliance Committee, which, among other responsibilities, will have the following:

- i. Should the external auditor resign, to examine the circumstances that led to the resignation;
- ii. To ensure that the remuneration of the external auditor does not compromise the auditor's quality or independence;
- iii. To ensure that the Companies reports the change of auditor to the National Securities Market Commission and includes a statement on the existence of any disputes with the outgoing auditor, and their substance, if they exist;
- iv. To maintain fluid communication with the external auditor and ensure that the latter holds an annual meeting with the full Board of Directors to inform it about the work performed and about developments with the accounting situation, assets and financial situation, and the risks to the Company;
- v. To ensure that the Company and the external auditor comply with the applicable regulations on the provision of non-auditing services, restrictions on the concentration of the auditing business and, other general regulations on the independence of auditors.

In Addition, the Audit, Risks and Compliance Committee shall be responsible for the procedure for proposing the auditor, which shall take into account factors such as the scope of the works to perform, the training, experience and resources of the auditing team, and the auditor's signature, the fees, and its independence, and the effectiveness and quality of the services it provides.

Under art. 529 *quaterdecies* of the Capital Companies Act, the Audit, Risks and Compliance Committee also has the following tasks for preserving the auditors' independence:

- i. Establish relations with the external auditor in order to receive information, for examination by the Committee, on any matters that may entail a threat to the auditor's independence and on any

other matters concerning the audit; where necessary, authorise any permitted services, as provided by the Spanish Audit Act in relation to auditor independence; and receive any other communications provided for in auditing legislation and standards. The committee must receive an annual statement from the external auditors certifying their independence in relation to the Company or entities directly or indirectly related to it, as well as detailed, individualised information about any additional services of any kind provided to, and the fees received from, such entities by the external auditor or by individuals or entities related to it, in accordance with auditing regulations.

ii. Issue each year, before the auditor's report is issued, a report stating an opinion as to whether the auditor or audit firm's independence is compromised. This report must contain a reasoned assessment of the provision of any of the additional non-audit services referred to in the previous paragraph, considered individually and in the aggregate, in relation to the auditors' independence and compliance with auditing standards.

The Board of Directors Regulations also specify the following safeguards with respect to the external auditor:

i. The Board shall not award the contract to audit the annual accounts to firms at which there are circumstances that could compromise their independence, pursuant to the criteria defined at any time by applicable legislation.

ii. With the regularly and content defined by the applicable regulations at any time, the Board shall publically disclose the total fees that the Company has paid to the auditing firm for auditing services, and for non-auditing services, providing a breakdown of the fees paid to the external auditors and payments to any other company of their group.

iii. The auditing firm and/or the professional auditor responsible for the work and the members of the external auditing team shall be periodically rotated in accordance with the legally established deadlines at any time and in cases and with the criteria defined, where applicable, by the Board in accordance with a proposal by the Audit, Risks and Compliance Committee.

All the above safeguards are effectively applied by the Company: the Audit, Risks and Compliance Committee proposes the appointment of the external auditor and examines and, where appropriate, approves each specific proposal for the engagement of the external auditor's services in all Group companies, following the established preapproval procedure. This procedure requires that for each service subject to approval by the committee the external auditor must issue a certificate guaranteeing that providing the service does not affect its independence as auditor. The preapproval procedure is updated and approved by the committee each year and is distributed to the Group's business units, which must apply it. The committee also reviews and approves the audit fees of the external auditor and any other firms (which are disclosed in the notes to the financial statements and in the committee's annual activity report) and also reviews and approves any change of audit firm in any Group company.

Likewise, on the occasion of the review and authorisation of the financial statements, the Audit, Risks and Compliance Committee receives from the external auditor written confirmation of its independence with respect to the previous financial year, as well as information about the fees paid to the main auditor and its related parties for other professional services provided to Grupo PRISA companies, in accordance with the provisions of the Audit Act. The committee issues a report in which, in view of the foregoing, it sets out its conclusions regarding the external auditors' independence during the year in question, which is published on the company's web site (www.prisa.com) sufficiently in advance of the annual general meeting of shareholders, in compliance with Recommendation 6 of the CNMV's Unified Code on Good Corporate Governance.

The team responsible for the auditing of Grupo PRISA's accounts also attends various meetings of the committee, as well as the Board of Directors meeting at which the financial statements are authorised for issue, and holds meetings with committee members outside of any committee meeting.

The Company has not established any specific mechanism with respect to financial analysts,

investment banks or rating agencies, but verifies their independence and possible conflicts of interest before engaging their services.

C.1.31 State whether the company changed its external auditor during the year. If so, please identify the incoming and outgoing auditor:

NO

If there were any disagreements with the outgoing auditor, please provide an explanation:

NO

C.1.32. Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

YES

	Company	Group companies	Total
Amount invoiced for non-audit services (thousands of euros)	129	196	325
Amount invoiced for non-audit work/Amount for audit work (in %)	46%	20%	26%

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

NO

C.1.34 State the number of consecutive years the current audit firm has been auditing the financial statements of the company and/or group. Furthermore, state the number of years audited by the current audit firm as a percentage of the total number of years that the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	2	2

	Individual	Consolidated
Number of years audited by the current audit firm/number of fiscal years the company has been audited (by %)	6.5%	6.7%

C.1.35 State whether there is a procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time and provide details if applicable:

YES

Explanation of procedure

The Board of Directors Regulations provides the following:

i. The schedule of ordinary meetings shall be established by the Board of Directors itself before the start of each financial year. Se prevé asimismo un procedimiento y unos plazos para modificar el calendario y para convocar reuniones extraordinarias.

The scheduled meetings shall be formally convened sufficiently in advance, and not later than three calendar days before the meeting, except in the case of urgent meetings, and shall include the agenda, unless there is a justified reason not to. The meeting shall be convened at least four calendar days in advance if a weekend falls between the date on which the meeting is convened and the date set for holding it.

Unless the Board meets or has been exceptionally convened for urgent reasons, the notification of the meeting shall include the information necessary for the directors to properly prepare for and deliberate the items on the agenda, and should be accompanied by proposed resolutions related to the items on the agenda requiring a decision of the Board.

ii. Likewise, the Directors shall have the duty to demand and the right to seek, with the broadest of powers, the information and advice they need about any aspect of the Company, provided it is necessary for the performance of their duties. The right to information is channelled through the Chairman, who shall respond to requests from directors, directly facilitating the information for them, providing them with the appropriate contact persons or making all the arrangements necessary for the requested inspection.

Furthermore, the Chairman of the Board shall ensure, with the Secretary's assistance, that all documents distributed in the meetings of the various Committees is accessible to all of the directors.

iii. For help in carrying out their duties, any of the directors may seek to hire, at the Company's expense, legal, accounting, technical, financial, business or other experts. The mandate must involve specific problems of certain relevance and complexity that arise during the performance of the director's duties.

C.1.36 State whether the company has established rules whereby directors must provide information regarding and, if applicable, resign, in circumstances that may damage the company's standing and reputation. If so, provide details:

YES

Explain the rules

As established in the above section C.1.19, Directors shall inform the Board of Directors and formally resign from the post, if the latter deems it necessary, in the following cases:

- If, due to unforeseen circumstances, they have incurred in any of the situations of incompatibility or prohibition or grounds for termination, as defined in the law.
- If, events or conduct attributable to the director result in – or in the Board's judgement could result in – serious harm to the equity or reputation of the Company, or there is a risk of criminal liability for the Company or one of the companies of the Group.
- If they consider themselves to have been significantly harmed in terms of the reputation, suitability, solvency, competency, availability or commitment necessary to be a director of the Company. Particularly when the activities of the director or the companies it controls, directly or indirectly, or the individuals or legal entities who are shareholders or associated with any of them, or the person representing a director that is a legal entity, could

compromise their suitability.

In all events, the director shall inform the Board and, if necessary, resign when situations arise that affect him, related or not to their actions within the Company, provided that they may harm its credit and reputation.

In particular, all directors shall inform the Board of Directors, via the Secretary of the Board of Directors, in the event they are under investigation, will be prosecuted or indicted in a criminal proceeding for any offence, and about any important milestones in such proceedings.

The Board of Directors, once informed or been aware otherwise of any of the aforementioned circumstances, shall review the case as soon as possible and, attending to the particular circumstances, shall resolve, following a report by the Nominations, Compensation and Corporate Governance Committee, whether or not to adopt any measures it deems to be in the Company's interest, such as opening an internal investigation, calling on the director to resign or proposing his or her dismissal. The Board of Directors shall disclose this in the Annual Report of Corporate Governance, unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the Company shall disclose, if appropriate, at the time it adopts the corresponding measures.

In the cases mentioned above, the Board of Directors may require the resignation of the director and recommend the latter's termination to the General Shareholders Meeting.

C.1.37 State whether any member of the Board of Directors has notified the company that he or she has been tried or notified that legal proceedings have been filed against him or her, for any offences described in Article 213 of the LSC:

NO

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

i) Refinancing agreement signed by Prisa, HSBC Plc., as agent, and other financial institutions (Override Agreement), in December 2020, and senior financing agreement signed on the same date by Prisa, Global Loan Agency Services Limited, as agent, and Deutsche Bank AG Frankfurt Branch (Super Senior Term and Revolving Facilities Agreement).

Both the refinancing agreement and the senior financing contract include grounds for acceleration, which include the acquisition of control of PRISA (being the "control" defined by the contract as: the acquisition by one or more people acting in concert of more than 30% of the share capital with voting rights).

In the event that such event of default occurs, the debt covered by each of said agreements would be accelerated and its payment would be enforceable from that moment.

ii) See section C.1.39 below in relation to the compensation agreements provided for in the contracts of the executive directors, in the event that such contracts are terminated if there is a change of control.

C.1.39 Identify individually for director, and generally in other cases, and provide detail of any agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction.

Number of Beneficiaries	6
Type of Beneficiaries	As of December 31, 2021, there were the following beneficiaries: Mr Carlos Núñez (Executive Chairman of Prisa Media), Mr Francisco Cuadrado (Executive Chairman of Santillana), 1 senior manager and 3 managers of Grupo PRISA other than senior managers.
Description of the agreement:	<p>1. Compensation agreements provided for in the contracts of the executive directors:</p> <p>In the event that the contracts of the two Executive Directors (Mr Carlos Núñez, Executive Chairman of Prisa Media, and Mr Francisco Cuadrado, Executive Chairman of Santillana), are terminated: i) at the request of the executive director and in the event of intentional material breach on the part of the Company of its obligations thereunder; ii) voluntarily on the part of the executive director in the event there is a change in control (as “change in control” is defined in the contracts), iii) at the sole discretion of the Company with which the contract was signed; iv) as a consequence of being terminated or not being renewed as director of Prisa Media, S.L. or Grupo Santillana Educación Global, S.L.U., as applicable, or v) in the event of the revocation of all or part of the powers delegated the executive director or the powers vested in him by the Company (Prisa Media or Santillana, as applicable), the Executive Directors shall have the right to the following compensation:</p> <p>i. Mr. Carlos Nuñez (Executive Chairman of Prisa Media), would receive a gross compensation equivalent to eighteen months of his fixed remuneration and his annual variable remuneration in cash.</p> <p>ii. Mr. Francisco Cuadrado (Executive President of Santillana) would receive:</p> <p>a) A total compensation of 1,643,020 euros (gross). In determining this amount, the following were taken into account: (a) the compensation for wrongful dismissal to which Mr. Cuadrado would be entitled for the termination of the ordinary employment and senior management contracts under which Mr. Cuadrado served in different Grupo Prisa entities from 18 October 1989 until the effective date of his present contract and (b) a gross up to compensate Mr. Cuadrado for not being able to benefit from the maximum exemption for compensation for dismissal or termination of workers provided for under article 7.e) of the Individual Income Tax Law.</p> <p>b) An additional gross compensation equal to the amount established at that time as the maximum social security contributory benefit, for the maximum term that benefit is allowed. This compensation shall not be paid in the event the contract is terminated due to a change in control.</p> <p>Likewise, in the foregoing circumstances, as part of their severance the Executive Directors shall be entitled to the proportional share of their annual variable reference compensation for the time worked during the year in which the contract is terminated. For additional details concerning the application of these clauses, see the Annual Directors Compensation Report.</p> <p>2. Indemnification for unjustified dismissal:</p> <p>i. Contract of 1 senior manager: compensation equivalent to 1 year</p>

	<p>of the fixed salary plus variable compensation earned during the last 12 months.</p> <p>ii. Contract of 1 executive not considered part of the senior management: golden parachute, which will be the higher of the following: the legal indemnity payment provided for in the senior management contract or the indemnity payment to which they are entitled in their previous ordinary employment relationship with the Company. The golden parachute is capped at EUR 1 million.</p> <p>3. Post-contractual noncompetition undertaking:</p> <p>i. Contracts of Mr Carlos Núñez (Executive Chairman of Prisa Media), Mr Francisco Cuadrado (Executive Chairman of Santillana): compensation equivalent to 6 months of the fixed salary, payable in 12 months.</p> <p>ii. Contracts of 2 executives not considered part of the senior management: compensation equivalent to 6 months of the fixed salary plus variable compensation earned during the last 12 months.</p> <p>iii. Contract of 1 executive not considered part of the senior management: compensation equivalent to 6 months of the fixed salary.</p>
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Indicate whether, beyond regulatory requirements, these contracts must be reported to and/or approved by management bodies of the company or of the Group. If so, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this:

	Board of Directors	General Shareholders' Meeting
Body authorising the severance clauses	YES	YES

Are these clauses notified to the General Shareholders' Meeting?	YES
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Remarks
<p>The requirements regarding the approval and notification of the abovementioned contracts are those laid down by the Capital Companies Act, which have also been incorporated in the Company's Board of Directors Regulations:</p> <p>The contracts of executive directors must be approved by a two-thirds majority of the Board of Directors, pursuant to article 249 of the LSC.</p> <p>Additionally, pursuant to articles 529 <i>septdecies</i>, 529 <i>octodecies</i> and 529 <i>novodecies</i> of the LSC, directors' remuneration must be specified in the Directors' Remuneration Policy, which is submitted to the General Meeting of Shareholders for approval, at the proposal of the Board of Directors, backed by a report by the Nominations, Compensation and Corporate Governance Committee (NCCGC).</p> <p>At the Extraordinary Shareholders' Meeting held on 18 December de 2020, it was approved a Directors' Remuneration Policy for 2020 and 2021. Subsequently, at the Ordinary Shareholders' Meeting held on 29 June 2021 it was approved a new Directors' Remuneration Policy for 2021, 2022 and 2023.</p>

Under article 249 *bis* of the LSC, the Board of Directors also has the following non-delegable powers: i) decisions on directors' remuneration, within the framework of the articles of association and the remuneration policy approved by the General Meeting, and ii) approval of the terms of the contracts of senior managers, all this at the proposal of the NCCGC.

Guarantee or lock-in clauses have been approved by the Board of Directors since 1 January 2018.

The General Meeting of Shareholders is informed of these clauses to the extent that it approves the Directors' Remuneration Policy and, also, at yearly intervals when the Company publishes its Annual Corporate Governance Report.

C.2 Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their membership, and the proportion of executive, proprietary, independent and other external directors that comprise them:

DELEGATED COMMISSION

Name	Post	Category
JOSEPH OUGHOURLIAN	CHAIRMAN	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
FRANCISCO CUADRADO PÉREZ	MEMBER	EXECUTIVE DIRECTOR
BEATRIZ DE CLERMONT-TONERRE	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MARÍA JOSÉ MARÍN REY-STOLLE	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
CARLOS NÚÑEZ MURIAS	MEMBER	EXECUTIVE DIRECTOR
MANUEL POLANCO MORENO	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
JAVIER SANTISO GUIMARAS	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
ROSAURO VARO RODRIGUEZ	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

% of executive directors	25.00
% of proprietary directors	25.00
% of independent directors	50.00
% of external directors	00.00

Explain the duties exercised by this committee, other than those that have already been described in Section C.1.10 and describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The rules governing the organization and operations of the Delegated Commission that are

described below are provided in the Board of Directors Regulation:

The Delegated Committee shall consist of at least one third of the members of the Board and shall be chaired by the Chairman of the Board of Directors, unless the Board decides that an executive director should chair it. In case of the temporary absence or momentary incapacity of the person acting as Chairman, the latter shall be substituted by the Chairman of the Board, or in his or her absence, by the first or sole Vice chairman or the Board, and in their absence, by the Coordinating Director or, in the latter's absence, by another external director designated by the Committee.

The Board of Directors shall appoint the members of the Delegated Committee at the proposal of the Nominations, Compensation and Corporate Governance Committee, with a favourable vote of two-thirds of the directors. The Chairman of the Board and the executive directors shall be members of the Delegated Committee and, if there is one, the Coordinating Director. The Delegated Committee shall be composed by at least two non-executive directors, at least one of whom shall be independent.

The Delegated Committee shall meet whenever this is deemed to be in the interests of the Company in the judgement of the Chairman, who shall convene the meetings sufficiently in advance and when requested by two or more members of the Delegated Committee or an executive director.

The Delegated Commission is delegated all authority of the Board except for those that cannot be delegated under the law or the bylaws. Notwithstanding when duly justified urgent circumstances arise and the law permits it, the Delegated Committee may adopt resolutions related to the matters reserved to the Board, which shall be confirmed in the first meeting of the Board of Directors held after they are adopted.

The function performed by the Delegated Committee during 2021 primarily consisted in supervising the corporate strategic operations carried out by the Company.

AUDIT, RISKS AND COMPLIANCE COMMISSION

Name	Post	Category
TERESA QUIROS	CHAIRMAN	INDEPENDENT EXTERNAL DIRECTOR
AMBER CAPITAL UK LLP	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MARIA TERESA BALLESTER FORNES	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MARIA JOSE MARIN REY-STOLLE	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

% of executive directors	00.00
% of proprietary directors	25.00
% of independent directors	75.00
% of external directors	00.00

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The Committee shall be formed with a minimum of three and a maximum of five directors (non-executive directors and the majority of them shall be independent directors). Members of the

Committee together, and especially its Chairman, shall be selected according to their knowledge and experience on matters of accounting, audits and risk management, both financial and non-financial.

Members of the Committee are appointed or terminated by the Board of Directors based on a recommendation of the Nominations, Compensation and Corporate Governance Committee. The Chairman of the Committee shall be chosen by the Board of Directors, on the recommendation of the Nominations, Compensation and Corporate Governance Committee, from among the members of the Committee who are independent directors.

In addition to the duties assigned to it by law, the Audit, Risks and Compliance Committee also has the following responsibilities:

(i) To ensure that the annual accounts that the Board of Directors submits to the General Shareholders Meeting are drawn up in accordance to accounting legislation. In those cases where the auditor includes any qualification in its audit report, the Chairman of the Audit, Risks and Compliance Committee shall clearly explain at the general meeting the opinion of the Audit, Risks and Compliance Committee regarding its scope and content, and a summary of that opinion shall be made available to the shareholders at the time of the publication of the notice of the meeting.

(ii) To supervise and evaluate the Internal Audit (which shall depend on the Audit, Risks and Compliance Committee for its work), ensure its independence, approve its duties, action plans and resources, and recommend, where appropriate, the recruitment, appointment or termination of its manager, as well as the latter's salary conditions and contractual relationship with the Company, which shall require a favourable report of the Nominations, Compensation and Corporate Governance Committee. The head of the Internal Audit division shall present its annual work plan to the Audit, Risks and Compliance Committee for its approval, and shall inform of its execution.

(iii) To supervise and assess the preparation process and the integrity of the financial and non-financial information, as well as the financial and non-financial risk and management systems—including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption— checking for compliance with regulations, adequate delimitation of the consolidation perimeter and proper application of accounting criteria.

(iv) In the case of Related Transactions: to inform the General Meeting and the Board of Directors in advance of the related transactions that must be approved, and ensure that the market is provided with the information on these transactions; and) supervise the internal procedure established by the Company for related transactions whose approval has been delegated.

(v) To channel the contact with the external auditor: should the external auditor resign, to examine the circumstances that led to the resignation; to ensure that the remuneration of the external auditor does not compromise the auditor's quality or independence; ensure that the Companies reports the change of auditor to the National Securities Market Commission and includes a statement on the existence of any disputes with the outgoing auditor, and their substance, if they exist; maintain fluid communication with the external auditor and ensure that the latter holds an annual meeting with the full Board of Directors to inform it about the work performed and about developments with the accounting situation, assets and financial situation, and the risks to the Company; and ensure that the Company and the external auditor comply with the applicable regulations on the independence of auditors.

The Committee shall be responsible for the procedure for proposing the auditor.

(vi) To verify compliance with the policies and rules of the Company in the environmental, social and corporate governance areas, as well as the internal rules of conduct of the Company.

(vii) To evaluate the non-financial risks of the Group.

The Committee shall establish and oversee a mechanism that allows employees and other persons related to the Company (such as directors, shareholders, suppliers, contractors or subcontractors)

to notify about potentially significant irregularities, including those of financial and accounting nature or otherwise, related to the Company, that may be discovered at the Company. The Committee shall evaluate the control and risks management function and its duly independent management of risks, verifying that appropriate procedures have been introduced so that management, the Committee itself, and the Board can be sure that the control and risk management systems have worked in accordance with the policies and criteria approved by the Board

After the establishment of the Sustainability Commission, in February 2022, some of its functions will be carried out in coordination with the Sustainability Commission.

The Audit, Risks and Compliance Committee shall establish an annual work plan, that includes, at least, the activities provided for in the Board Regulations. The Audit, Risks and Compliance Committee shall meet periodically, according to need, and at least four times a year, and shall prepare an annual report on its activities and shall propose its publication to the Board for the General Shareholders Meeting. Furthermore, the Committee may specifically evaluate its own performance to strengthen its operation and improve planning for the next financial year.

The most important actions of the Audit, Risks and Compliance Committee during 2021 are detailed in the annual report on this Committee's activities, which will be published when the 2022 Ordinary General Meeting is called, on the corporate website www.prisa.com.

However, the following can be cited among the Committee's most relevant activities for the year: i) review of the annual accounts, the periodic financial information (quarterly and half-yearly) and the non-financial information statement (EINF), which is included into the consolidated management report, ii) monitoring the efficacy and results of the evaluation of the system for Internal Control over Financial Reporting (ICFR system); iii) review and monitoring the risk map, as well as developing the Risk Management Model (ERM); iv) following up on the internal audit projects; v) analysing of related party transactions; vi) analysis of the impact of certain corporate transactions, as well as the COVID 19 crisis; vii) monitoring the Model for Prevention of Criminal Liability, and viii) assessing compliance with internal company regulations and monitoring regulatory changes.

Identify the directors who are member of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Name of directors with experience	TERESA QUIROS AMBER CAPITAL UK LLP MARIA TERESA BALLESTER FORNES MARIA JOSE MARIN REY STOLLE
Date of appointment of the chairperson	30/11/2021

APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMISSION

Name	Post	Category
BEATRICE DE CLERMONT-TONERRE	CHAIRMAN	INDEPENDENT EXTERNAL DIRECTOR
CARMEN FERNANDEZ DE ALARCON	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
ROSAURO VARO	MEMBER	INDEPENDENT EXTERNAL

		DIRECTOR
JAVIER SANTISO GUIMARAS	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

% of executive directors	00.00
% of proprietary directors	25.00
% of independent directors	75.00
% of external directors	00.00

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The Nominations, Compensation and Corporate Governance Committee shall be formed by a minimum of three to a maximum of five non-executive directors, the majority of them independent directors which shall be appointed ensuring that they have adequate knowledge, qualifications and experience for the duties they will be expected to perform and, particularly, in corporate governance issues, strategic analysis and evaluation of human resource, recruitment of directors and managers, performance of senior management functions and design of remuneration policies and plans for directors and senior managers. The Board of Directors shall appoint and terminate members of the Committee pursuant to a recommendation by the Nominations, Compensation and Corporate Governance Committee (the Chairman of the Committee shall be chosen from among the members of the Committee who are independent directors). In addition to the duties it is assigned by law, the Nominations, Compensation and Corporate Governance Committee has the following responsibilities:

i) Composition of the Board of Directors: Verify compliance annually with the board of directors diversity and members selection policy; Analyse the competencies, knowledge and experience required in the board of directors (preparation of a board competency matrix); Make proposals, in the case of independent directors, and inform about the proposals submitted to the Board in the case of other directors, for the appointment, reelection and termination of directors; Make recommendations for classifying directors as executive, proprietary, independent or other external director; Make recommendations and report, together with the Chairman of the Board — except for what specifically refers to the latter — on the appointments of the Chairmen, the Vice-Chairmen, the Coordinating Director, the CEOs, if any, the members of the Delegated Committee, and the other Committees of the Board of Directors, as well as their respective Chairmen; Report on the proposals for the appointment of the Secretary and the Vice Secretary; Make recommendations and report, together with the Chairman of the Board — except for what specifically refers to the latter — on proposals for severance, termination or replacement of any post on the Board and its Committees other than the Secretary and Vice-Secretary; Report on the proposals for appointing representatives of the Company on the management bodies of the Companies of the Group; Elaborate the succession plan of the Chairman of the board and of the executive directors; Make appropriate recommendations for the Board to conduct proper planning for the orderly renewal and succession of its members.

ii) Senior management: report on the appointment and severance of senior managers and on the contractual conditions of their relationship with the Company; receive information on disciplinary measures in relation to senior managers; Supervise the succession plan of senior managers;

iii) Remuneration policy: propose to the Board of Directors a policy for the remuneration of the directors and senior managers, and for the individual remuneration and other contractual conditions of the executive directors; verify compliance and periodically review the remunerations policy for directors and senior managers, and guarantee that their individual remuneration is proportional to their level of responsibility and dedication; Inform the Board about the proposals related to the variable terms of remuneration for executive directors and senior managers of the Company, and about the other incentive plans aimed at them and, if applicable, verify the degree of

meeting the targets to which they are subject; Prepare the Annual Report on the Remuneration of the directors for its approval by the Board.

iv) Corporate governance system: Promote the Company's corporate governance policies (and report the proposals to amend the internal rules); Propose the approval of the Annual Report on Corporate Governance by the Board of Directors; Prepare a preliminary report on which the Board can base the annual evaluation of its activities; Supervise the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored; Supervise and evaluate the communication process with the various stakeholders.

The Committee shall establish an annual work plan that includes the activities provided for in the Board Regulations (shall met on a regular basis according to its needs and, at least, three times per year) and shall annually approve a report on its activities. The most important actions of the Nominations and Compensation Committee during 2021 are detailed in the annual report on this Committee's activities, which will be published when the 2022 Ordinary General Meeting is called, on the corporate website www.prisa.com. However, it is worth highlighting the performance of the Committee during the year in the following matters: succession plan for the Chairman of the Board, reorganization of the structure and composition of the Board, reorganization of the senior management, review of the remuneration conditions of the new executive directors and members of senior management, update of the Company's internal regulations (including the Director Remuneration Policy) and the Board's self-assessment.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors			
	Year 2021 Number %	Year 2020 Number %	Year 2019 Number %	Year 2018 Number %
Audit, Risks and Compliance Committee	3 (75.00)	1 (25.00)	2 (50.00)	1 (33.33)
Appointments, Compensation and Corporate Governance Committee	2 (50.00)	1 (25.00)	2 (50.00)	0 (00.00)
Delegated Committee	2 (25.00)	1 (16.67)	0 (00)	1 (14.28)

Remarks
In February 2022, a Sustainability Commission was set up, made up of 5 directors, 4 of whom are women (including its Chairman).

C.2.3 State, where applicable, the existence of any regulations governing Board committees, where these regulations may be found, and any amendments made to them during the year. Also state whether any annual reports on the activities of each committee have been voluntarily prepared.

The functioning, powers and composition of the Delegated Commission, Audit, Risks and Compliance Commission and Appointments, Compensation and Corporate Governance Commission are regulated by the Bylaws and by the Board Regulations, which are available on the Company's website (www.prisa.com).

As already indicated in section C.1.15 of this Report, in 2021 the Company has carried out the review of the Regulations of the Board of Directors and some of the rules that regulate the Board committees have been affected by these modifications, which principally aim to adaptar the Regulation to the Board of Directors' new structure and include the modifications introduced by Law 5/2021, of April 12, amending the consolidated text of the Corporate Enterprises Act and other financial standards with regard to fomenting long-term shareholder participation in listed companies.

The Audit, Risks and Compliance Commission and the Appointments, Compensation and Corporate Governance Commission published in 2021 reports on their functions and activity during 2020, which were made available to shareholders when the Shareholders Meeting held in June 2021 were convened and that are published on the Company's website.

The Commissions will again issue these reports on their functions and activities for the year 2021, which also will be made available to shareholders.

D**RELATED-PARTY AND INTRAGROUP TRANSACTIONS**

D.1. Describe, if applicable, the procedure for approval of related-party and intragroup transactions. Explain, where appropriate, the procedure and competent bodies relating to the approval of transactions with related and intragroup parties, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected director or shareholders. Detail the internal information and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

The procedure provided for in the Company's Board of Directors Regulation is the same as established in the Corporate Enterprises Act (LSC):

1. Related transactions shall require the authorization of the Board of Directors, without the possibility of delegation —such transactions being understood to be the execution by the Company or its subsidiaries of any transaction with the directors or with shareholders holding 10% or more of the voting rights, or represented on the Board of Directors, or with any other persons who must be considered related parties under the law—. As an exception to the above, the following shall not be considered related transactions:

- a) Transactions between the Company and its directly or indirectly wholly owned subsidiaries, without prejudice to article 40 bis below of these Regulations.
- b) Approval by the Board of Directors of the terms and conditions of the contract to be concluded between the Company and any director who is to perform executive functions, including the chief executives or senior directors, as well as the determination by the Board of the amounts or specific remuneration to be paid under these contracts, without prejudice of the duty to abstain of the director affected provided for by article 32.2 of these Regulations.
- c) Transactions carried out by the Company with its subsidiaries or investees, provided that no other party related to the Company has interests in these subsidiaries or investees.

2. Notwithstanding the provisions of the previous paragraph, the competence for approving related transactions whose amount or value is 10% or more of the total asset items according to the latest annual balance sheet approved by the Company corresponds to the General Meeting. When the General Meeting is called to make a decision about a related transaction, the shareholder affected is deprived of the right to vote, except for cases in which the proposed resolution has been approved by the Board of Directors without a vote against by the majority of the independent directors.

3. The approval by the General Meeting or by the Board of Directors of a related transaction must be subject to a prior report from the Audit, Risks and Compliance Committee. In its report, the Audit, Risks and Compliance Committee must assess whether the transaction is fair and reasonable from the point of view of the Company and, as appropriate, of the different shareholders of the related party; and explain the budget on which the assessment is based, as well as the methods used. None of the directors affected may participate in the drafting of the report.

4. Notwithstanding the provisions in sections 1 and 3 above, the Board of Directors has delegated to the Delegated Commission the approval of the following related transactions:

- a) Transactions between the Group's companies that are conducted within the scope of ordinary management and under market conditions; and
- b) Transactions that are concluded by virtue of contracts whose standard terms are applied en masse to a significant number of customers, are conducted at prices or rates generally established by the party acting as supplier of the product or service involved; and conducted at prices or rates generally established by the party acting as supplier of the product or service involved; and if the amount of the transaction does not exceed 0.5% of the Company's net turnover.

The approval of related transactions referred to by this section will not require a prior report from

the Audit, Risks and Compliance Committee. Nevertheless, the Board of Directors has established an internal procedure of periodic information and control with respect to them, in which the Audit, Risks and Compliance Committee must be involved to the aim of verifying the equity and transparency of these transactions and, where appropriate, compliance with the legal criteria applicable to related transactions referred to by this section.

5. The directors shall keep the Board informed about direct or indirect interests or significant influenced in companies or entities that maintain commercial or business relationships with the Company.

6. The directors who are affected by the associated transactions or who represent or are associated with the affected shareholders, in addition to not casting or delegating their vote, shall not attend the meeting while the Board or the relevant Committee deliberate and vote on them.

7. The Company must announce publicly the related transactions as provided for by Law. The announcement must be included in an easily accessible section of the Company's website and must be notified to the Comisión Nacional del Mercado de Valores (National Stock Market Commission) for publication. The announcement must be accompanied by a report from the Audit, Risks and Compliance Committee and must include at least the following information:

- a) Information on the nature of the transaction and the links with the related party
- b) The identity of the related party
- c) The date and value or amount of the consideration of the transaction
- d) Any other information necessary to assess whether the transaction is fair and reasonable from the point of view of the Company and of the shareholders who are not related parties

8. The Board of Directors must also reflect in its annual public report a summary of transactions carried out by the company with its directors or major shareholders.

9. The related transactions executed with the same counterparty in the last twelve months must be aggregated to determine the total value for the purposes of this article. Any references to the total of the asset items or the annual turnover shall be understood to be made to the figures included in the latest consolidated annual accounts or, where not available, the latest individual annual accounts of the Company approved by its General Meeting.

D.2 Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

	Name or company name of the shareholder or any of its subsidiaries	% Shareholding	Name or company name of the company or entity within its group	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
(1)	Vivendi, S.E.	9,94	Grupo PRISA	24,703	--	--	NO
(2)	Vivendi, S.E.	9,94	Grupo PRISA	1,854	--	--	NO
(3)	Rucandio, S.A.	7,61	Grupo PRISA	3	Board of Directors	--	NO

	Nature of the relationship	Type of operation and other information required for its evaluation
(1)	Commercial	Income of Grupo Prisa for rendering advertising services to Vivendi Group.
(2)	Commercial	Expense of Grupo Prisa for purchases of advertising to Vivendi Group.
(3)	Commercial	Rendering of IT services by Grupo Prisa.

Remarks
<p>Concerning the information provided in the table above, the following should be taken into account:</p> <p>(i) Transactions shown in the table include operations with the significant shareholder and/or companies in its Group.</p> <p>(ii) Transactions with Grupo PRISA include those with Promotora de Informaciones, S.A. (PRISA) and/or companies in its group.</p> <p>(iii) The operations shown in the table reflect the accounting information contained in the consolidated income statement for Grupo PRISA.</p> <p>(iv) Vivendi became a Prisa shareholder in January 2021 and the operations with Grupo Prisa shown in the table are prior to that date and reflect contracts in effect before Vivendi acquired interests in the Company's capital. Likewise, contracts between Rucandio and the Company are prior to 2021.</p> <p>(v) Since the entry into force of the new legal regime governing related-party transactions (3 July 2021), no related-party transactions have been entered into with shareholders holding 10% or more of Prisa voting rights or represented on Prisa's Board of Directors.</p>

D.3. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

Name or company name of the administrators or managers or their controlled or jointly controlled entities	Name or company name of the company or entity within its group	Relationship	Approving body	Identity of the shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents

Name or company name of the administrators or managers or their controlled or jointly controlled entities	Nature of the operation and other information necessary for its evaluation

Remarks
<p>i) Compensation to Prisa directors and senior management is detailed in Sections C.1.13 and C.1.14 of this report.</p> <p>ii) The director Shk. Dr. Khalid bin Thani bin Abdullah Al Thani is Chairman of the media group Dar Al- Sharq, which until September 2021 has maintained a strategic alliance with Diario As (a company of PRISA Group), under which in 2017 they jointly launched "AS Arabia".</p>

D.4. Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)
Sociedad Española de Radiodifusión, S.L.	Loans granted by Sociedad Española de Radiodifusión, S.L. to the company in which it holds holdings, Green Emerald Business INC.	2,642
PRISA Radio, S.A.	Income received by PRISA Radio, S.A for the provision of technical assistance and advisory services to Sistemas Radiópolis, S.A. de CV.	796
Ediciones El País, S.L.	Income received by Ediciones El País, S.L. for the sale of copies to KIOSKOYMÁS, Sociedad Gestora de La Plataforma Tecnológica, S.L.	529
Prisa Brand Solutions, S.L.U	Income received by Prisa Brand Solutions, S.L.U for advertising sales with the Company WEMASS MEDIA AUDIENCE SAFE SOLUTIONS, S.L.	12,462
Sociedad Española de Radiodifusión, S.L.	Expenses for events with Planet Events, S.A.	2,741
Prisa Brand Solutions, S.L.U	Expenses for advertising fees with Wemass Media Audience Safe Solutions, S.L.	1,042

Remarks
<p>In addition to the transactions described in sections above, the following transactions with related parties, have been performed: i) services rendered to companies of Grupo Prisa by other investee companies, for an aggregate amount of 379 thousand euros, ii) services provided by Grupo Prisa companies to other investee companies, for an aggregate amount of 613 thousand euros, iii) loans granted by companies of Grupo Prisa to other associated companies, for an amount of 431 thousand euros, iv) financial income recorded by companies of Grupo Prisa, linked to the loans granted to the investees, for an aggregate amount of 518 thousand euros, v) dividends received by companies of Grupo Prisa from investee companies, for an aggregate amount of 220 thousand euros and vi) loan impairment expenses associated with loans granted to associates and foreign exchange differences arising from loans denominated in foreign currencies (222 thousand euros).</p>

D.5 Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)

D.6 Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other associated parties.

1.Board of Directors Regulation:

i) Conflicts of interest: The directors shall take the necessary steps to avoid incurring in situations in which their interests, whether for their own account or that of others, may come into conflict with the interests of the company and with their obligations to the Company.

In particular, in a conflict of interests situation, directors shall refrain from the following Conducting: transactions with the Company, (except for ordinary transactions standard for customers or suppliers and of little importance); exploiting the Company's name or invoking the director's status as administrator to unduly influence private transactions; using the corporate assets, including the Company's confidential information, for personal ends; taking advantage of the Company's business opportunities, and receiving benefits or payments from sources other than the Company and the Group in connection with the performance of their duties, unless these involve simple acts of courtesy.

In cases in which the conflict of interest is, or can reasonably be expected to be, of such a nature that it constitutes a structural and permanent conflict between the director (or a person related to the latter or, in the case of a the proprietary director, the shareholder or shareholders the latter proposed or appointed, or persons directly or indirectly associated with them) and the Company or the companies included in their Group, it will be understood that the director is not, or has ceased to be suitable to hold the post. The Company may waive the prohibitions in individual cases.

The directors shall notify the Board about any direct or indirect conflict that they may have with the interest of the Company. Likewise, they shall also disclose: the positions they hold on other boards of directors of which they are members, whether listed companies or not, and other paid activities of any nature they are engaged in; and the shares of the Company they directly or indirectly own and the rights of options over them.

ii) Related Transactions: Related transactions shall require the authorization of the Board of Directors (such transactions being understood to be the execution by the Company or its subsidiaries of any transaction with the directors or with shareholders holding 10% or more of the voting rights, or represented on the Board of Directors, or with any other persons who must be considered related parties under the law). The following shall not be considered related transactions: Transactions between the Company and its directly or indirectly wholly owned subsidiaries, without prejudice to article 40 bis below of these Regulations; Approval by the Board of Directors of the terms and conditions of the contract to be concluded between the Company and any director who is to perform executive functions, including the chief executives or senior directors, as well as the determination by the Board of the amounts or specific remuneration to be paid under these contracts, without prejudice of the duty to abstain of the director affected, Transactions carried out by the Company with its subsidiaries or investees, provided that no other party related to the Company has interests in these subsidiaries or investees.

The competence for approving related transactions whose amount or value is 10% or more of the total asset items according to the latest annual balance sheet approved by the Company

corresponds to the General Meeting. When the General Meeting is called to make a decision about a related transaction, the shareholder affected is deprived of the right to vote, except for cases in which the proposed resolution has been approved by the Board of Directors without a vote against by the majority of the independent directors.

The approval by the General Meeting or by the Board of Directors of a related transaction must be subject to a prior report from the Audit, Risks and Compliance Committee. In its report, the Audit, Risks and Compliance Committee must assess whether the transaction is fair and reasonable from the point of view of the Company and, as appropriate, of the different shareholders of the related party; and explain the budget on which the assessment is based, as well as the methods used. None of the directors affected may participate in the drafting of the report. The Board of Directors may delegate the approval of the following related transactions: Transactions between the Group's companies that are conducted within the scope of ordinary management and under market conditions; and transactions that are concluded by virtue of contracts whose standard terms are applied en masse to a significant number of customers, are conducted at prices or rates generally established by the party acting as supplier of the product or service involved; and conducted at prices or rates generally established by the party acting as supplier of the product or service involved; and if the amount of the transaction does not exceed 0.5% of the Company's net turnover.

The approval of related transactions referred to by this section will not require a prior report from the Audit, Risks and Compliance Committee. Nevertheless, the Board of Directors must establish an internal procedure of periodic information and control with respect to them, in which the Audit, Risks and Compliance Committee must be involved. The procedure must verify the equity and transparency of these transactions and, where appropriate, compliance with the legal criteria applicable to related transactions referred to by this section.

The directors shall keep the Board informed about direct or indirect interests or significant influenced in companies or entities that maintain commercial or business relationships with the Company. The directors who are affected by the associated transactions or who represent or are associated with the affected shareholders, in addition to not casting or delegating their vote, shall not attend the meeting while the Board or the relevant Committee deliberate and vote on them.

2. The Internal Conduct Regulation for Matters Related to the Securities Markets of Promotora de Informaciones, S.A. and its Group of Companies" (RIC): applicable to Company directors and certain Group managers (Affected Persons), identifies a series of relationships that imply conflicts of interest. Affected Persons subject to conflicts of interest restrictions must: act in good conscience and loyalty toward the Company and its shareholders, independently of their own or others' interests, refraining from placing their own interests over those of the Company, or the interests of certain investors over others; refrain from intervening/influencing decisions that may affect persons/entities with which there are conflicts of interest or from accessing Privileged Information that may affect that conflict, informing the Compliance Unit concerning possible conflicts of interest in which they may be involved as a result of their activities outside the Company, their family relationships, their personal estate, or for any other motive, with any of the GRUPO PRISA companies, or relevant GRUPO PRISA suppliers or customers, and entities engaged in the same business or that are GRUPO PRISA competitors.

3. Likewise the Code of Ethics of Grupo PRISA underscores the duty to avoid situations that could give rise to conflict between private interests and those of the company and requires that such situations be disclosed to the Company.

D.7 Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

NO

E.1 Explain the scope of the company's Risk Management and Control System, including tax compliance risk.

In order to be able to control, mitigate and manage any threat to the fulfilment of its objectives, the Group constantly monitors the risks that could affect it, according to the Risk Control and Management Policy approved by the Board of Directors of PRISA with the favorable report of the Audit, Risks and Compliance Commission and the Nominations, Compensation and Corporate Governance Commission. This Policy aims to establish the basic principles and general framework of action for the control and management of the financial and non-financial risks, including tax compliance risk; and includes the Risk Control and Management System designed with the ultimate purpose of providing reasonable security in the achievement of Grupo PRISA's objectives.

The Risk Control and Management System is based on an adequate definition and assignment of functions and responsibilities at different levels and a series of control and management methodologies, tools and procedures. Through this Risk Management System, the Group identifies, monitors and analyses risks on an ongoing basis, defines and, where appropriate, implements, on a case-by-case basis, the measures required to mitigate risks when they materialize.

Besides, the Risk Management System works by business unit, consolidating such management at a corporate level through, among other specific tools, a comprehensive management model, focused on ad hoc analysis in relation to different risks, depending on their development and the analysis made of them and their circumstances over time.

Additionally, the Group also has an Internal Control over Financial Reporting (ICFR), initially developed from the methodological framework of COSO 1992, and adapted during fiscal year 2014 to the new COSO 2013 Framework.

For the management of criminal risks, the Group has a Model for Prevention of Criminal Liability in Spain and has developed regulatory compliance models in the main countries in which it is present (Brasil, Mexico and Colombia). In the context of compliance models, and among others, environmental, labor relations, corruption and bribery risks associated with the various business activities and operations are analyzed.

E.2 Identify the bodies within the company responsible for creating and executing the Risk Management and Control System, including tax compliance risk.

The identification of the risks is carried out by the top management of the business and corporate units, identifying both those responsible for the management of each risk and the associated action plans and controls. At a corporate level, the Management Control and Risk Control Area, consolidates risk management through a comprehensive management model, which provides a dynamic and continuous view, more suitable for monitoring, control and management.

In this regard, the business units contribute to the proper functioning of the risk control and management systems and, in particular, aim to adequately identify, manage and quantify the risks that affect them. Furthermore, they actively participate in the definition of the risk strategy and in the decisions regarding its management, also ensuring that the systems established adequately mitigate the risks within the framework of the policy established by the Board of Directors and the Audit, Risks and Compliance Commission.

Likewise, the Group has a risk map and a specific non-financial risks map as tools for their visual representation, used to identify and assess the risks of the activities of the business and the Group.

In general, these risk maps are reviewed annually.

Periodically, the Internal Audit Department gathers and consolidates the risks identified by each business unit, in order to draw up the Group and business risk maps.

Both the comprehensive management model and the risk maps are reported to the Audit, Risks and Compliance Commission, which is also in charge of supervising and periodically evaluating the Group's risk management and control systems as well as the acceptable risk level, in view of the risk aversion, tolerance or appetite in each specific case.

E.3 State the primary risks, including tax compliance risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives.

From a general viewpoint, a risk is considered to be any threat to the fulfilment of the objectives set forth in the Group's Strategic Plan and its businesses.

In particular, the Group's business activities, and therefore also the proper execution of its strategic roadmap, are subject to risks that can be categorized as follows:

- a. Risks related to the financial situation.
- b. Strategic and operational risks.
- c. Non-financial risks.
- d. Reputational risks.

Below, for each of the above categories, we describe the risks that the Group faces in general:

- a. Risks related to the financial situation:

- Financing risk: The Group's financial obligations involve the following risks: vulnerability to the economic cycle and to market developments; limitations on the capacity to draw cash flows from operations; limitations on the capacity to adapt to changes in the markets; limitations on the capacity to obtain additional financing if necessary; disadvantages against less indebted competitors; the need to comply with certain financial ratios (covenants); and impacts arising from variations in credit ratings.

- Credit and liquidity risk: The Media businesses, which are dependent on advertising, have a high percentage of fixed costs, and the fall in advertising revenues has a significant impact on margins, cash generation capacity and cash position, making it difficult to implement additional measures to improve the Group's operating efficiency. See also "Risk of deterioration in the advertising market" for more information on the Group's risks related with advertising and its effects on credit and liquidity.

On the other hand, the nature of the Education business determines that there are periods of cash collection around certain dates, mainly during the last months of each year, which generates certain seasonality in business cash flows. This could give rise to some cash flow stress during periods when collections are historically lower.

With regards to commercial credit risk, the Group assesses the seniority of receivable balances and constantly monitors the management of collections and payments of all its activities, as well as the maturities of financial and commercial debt, and regularly analyses other financing methods in order to cover expected cash needs in the short, medium and long term.

- Interest rate risk: Upward fluctuations in interest rates imply an increase in interest expenses, which has a negative impact on the Group's available cash.

- Exchange rate risk: The Group faces fluctuations in exchange rates mainly due to financial

investments related with holdings in Latin American companies, as well as due to the income and results from these investments, which represent a significant stake of the Group's aggregate. Likewise, potential adverse developments in Latin American economies where the Group operates may lead to negative impact on exchange rates.

- Tax risk: In general, related to a possible different understanding of the regulations by the competent tax authorities, as well as to modifications of the tax regulations of the countries where the Group operates.

- Risk of impairment of intangible assets and goodwill: The valuation of these assets and goodwill is based on estimates made on the basis of the best information available at any given time. Events that may occur in the future may require these estimates to be modified downwards, which may result in the effect of these new estimates regarding the valuation of the assets being recognized in the income statement.

b. Strategic and operational risks:

- Macroeconomic risk: The evolution of macroeconomic indicators can affect the development and success of the Group's businesses both in Spain and in the Americas. The deterioration of macroeconomic indicators may have a negative impact, among others, on the Group's outlook in terms of results and cash generation, as well as on the valuation of its assets.

- Country risk: The Group's operations and investments, especially in Latin America, may be affected by various risks related with investments in countries with emerging economies or situations of instability, such as currency devaluation, restrictions on capital movements, inflation, confiscations or nationalizations, tax reforms or significant changes in policies and regulations.

- Regulatory and legal risk: The Group operates in regulated sectors (licensing policies regarding Radio and education policies in the Education business) and is therefore exposed to regulatory and administrative risks that could adversely affect its main businesses. Additionally, the Group's businesses are subject to diverse competition, merger control and antitrust regulations, both international and national.

- Risk of competition: The Group operates in highly competitive sectors. In the Education business, the Group competes both with traditional players and with smaller businesses, online platforms and digital providers that offer alternative contents and methodologies. In addition, there is a growing trend towards open educational content access through online platforms, the widespread consumption of second-hand materials and the increase of schools that do not use books and develop new contents within their curricular autonomy. In the Media businesses, competition with companies that offer online content is strong and the Group competes for advertising with traditional players, with multinational platforms of online audiovisual and music content, with new online content providers and with news aggregators. Therefore, the lack of capacity to anticipate and adapt to the needs and new demands of customers in each of the businesses may affect the Group's competitive position vis-à-vis the rest of its competitors.

- Risk of customer concentration in the public sector: Governments and public entities from the different jurisdictions in which the Group operates are relevant customers for the Education business. This dependence on public administrations may pose a risk regarding earnings, if the governments of these countries introduce changes in regulations and/or public policies.

- Risk of deterioration in the advertising market: Advertising investment (a factor on which a significant part of the Group's income depends) tends to be cyclical and reflects the general economic situation and outlook. Given the large component of fixed costs associated with the businesses and the relevant stake of advertising income in the Group's accounts, a fall in advertising income may have a significant direct impact on margins, cash generation capacity and cash position, making it difficult to implement additional measures to improve the Group's operating efficiency and, therefore, on the Group's results.

- Risk of traditional business models transformation: It refers to the development of new operators focused on the production and distribution of all types of contents (educational,

informational, entertainment, etc.) in multiple formats (text, audio, video, online, offline, etc.). As indicated above, the Group's businesses must adapt to new consumer demands and new business models since if the Group fails to do so successfully it may have a negative impact on the Group's results and cash flow generation.

- Risk of digital transformation: The businesses in which the Group operates are subject to an ongoing and deep process of technological transformation related with new methods and channels for the distribution and consumption of content, accompanied, in turn, by changes in consumer preferences and habits. The digital transformation involves a series of risks, such as the development of new products and services that respond to market trends, the diminishing value of contents in the digital environment, the greater role of technology in the development of digital businesses, the management of new digital talent, and the resistance to technological changes in the Group's businesses.

- In the area of Education, in certain geographies, especially in Latin America, subscription models with a strong digital component (educational systems) are becoming increasingly important, both in terms of content and educational experience.

- In the area of Media, alternative digital actors are emerging, including both social networks or news aggregators, as well as online content providers through various platforms, significantly expanding the options available to consumers and resulting in a fragmentation of the audience. This also implies an increase in the inventory of digital advertising space available to advertisers, while technological change makes it easier for users to avoid digital advertising on the websites and mobile applications they access. Additionally, the emergence of digital advertising networks and markets, especially, disruptive methods of advertising auctions, allows advertisers to develop more personalized advertising, and pushes prices down.

- Technology risk: The businesses in which the Group operates depend, to a greater or lesser extent, on information technology systems. These systems are vulnerable to a range of threats, such as hardware and software malfunctions, cyber-attacks, computer viruses, piracy and physical damages to technological equipment. In addition, they need regular updates and the Group may not be able to implement the necessary updates at the right time or the updates may not work as planned. The vulnerability of the Group's systems and platforms may result in the loss of data or compromise customer's data or other sensitive information; therefore, significant system failures or attacks to the security of these could have an adverse effect on the Group's operating results and financial situation.

- Data protection risk: The Group has a large amount of personal data due to the ordinary operations of its businesses, including information related to employees, readers or students. Additionally, it is subject to data protection regulations in the various countries in which it operates. Any breach of these rules could have an adverse impact on the Group.

- Intellectual property risk: The Group's business depends, to a large extent, on intellectual and industrial property rights, including, among others, brands, literary content or internally developed technology. Brands and other intellectual and industrial property rights are one of the cornerstones of the Group's success and maintenance of its competitive advantages. However, there is a risk that unauthorized third parties may try to copy or obtain and improperly use the content, services or technology developed by the Group. On the other hand, the Group, in order to make use of the intellectual property rights of third parties, has non-exclusive authorizations, in exchange for a fee, granted by entities that manage these rights and companies that create or market intellectual property assets. In this regard, technological developments eases the unauthorized reproduction and distribution of content through various channels, making it difficult to implement the protection mechanisms associated with intellectual and industrial property rights.

- Risk of litigation and third party claims: The Group is party to litigation and is exposed to liability for the contents of its publications and programs. In addition, in the course of its activities and businesses, the Group faces potential liabilities and claims in the context of its labor relations.

c. Non-financial risks:

- Environmental management. Includes risks related to responsible or sustainable raw material supply, risks related to atmospheric emissions and risks related to waste generation and circular economy.
- Social and staff management. Includes the risk derived from the lack of ability to attract and retain talent and the risk of no promotion of equality.
- Society. Comprises, on the one hand, the risk of impact on consumers, users, listeners, and readers. And, on the other hand, the cybersecurity and data privacy risks related to own staff, consumers, and supply chain third parties; being the implications at a reputational and operational level the main consequences that the Group might have to confront in this risk category.
- Supply chain. Refers to the risk of association with third parties who have no approval process.
- Risks deriving from corruption and bribery. According to the Group's criminal risks maps, the major risks that might have impact within this category would be: influence peddling, bribery associated to remuneration to public officials or intervention in public contracts or procedures, corrupt practices related to business, price alteration in public tenders, fraud and money laundering, and unlawful financing of political groups. The main indicator is the number of complaints received.

d. Reputational risks:

This category identifies the risks related with a potential negative impact on the Group and its results due to behaviors that do not meet the expectations of the market and the various stakeholders, including those related to corruption, as defined in the Group's Anti-Corruption Policy.

E.4 State whether the entity has a risk tolerance level, including tolerance for tax compliance risk.

The Group has defined an acceptable error level in relation to the risks related with financial information. In accordance with this materiality level, significant processes and accounts are identified in the control systems.

Regarding to the rest of the risks, the Group's senior management periodically evaluates them, as it is described in sections E.1 and E.2.

The Audit, Risks and Compliance Commission is in charge of both supervising and periodically evaluating the Group's risk management and control systems and suggesting to the Board of Directors the acceptable risk level, in view of the risk aversion, tolerance or appetite in each specific case.

E.5 State which risks, including tax compliance risks, have materialised during the year.

Since mid-March, the Group has worked to deal with the impact of the pandemic caused by coronavirus (COVID-19) so far. During this period, the world has been experiencing an extraordinary and unprecedented social and economic emergency.

Therefore, part of the risks identified by the Group, above all in what refers to strategic and operational risks, has been affected during 2021, specially during the first semester. Impacts range from a markedly unstable macroeconomic environment (macroeconomic risk, country risk, regulatory risk, exchange rate risk), with the economies of the countries in which the Group operates going through very complex situations (sever GDP falls followed by slow recoveries,

currency devaluations and/or volatility, etc.) and the Governments of those countries implementing unprecedented initiatives (lock downs, mobility restrictions, high regulatory activity, etc.), to a microeconomic environment of the industries in which the Group operates, very affected by the plunge and slow recovery of the advertising market in Media (risk of deterioration in the advertising market, risk of traditional business models transformation) and the partial or total schools' closure in Education (risk of traditional business models transformation, risk of customer concentration in the public sector). All together within a context of intensive digital transformation of the businesses and high competitiveness (risk of digital transformation, Technological risk, risk of competition).

In what refers to the risks related to the financial situation, the Group, after analysing the recoverability of its assets considering the current business evolution estimates, has not accounted any relevant impairment in 2021.

E.6 Explain the response and monitoring plans for all major risks, including tax compliance risks, of the company, as well as the procedures followed by the company in order to ensure that the board of directors responds to any new challenges that arise.

In order to be able to control, mitigate and manage any threat to the fulfilment of its objectives, the Group constantly monitors the risks that could affect it, according to the Risk Control and Management Policy approved by the Board of Directors of PRISA with the favorable report of the Audit, Risks and Compliance Commission and the Nominations, Compensation and Corporate Governance Commission. To perform this continuous monitoring, the Group relies on the Risk Management and Control System as described on previous sections E.1 and E.2.

F**INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATED TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)**

Describe the mechanisms comprising the System of Internal Control over Financial Reporting (ICFR) of your company.

F.1 Entity control environment

Indicate the following, detailing at least their main features

F.1.1. Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; and (iii) its supervision.

The company's approach regarding the internal control over financial reporting (hereinafter ICFR), which was initially deployed according to Internal Control Framework issued by COSO in 1992, was adapted in 2014 to the COSO Framework issued in 2013. In this regard, the Group will continue improving its ICFR system in conformity with this new Integrated Internal Control Framework.

As set out in Article 5.3 of the Board Regulations, the functions of the Prisa Board of Directors include ensuring that there is an appropriate and effective system of internal control over financial reporting (ICFR) in place and maintained. Also, pursuant to the same article of the regulations, the Board is responsible for supervising internal reporting and control systems. In this regard, the Board of Directors is assisted, for the development of these functions, by the Audit, Risks and Compliance Commission of Prisa. Among the responsibilities of the Audit Commission, is the monitoring of the preparation and presentation of the regulated financial information.

The effective implementation of internal control model is the responsibility of the CFO of Prisa, as well as the Executive Chairmans and CFOs of the Group's business units involved in the preparation of financial information which forms the basis for the preparation of Group's Financial Statements.

The monitoring of ICFR, is performed both by the Audit Commission and the Board of Prisa, with the Internal Audit function support.

F.1.2. In particular reference to the process for preparing financial information, which of the following elements are in place:

• Departments and/or mechanisms responsible for: (i) design and review of the organizational structure; (ii) defining clearly lines of responsibility and authority, with an adequate distribution of tasks and duties; and (iii) ensuring there are adequate procedures for their correct dissemination within the entity.

The Direction of Human Resources of the business units are responsible for the design, implementation, reviewing and updating of the Group's organizational structure. The Group's business units have a distribution and definition of tasks and functions in the financial areas, which have job descriptions for key roles in these areas, as well as defined lines of responsibility and authority in the preparation process of the financial reporting.

In addition, the Group's Compliance Units and the Group Compliance delegate coordinate and monitor the internal procedures of the Group companies, and its degree of documentation, updating and communication.

- **Code of conduct: approval body, degree of communication and instruction, principles and values included (indicated whether specific mention is made of the recording of operations and the preparation of financial information), the body responsible for analyzing non-compliance and proposing corrective actions and sanctions.**

Prisa Group has a Code of Ethics that sets out the principles and standards of conduct that should govern the companies in PRISA Group and all their employees, aimed at ensuring ethical and responsible behavior in the pursuit of their activities.

The PRISA Compliance Unit reports to the Audit, Risks and Compliance Commission and is the body charged with safeguarding and promoting ethical behavior of employees, associates and members of PRISA Group, and, therefore, amongst other functions, with overseeing their compliance with the Code of Ethics.

The Compliance Unit reports incidents relating to the Code of Ethics to the Audit, Risks and Compliance Commission so that the latter can assess annually the compliance with the Group's rules of governance.

The Code of Ethics has been communicated and disseminated to all employees of the Group to whom it applies. Also, both internal communication actions of specific aspects of the Code and training actions on its most relevant content are carried out periodically.

The Code of Ethics, posted on the corporate website (www.Prisa.com) sets out a series of standards of conduct based on the following principles:

- i. Respect human rights and liberties.
- ii. Promotion of career development, equal opportunity, non-discrimination due to personal, physical or social conditions, and respect for persons.
- iii. Occupational safety and health.
- iv. Environmental protection.

Specifically, in relation to financial reporting, PRISA Group considers transparency in financial information as a basic principle that must govern its actions and, therefore, establishes rules of conduct aimed at ensuring that all information, be it internal information or the information reported to the markets, to the regulators of those markets or to government authorities, be truthful and complete and adequately reflects, amongst other aspects, its financial situation and the results of its operations, and be reported on a timely basis and in accordance with the applicable standards and general principles governing markets and their proper governance that PRISA Group has endorsed.

Rules of conduct are also established aimed to guarantee that all transactions are timely recorded in the Group's systems, in keeping with the principles of existence, completeness, clarity and accuracy in the Group's systems and financial statements, in accordance with the applicable accounting standards.

- **Whistle-blowing channel for communicating irregularities of a financial and accounting nature to the Audit Commission, as well as any failures to comply with the code of conduct and irregular activities in the organization, indicating whether it is confidential in nature and whether it allows anonymous communications while respecting the rights of both the complainant and the respondent.**

The Group has a Whistle-blowing channel for the reception and treatment of complaints regarding wrongdoings or breaches related to both, internal and external regulations, in matters affecting the Group, its employees or its activities.

It is a confidential and anonymous communication channel available to any employee in the

intranet or alternatively through a post office box laid out for this purpose. The complaints received are currently managed by Prisa Compliance Unit, who reports them to the Audit Commission. Additionally, there is a confidential Whistle-blowing mailbox for third parties related to the Group and accessible through corporate website www.prisa.com. On the other hand, there are compliance mailboxes associated with the Compliance Units of each business redirected to the Prisa compliance mailbox, through which doubts about the Code of Ethics and other matters can be transferred, as well as allegations of improper behavior. In the treatment of the complaints received through these mailboxes, a procedure, like the one defined for those received through the whistleblowing channel, is followed.

- **Training and regular updating programs for the personnel involved in the preparation and review of financial information, as well as assessment of the ICFR, dealing at least with accounting standards, audit, internal control and risk management.**

The financial officers responsible for reporting in the business units and significant companies in the Group periodically receive accounting standards update bulletins. In this regard, during 2021, bulletins have been sent with the analysis of the impacts of the reform of the General Accounting Plan (PGC) in Spain and the differences that after the reform are maintained between international regulations and the PGC, and updates of the accounting treatment of the improvements obtained in lease contracts in the context of COVID.

F.2 Assessment of financial reporting risks

Inform at least on the following:

F.2.1. Which are the main features of the risks identification process? Including risks of error and fraud, indicating:

- **Whether the process exists and is documented.**

The system established in the Group for financial reporting risks identification and assessment is formally documented and updated at least once a year.

In the Group financial reporting risks assessment, it is applied a top-down approach based on the Group's significant risks. This approach starts with the identification of significant accounts and disclosures, assuming both quantitative and qualitative factors. The quantitative evaluation is based on the materiality of the account, and it is supplemented by qualitative analysis that determines the associated risk considering the characteristics of the transactions, the nature of the account, the accounting and reporting complexity, the probability of significant contingent liabilities to be generated resulting from transactions associated with the account, the susceptibility to errors or fraud losses and the potential impact on financial reporting of the risks identified in business units, corporate risks maps and during performed Internal Audit reviews.

In order to perform a full risk assessment, this analysis is performed on each business unit, as they primarily generate financial information that serves as the basis for preparing consolidated financial statements of the Group.

For each business unit, the most relevant accounts are identified, based on mentioned risk analysis. After identifying significant accounts and disclosures at each business unit and at consolidated level, we proceed to identify the relevant processes associated with them, and the main kind of transactions within each process. The objective is to document how key relevant processes transactions are initiated, authorized, recorded, processed and reported.

- **Whether the process covers all of the objectives of the financial information (existence and occurrence; integrity; evaluation; presentation, breakdown and comparability; and rights and obligations), whether it is updated, and with what frequency.**

For each account the controls are analyzed in order to cover the assertions to ensure the reliability of financial reporting, i.e. that recorded transactions have occurred and pertain to that account (existence and occurrence) , transactions and assets are registered in the correct amount (assessment / measurement), the assets, liabilities and transactions of the Group are properly disclosed, categorized and described (presentation and disclosure) and there are no assets, liabilities, and significant transactions not recorded (completeness). Complementary to risks update, the Group annually performs a review of controls that mitigate identified risks.

- **Whether there is a process for identification of scope of consolidation, taking into account among other aspects the possible existence of complex corporate structures, holding companies or special purpose vehicles.**

Among the significant processes of the Group it is considered the determination of the scope of consolidation, which is conducted monthly by the Consolidation department, set in the Corporate Finance Department, in collaboration with Legal Advisory Department, who regularly reports the corporate transactions and subscribed shareholder agreements.

- **Whether the process takes into account the impacts of other types of risk (operating, technology, financial, legal, reputational, environmental, etc.) insofar as these affect the financial statements.**

Risk assessment process takes into account the risk profile of each business unit, which is determined by their contribution to the consolidated financial statements, and assessing the specific risks, among other factors, the nature of their activities, centralization or decentralization of operations, specific industry and environmental risks, to the extent they may have potential impact in financial statements.

- **Which governing body of the entity supervises the process.**

The system is monitored, as mentioned above, by the Audit Commission with the support of the Internal Audit and, ultimately, by the Board of Directors.

F.3 Control activities

Provide information on whether at least the following exist, indicating their main features:

F.3.1. Procedures for reviewing and authorizing financial information and description of the ICFR, to be published on the stock markets, indicating those responsible, as well as documentation describing flows of activities and controls (including those relating to risk of fraud) of different transaction types that may significantly affect the financial statements, including the procedure for the accounting close and the specific review of judgments, estimates, assessments and relevant forecasts.

As for the controls on the systems or applications which are relevant in relation to the developing of financial information, these are intended to maintain the integrity of systems and data and ensure its operation over time. The controls considered on information systems are essentially access control, segregation of duties, systems operations and development or modification of

computer applications. The Group annually reviews and evaluates the controls and procedures associated with the main applications and infrastructures implied in financial reporting processes.

The Group has documentation describing flows of activities and process controls identified as significant in each business unit and at corporate level, both at general level (general controls) and at process level (transactional controls). Based on this description the key risks and mitigating controls are identified. The documentation of control activities is supported on risk and control matrixes by process. In these matrixes the control activities are classified by their nature as preventive or detective, manual or automatic, and based on the degree of mitigation of associated risks, as key or standard.

In each significant business unit there is a documented process describing the accounting close as well as specific controls concerning relevant judgments and estimates, according to the nature of the activities and risks associated to each business.

In relation to the financial reporting review and approval process, a phased certification process is developed on the effectiveness of internal control model over financial reporting. The Chairmans and CFOs in the business units and companies that are considered significant, confirm in writing, at the year end, the effectiveness of defined controls for their critical processes as well as their financial information reliability. Also, in relation to this process, as mentioned above, there are procedures for the financial information disclosed to the stock markets review and approval by the governing bodies.

F.3.2. Internal control policies and procedures for information systems (including secure access, controls over modification and operation, continuity of operations and segregation of duties) that support the relevant processes of the entity in connection to the development and publishing of financial information.

As for the controls on the systems or applications which are relevant in relation to the developing of financial information, these are intended to maintain the integrity of systems and data and ensure its operation over time. The controls considered on information systems are essentially access control, segregation of duties, systems operations and development or modification of computer applications. The Group annually reviews and evaluates the controls and procedures associated with the main applications and infrastructures implied in financial reporting processes.

F.3.3. Internal control policies and procedures for supervising the management of activities outsourced to third parties, as well as those aspects of assessments, calculations or valuations that are entrusted to independent experts, which may have a material effect on the financial statements.

In relation to the activities subcontracted by the Group to third parties, the most relevant correspond to the outsourcing to different providers of the maintenance, management and development of its applications and technological infrastructures, as well as logical security services. The supervision of these services is articulated through the monitoring of compliance with the service levels agreed with the different providers, and with meetings and monitoring committees, with defined frequency and content.

F.4 Information and communication

Provide information on whether at least the following exist, indicating their main features:

F.4.1. A specific function tasked with defining and updating accounting policies (accounting policy area or department) and resolving any queries or disputes arising as a result of their interpretation, maintaining a fluent dialog with the people

responsible for operations in the organization, as well as an up-to-date accounting policies manual that is communicated to the units through which the entity operates.

The organization has an accounting manual founded on the International Financial Reporting Standards applicable to the Group's businesses, developed by the Internal Audit Department, and annually updated and communicated to the different business units. There are also specific accounting policies developed for some Group businesses providing specific accounting treatment to correctly reflect their activities. Furthermore, Internal Audit Department periodically issues accounting newsletters that show the latest changes of international accounting standards in those aspects that could affect Group entities' financial statements.

F.4.2. Mechanisms for gathering and preparing the financial information using standard formats, applied and used by all the units in the entity or the group, which support the main financial statements and disclosures, as well as the information given on the ICFR.

Prisa counts on an unified and adapted chart of accounts applicable to all the Group companies that manage financial information within Group SAP software. Likewise, there is a single and homogeneous format of documentation for the financial reporting of Group business units which supports the financial statements, notes and disclosures included in regulated financial information.

F.5 Supervision of system effectiveness

Provide information on at least the following, indicating their main features:

F.5.1. Supervisory activities on the ICFR carried out by the Audit Commission, as well as whether the entity has an internal audit function that includes among its competencies supporting the commission in the task of supervising the internal control system, including the ICFR. Furthermore, information must be provided on: the scope of the evaluation of the ICFR carried out during the year and on the reporting procedure followed by the person in charge of conducting the evaluation; whether the entity has an action plan detailing possible corrective measures; and whether its impact on the financial information has been considered.

As part of the monitoring activities on the internal control system carried out by the Audit, Risks and Compliance Commission, the following are included:

- i. Monitor the effectiveness of the Company's internal control, internal audit and risk management system.
- ii. In relation to the external auditor, it must supervise the work performed by the latter and their conclusions, including any that have an impact on the audit report and any significant weaknesses identified in the internal control system during the audit.
- iii. Supervise the process of drawing up financial reporting for Prisa and for the Group and the integrity of the information, ensuring it meets regulatory requirements, covers the appropriate scope of consolidation and that accounting criteria are properly applied.

The Group has an internal audit unit, which supports the Audit, Risks and Compliance Commission in monitoring internal control system over financial reporting. The Internal Audit Department depends to the Audit Commission, which annually approves the audit plan for each fiscal year and the resources required for its development.

The main objective of internal audit is to provide the Group management and the Audit Commission with reasonable assurance on the environment and internal control systems operating within the Group companies having been properly managed. For this purpose, internal audit reviews the design and scope of the Group's internal control system over financial reporting, and subsequently carries out the evaluation of the design and effectiveness of the control activities

defined in the model. Annually the functioning of the general controls of the Group as well as controls related to the information systems and the key control activities in the ICFR are tested. For each of the identified weaknesses, an estimation of its impact is done. Also, for all the identified weaknesses a plan of action is defined in order to correct or mitigate the risk, including a responsible for the management and an implementation schedule. The Internal Audit Direction reports annually to the Audit Commission on the results of the evaluation of the ICFR and regularly informs on the evolution of the more relevant established action plans.

F.5.2. Whether any discussion procedure is in place whereby the auditor (in accordance with the provisions of the Technical Auditing Rules), the internal audit function and other experts may notify senior management and the Audit Commission or directors any significant internal control weaknesses identified during the processes of reviewing the financial statements and in any other processes that may have been entrusted to them. Information must also be provided on whether it has an action plan that seeks to correct or mitigate the weaknesses identified.

The significant deficiencies and material weaknesses that would have been revealed as a result of the internal audit's assessment of the of internal control system over financial reporting, are reported to both the Audit Commission and the external auditor. Internal Audit prepares an annual report on the evaluation of the internal control system over the Group's financial information in which it is detailed for each weakness identified, the mitigating controls or a defined action plan, and those responsible for its implementation.

Additionally, ultimately, the internal control system is reviewed by the statutory auditor of the Group, who reports to the Audit Commission on the significant and material weaknesses identified and gives opinion on the effectiveness of internal control over financial reporting during the year.

F.6 Other relevant information

None

F.7 External auditor's report

Provide information on:

F.7.1. Whether the information on the ICFR sent to the markets has been reviewed by the external auditor, in which case the entity should include the provided report as an annex. If that is not the case, reasons should be reported.

The system of internal control over financial reporting is audited by the external auditor of the Group that gives opinion on the effectiveness of internal control within a reasonable assurance report in accordance with ISAE 3000.

G EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's level of compliance with recommendations from the Unified Code of Good Governance.

In the event that a recommendation is not followed or only partially followed, a detailed explanation should be included explaining the reasons in such a manner that shareholders, investors and the market in general have enough information to judge the company's actions. General explanations are not acceptable.

1. That the Articles of Association of listed companies do not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of shares on the market.

Compliant

2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:
 - a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.
 - b) The mechanisms in place to resolve any conflicts of interest that may arise.

Does not apply

3. That, during the course of the ordinary General Shareholders' Meeting, complementary to the distribution of a written Annual Corporate Governance Report, the chairman of the Board of Directors makes a detailed oral report to the shareholders regarding the most material aspects of corporate governance of the company, and in particular:
 - a) Changes that have occurred since the last General Shareholders' Meeting.
 - b) Specific reasons why the company did not follow one or more of the recommendations of the Code of Corporate Governance and, if so, the alternative rules that were followed instead.

Compliant

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into

practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Compliant

5. That the Board of Directors should not propose to the General Shareholders' Meeting any proposal for delegation of powers allowing the issuance of shares or convertible securities without pre-emptive rights in an amount exceeding 20% of equity at the time of delegation.

And that whenever the Board of Directors approves any issuance of shares or convertible securities without pre-emptive rights the company immediately publishes reports on its web page regarding said exclusions as referenced in applicable company law.

Compliant

6. That listed companies which draft reports listed below, whether under a legal obligation or voluntarily, publish them on their web page with sufficient time before the General Shareholders' Meeting, even when their publication is not mandatory:
 - a) Report regarding the auditor's independence.
 - b) Reports regarding the workings of the audit committee and the appointments and remuneration committee.
 - c) Report by the audit committee regarding related-party transactions

Compliant

7. That the company reports in real time, through its web page, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Compliant

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this

opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Compliant

- 9. That the company permanently maintains on its web page the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.**

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Compliant

- 10. That when a verified shareholder has exercised his right to make additions to the agenda or to make new proposals to it with sufficient time in advance of the General Shareholders' Meeting, the company:**

a) Immediately distributes the additions and new proposals.

b) Publishes the attendance card credential or proxy form or form for distance voting with the changes such that the new agenda items and alternative proposals may be voted upon under the same terms and conditions as those proposals made by the Board of Directors.

c) Submits all of these items on the agenda or alternative proposals to a vote and applies the same voting rules to them as are applied to those drafted by the Board of Directors including, particularly, assumptions or default positions regarding votes for or against.

d) That after the General Shareholders' Meeting, a breakdown of the results of said additions or alternative proposals is communicated.

Does not apply

- 11. That, in the event the company intends to pay for attendance at the General Shareholders' Meeting, it establish in advance a general policy of long-term effect regarding such payments.**

Does not apply

- 12. That the Board of Directors completes its duties with a unity of purpose and independence, treating all similarly situated shareholders equally and that it is guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, and the promotion of continuity and maximisation of the economic value of the business.**

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and in engaging in conduct based on good faith, ethics and a respect for commonly accepted best practices, it seeks to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders, as well as the impact of its corporate activities on the communities in which it operates and the environment.

Compliant

- 13. That the Board of Directors is of an adequate size to perform its duties effectively and collegially, and that its optimum size is between five and fifteen members.**

Compliant

- 14. That the Board of Directors approves a a policy aimed at favouring an appropriate composition of the Board and that:**

- a) Is concrete and verifiable;**
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and**
- c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.**

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Compliant

- 15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.**

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Compliant

- 16. That the percentage of proprietary directors divided by the number of non-executive directors is no greater than the proportion of the equity interest in the company represented by said proprietary directors and the remaining share capital.**

This criterion may be relaxed:

- a) In companies with a high market capitalisation in which interests that are legally considered significant are minimal.**
- b) In companies where a diversity of shareholders is represented on the Board of Directors without ties among them.**

Compliant

The Company has 12 non-executive directors, of which 6 (that represent 50% of the total non executive directors) are proprietary.

The proprietary directors represent the significant shareholders Amber Capital, Vivendi, International Media Group, Consorcio Transportista Occher and Rucandio which, jointly, as of December 31, 2021, represent the 57.55% of the capital stock of the Company.

17. That the number of independent directors represents at least half of the total number of directors.

Nonetheless, when the company does not have a high level of market capitalisation or in the event that it is a high cap company with one shareholder or a group acting in a coordinated fashion who together control more than 30% of the company's equity, the number of independent directors represents at least one third of the total number of directors.

Compliant

18. That companies publish and update the following information regarding directors on the company website:

- a) Professional profile and biography.
- b) Any other Boards to which the director belongs, regardless of whether the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- d) The date of their first appointment as a director of the company's Board of Directors, and any subsequent re-election.
- e) The shares and options they own.

Compliant

19. That the Annual Corporate Governance Report, after verification by the appointments committee, explains the reasons for the appointment of proprietary directors at the proposal of the shareholders whose equity interest is less than 3%. It should also explain, where applicable, why formal requests from shareholders for membership on the Board meeting were not honoured, when their equity interest is equal to or exceeds that of other shareholders whose proposal for proprietary directors was honoured.

Does not apply

20. That proprietary directors representing significant shareholders must resign from the Board if the shareholder they represent disposes of its entire equity interest. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors representing this shareholder.

Compliant

- 21. That the Board of Directors may not propose the dismissal of any independent director before the completion of the director's term provided for in the Articles of Association unless the Board of Directors finds just cause and a prior report has been prepared by the appointments committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties attendant to his post as a director, fails to complete the tasks inherent to his or her post, or enters into any of the circumstances which would cause the loss of independent status in accordance with applicable law.**

The dismissal of independent directors may also be proposed as a result of a public share offer, joint venture or similar transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of the proportionate representation criteria provided for in Recommendation 16.

Compliant

- 22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.**

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented

Compliant

- 23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.**

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies in the case of the secretary of the Board of Directors, despite not being a director.

Compliant

- 24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.**

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Compliant

- 25. That the appointments committee ensures that non-executive directors have sufficient time in order to properly perform their duties.
And that the Board rules establish the maximum number of company Boards on which directors may sit.**

Compliant

- 26. That the Board of Directors meet frequently enough so that it may effectively perform its duties, at least eight times per year, following a schedule of dates and agenda established at the beginning of the year and allowing each director individually to propose items do not originally appear on the agenda.**

Compliant

- 27. That director absences only occur when absolutely necessary and are quantified in the Annual Corporate Governance Report. And when absences occur, that the director appoints a proxy with instructions.**

Compliant

- 28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes, upon a request from the protesting party.**

Compliant

- 29. That the company establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.**

Compliant

- 30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances require**

Compliant

- 31. That the agenda for meetings clearly states those matters about which the Board of Directors are to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.**

When, under exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Compliant

- 32. That directors shall be periodically informed of changes in equity ownership and of the opinions of significant shareholders, investors and rating agencies of the company and its group.**

Compliant

- 33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out his duties required by law and the Articles of Association, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances so dictate.**

Compliant

- 34. That when there is a coordinating director, the Articles of Association or the Board rules should confer upon him the following competencies in addition to those conferred by law: chairman of the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; reflect the concerns of non-executive directors; liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and coordinate a succession plan for the chairman.**

Compliant

- 35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account the recommendations regarding good governance contained in this Code of Good Governance and which are applicable to the company.**

Compliant

- 36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:**

- a) The quality and efficiency of the Board of Directors' work.**
- b) The workings and composition of its committees.**
- c) Diversity of membership and competence of the Board of Directors.**

- d) Performance of the chairman of the Board of Directors and the chief executive officer of the company.**
- e) Performance and input of each director, paying special attention to those in charge of the various Board committees.**

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the appointments committee.

Every three years, the Board of Directors will rely upon the assistance of an external advisor for its evaluation, whose independence shall be verified by the appointments committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group shall be specified in the Annual Corporate Governance Report.

The process and the areas evaluated shall be described in the Annual Corporate Governance Report.

Partially compliant

The Regulations of the Board of Directors provides for the procedure to carry out the annual evaluation of the Board. Nevertheless, no evaluation was conducted of the individual contribution and performance of each Board member in 2021 (although the Chairmen of the Board of Directors and of the board committees, the two executive directors and the coordinating director were evaluated individually as to fulfillment of their specific responsibilities).

The 2019 assessment was conducted with advice from an outside consulting firm (KPMG), but this was not considered necessary for the assessments conducted in 2020 and 2021.

- 37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.**

Compliant

- 38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.**

Compliant

- 39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.**

Compliant

- 40. That under the supervision of the audit committee, there must be a unit in charge of the internal audit function, which ensures that information and**

internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Compliant

- 41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.**

Compliant

- 42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:**

With regard to information systems and internal control:

- a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational , technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.**
- b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.**
- c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.**
- d) Generally ensuring that internal control policies and systems are effectively applied in practice.**

With regard to the external auditor:

- a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.**

- b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.**
- c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.**
- d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.**
- e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence**

Compliant

- 43. That the audit committee may require the presence of any employee or manager of the company, even without the presence of any other member of management.**

Compliant

- 44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draft a report beforehand to the Board of Directors regarding economic conditions and accounting implications and, in particular, any exchange ratio involved.**

Compliant

- 45. That the risk management and control policy identify or determine, as a minimum:**

- a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.**
- b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.**
- c) The level of risk that the company considers to be acceptable.**
- d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised.**
- e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks**

Compliant

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal control and management function should exist delegated to an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensure the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks that may affect the company.**
- b) Actively participate in the creation of the risk strategy and in important decisions regarding risk management.**
- c) Ensure that the risk management and control systems adequately mitigate risks as defined by policy issued by the Board of Directors.**

Compliant

47. That members of the appointment and remuneration committee -- or of the appointments committee and the remuneration committee if they are separate - are chosen taking into account the knowledge, ability and experience necessary to perform the duties they are called upon to carry out and that the majority of said members are independent directors.

Compliant

48. That high market capitalisation companies have formed separate appointments and remuneration committees.

Does not apply

49. That the appointments committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director may ask the appointments committee to consider potential candidates he or she considers appropriate to fill a vacancy on the Board of Directors.

Compliant

50. That the remuneration committee exercises its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a) Propose basic conditions of employment for senior management.**
- b) Verify compliance with company remuneration policy.**
- d) Periodically review the remuneration policy applied to directors and senior managers, including remuneration involving the delivery of shares, and guarantee that individual remuneration be proportional to that received by other directors and senior managers.**

- e) **Oversee that potential conflicts of interest do not undermine the independence of external advice rendered to the Board.**
- f) **Verify information regarding remuneration paid to directors and senior managers contained in the various corporate documents, including the Annual Report on Director Remuneration.**

Compliant

- 51. That the remuneration committee consults with the chairman and the chief executive of the company, especially in matters relating to executive directors and senior management.**

Compliant

- 52. That the rules regarding composition and workings of supervision and control committees appear in the rules governing the Board of Directors and that they are consistent with those that apply to mandatory committees in accordance with the recommendations above, including:**

- a) **That they are comprised exclusively of non-executive directors, with a majority of them independent.**
- b) **That their chairmen be independent directors.**
- c) **That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and detail their activities and accomplishments during the first plenary session of the Board of Directors held after the committee's last meeting.**
- d) **That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.**
- e) **That their meetings be recorded and the minutes be made available to all directors.**

Compliant

- 53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.**

Compliant

54. The minimum functions referred to in the foregoing recommendation are the following:

- a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.**
- b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.**
- c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.**
- d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.**
- e) Supervision and evaluation of the way in which relations with the various stakeholders are handled**

Compliant

55. That environmental and social sustainability policies identify and include at least the following:

- a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct**
- b) Means or systems for monitoring compliance with these policies, their associated risks, and management.**
- c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.**
- d) Channels of communication, participation and dialogue with stakeholders.**
- e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.**

Compliant

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgment of non-executive directors.

Compliant

57. That only executive directors receive remuneration linked to corporate results or personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments whose value is indexed to share value, or long-term savings plans such as pension plans, retirement accounts or any other retirement plan.

Shares may be given to non-executive directors under the condition that they maintain ownership of the shares until they leave their posts as directors. The forgoing shall not apply to shares that the director may be obliged sell in order to meet the costs related to their acquisition.

Compliant

58. That as regards variable remuneration, the policies incorporate limits and administrative safeguards in order to ensure that said remuneration is in line with the work performance of the beneficiaries and are not based solely upon general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk undertaken to achieve a given result.
- b) Promote sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with rules and internal operating procedures and risk management and control policies.
- c) Are based upon balancing short-, medium- and long-term objectives, permitting the reward of continuous achievement over a period of time long enough to judge creation of sustainable value such that the benchmarks used for evaluation are not comprised of one-off, seldom occurring or extraordinary events.

Compliant

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Compliant

60. That remuneration related to company results takes into account any reservations which may appear in the external auditor's report which would diminish said results.

Compliant

61. That a material portion of variable remuneration for executive directors depends upon the delivery of shares or instruments indexed to share value.

Compliant

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require

Compliant

63. That contractual arrangements include a clause which permits the company to seek reimbursement of variable remuneration components in the event that payment does not coincide with performance criteria or when delivery was made based upon data later deemed to be inaccurate.

Compliant

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Partially Compliant

On the one hand, reference should be made to the termination of the contract between the Company and Mr. Manuel Mirat in July 2021. Mr. Mirat was executive director of Prisa until July 2021 (Executive Chairman of Santillana in June-July 2021 and CEO of Prisa until June of that same year). The amount resulting from the termination of that contract exceeded the equivalent of two years of Mr. Mirat's

total annual remuneration, although it was only paid once the Company had verified that all of the criteria and conditions for payment had been fulfilled.

However, it should be noted that this severance included compensation for the ordinary employment contract that Mr Mirat had with the Company, and that was independent of the provision of services contract that governed his executive functions, first as Prisa CEO and later as Executive Chairman of Santillana.

In other respects, the contract between the Company and one of the current executive directors Mr. Francisco Cuadrado (Executive Chairman of Santillana), provides that in the event his contract is terminated: i) voluntarily by the director as a consequence of a change in control of the Company (as defined in the contract) or ii) unilaterally terminated at the Company's discretion or due to breach on the part of the Company, the executive director will be entitled to a fixed-amount post-contract non-competition compensation equal to six months' of his last gross salary and, in addition, to a total compensation of 1,643,020 euros (gross). In determining this amount the following were taken into account (a) the amounts for wrongful dismissal to which Mr. Cuadrado would have been entitled for the termination of the ordinary employment and senior management contracts under which Mr. Cuadrado was employed in different Grupo Prisa entities from 18 October 1989 until the entry into force of his present contract (July 2021) and (b) a gross up to compensate the loss to Mr. Cuadrado for not being able to benefit from the maximum exemption for dismissal or termination of workers provided for in article 7.e) of the Individual Income Tax Act. Moreover, the termination of Mr. Cuadrado's provision of services contract entitles him to an additional gross compensation in the amount currently established as the social security contributory unemployment benefit, taking as a reference the maximum contributory quota and the maximum period for which that benefit is granted.

In view of the above, if the provision of services contract governing Mr. Cuadrado's executive functions were terminated, his compensation would exceed the limits provided for in this recommendation.

H FURTHER INFORMATION OF INTEREST

- 1. If there is any aspect regarding corporate governance in the company or other companies in the group that have not been included in other sections of this report, but which are necessary in order to obtain a more complete and comprehensible picture of the structure and governance practices in the company or group, describe them briefly below.**
- 2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not redundant.**

Specifically, state whether the company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include any information required under this legislation that differs from the data requested in this report.

- 3. The company may also state whether it voluntarily complies with other ethical or best practice codes, whether international, sector-based, or other. In such a case, name the code in question and the date the company began following it. It should be specifically mentioned that the company adheres to the Code of Good Tax Practices of 20 July, 2010**

-With regard to Section A.5 of this report, see section D.

- With regard to Section B.2 of this report, it should be underscored that in the Company's internal regulations (Articles of Association, General Meeting Regulations and Board of Directors Regulations) the power to issue non-convertible bonds has been transferred from the General Meeting to the Board. Therefore, although those regulations stipulate the same qualified majorities as are set out in article 201.2 of the LSC for the cases provided for in article 194.1 of the LSC, the quorums and qualified majorities required for the issue of bonds by the General Meeting apply exclusively to resolutions for the issue of convertible bonds.

-It should be noted that the Company has answered section C.1.5 in this Report taking into account the wording of subsection 6 of article 540.4.c) of the Corporate Enterprises Act (LSC), in accordance with Law 11/2018, of December 28 amending the Commercial Code, the consolidated text of the LSC and the Law on Account Audits in matters of nonfinancial information and diversity.

-Concerning section C.1.9 of this Report, it should likewise be noted that until 29 June 2021 the Company had a CEO (Mr. Manuel Mirat Santiago).

- Regarding section C. 2 of this Report, it should be noted that in February 2022 the Board of Directors resolved: i) to create a Sustainability Committee composed of five directors and ii) to appoint director Ms. Carmen Fernández de Alarcón member of the Audit, Risks and Compliance Committee, replacing Amber Capital.

-As PRISA's ADS are not listed on the NYSE (see Section A.14 of this Report), the Company is not subject to the corporate governance requirements specified by the Securities Exchange Act, the Sarbanes-Oxley Act and the NYSE.

-Prisa does not prepare any annual corporate governance report other than this one.

- The Company is not a signatory to the Code of Best Tax Practices of 20 July 2010.

- Lastly it is placed on record, in general for the entire Report that the taxpayer identification numbers (CIF) attributed to certain natural and legal persons are fictitious and have only been included to be able to complete the electronic template.

This Annual Corporate Governance Report was approved by the Board of Directors of the company at the meeting held on March 28, 2022.

State whether any directors voted against or abstained from voting on this report.

NO

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

APPENDIX I

Model and statistics of the Annual Report on Remuneration of Directors of Circular 4/2013, of the Spanish National Securities Market Commission

MODEL ANNEX I ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED CORPORATIONS.

THE ISSUER'S IDENTIFYING DATA

END DATE OF FISCAL YEAR OF REFERENCE

12/31/2021

TAX IDENTIFICATION NO. A28297059

Corporate Name PROMOTORA DE INFORMACIONES, S.A.

Registered Office: GRAN VÍA 32 - 28013 Madrid

<p style="text-align: center;">ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED CORPORATIONS.</p>
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BACKGROUND (FOR A BETTER UNDERSTANDING OF THE REPORT):

- i. Changes in the organisation chart of Grupo PRISA, in the structure of the Board of Directors and adaptation of the Directors' Remuneration Policy, in fiscal year 2021.

This remuneration report refers to the company PROMOTORA DE INFORMACIONES, S.A. (hereinafter referred to as "**PRISA**" or the "**Company**"). The business group of which PRISA is the parent company shall be referred to as the "**Group**" or "**PRISA Group**".

PRISA's Extraordinary Shareholders' Meeting held on 18 December 2020 approved a Remuneration Policy for PRISA directors applicable for the 2020 and 2021 financial years ("2020/2021 Remuneration Policy"). Said text provided for the remuneration of a single executive director in the Company (who at that time was its CEO and first executive, Mr. Manuel Mirat Santiago).

Subsequently, in March 2021, PRISA's Board of Directors approved a new organisational chart with a view to implementing the operations of the Group's Education (Santillana) and Media (Radio and News) businesses, accelerating the advancement of Santillana and establishing the basis for creating PRISA Media (the new business unit that unifies the Group's Radio and News businesses). In view of the new organisational chart, it was decided that PRISA should evolve from having a sole executive director (the CEO) to having two executive directors, one as head and Executive Chairman of Education (Santillana) and the other as head and Executive Chairman of PRISA Media, resulting in the following:

- Mr. Carlos Nuñez Murias was appointed Executive Chairman of PRISA Media (in May 2021) and executive director of PRISA (by resolution passed at PRISA shareholders meeting in June 2021) and,
- Mr. Manuel Mirat Santiago assumed the Executive chairmanship of Santillana and resigned as CEO of PRISA, with effect from the holding of the aforementioned shareholders' meeting in June 2021.

In this context, it was necessary to adapt the 2020/2021 Remuneration Policy to the new organisation chart of the PRISA Group derived from the operating division of the Education and Media businesses, which contemplated two executive directors with the right to remuneration for the performance of executive functions in the scope of the respective businesses.

At the Ordinary Shareholders' Meeting held in June 2021, the following resolutions were adopted at the proposal of the Board of Directors and following a report from the Appointments, Remuneration and Corporate Governance Committee ("**ARCGC**"):

- a) As already indicated, the re-election and appointment, respectively, of Mr. Manuel Mirat Santiago and Mr. Carlos Nuñez Murias, as directors of

PRISA, with the category of executives. Likewise, it was also resolved the appointment of a new proprietary director, Ms. Carmen Fernández de Alarcón, so increasing the number of PRISA directors from 12 to 14.

After the shareholders meeting, the appointment of Mr. Manuel Mirat Santiago as Executive Chairman of Santillana became effective, as well as his resignation as PRISA's CEO.

Thus it was implemented the new organisation of Grupo PRISA's two business areas (Education and Media) headed respectively by Mr. Manuel Mirat and Mr. Carlos Nuñez, who likewise will serve as executive directors of PRISA.

- b) Approval of a new director remuneration policy, applicable for the years 2021, 2022 and 2023 ("**2021/2023 Remuneration Policy**" "**Remuneration Policy**" or the "**Policy**").

With respect to the 2021 financial year, this Remuneration Policy superseded and replaced the text of the 2020/2021 Remuneration Policy, without prejudice to the remuneration accrued under said remuneration policy, which remained valid.

Subsequently, in July 2021 the Board of Directors approved the succession to Santillana's chairmanship and Mr. Manuel Mirat was replaced by Mr. Francisco Cuadrado as Santillana's executive chairman. Likewise, Mr. Mirat resigned as executive director of Prisa and the Board of Directors appointed, by co-option, Mr. Cuadrado, as an executive director of Prisa.

On the other hand, during the 2021 financial year Mr. Javier de Jaime (in February 2021) and Mr. Dominique D'Hinnin (in November 2021) resigned as directors of PRISA, having been replaced by the independent directors Ms. José Marín and D^a Teresa Quirós, respectively.

ii. Crisis caused by the Covid-19 pandemic:

At the beginning of the COVID-19 crisis (first quarter of 2020) and in order to mitigate the negative impact of the current situation which has a special effect on the main sources of income generation of all kind of media, the Board of Directors 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:

- o Fiscal year 2020: In fiscal year 2020 a reduction was applied from April to December 2020, both inclusive, of 20% in the directors remuneration and around 35% in the annual remuneration of the then Chief Executive Officer and the Senior Management. Also, the Chief Executive Officer and senior managers of PRISA voluntarily decided to waive the part of their annual variable remuneration pegged to quantitative objectives for 2020. Subsequently, in January 2021, Mr. Mirat also waived the portion of the annual variable remuneration for the 2020 fiscal year corresponding to

qualitative objectives, thus voluntarily waiving the total annual variable remuneration to which he may be entitled in the 2020 fiscal year.

- Fiscal year 2021: With the pandemic still rampant and no return yet foreseen to sufficient revenue levels, at the beginning of fiscal year 2021, new temporary interim measures were adopted to contribute to dealing with this complicated scenario and it was proposed to all employees with annual gross remuneration of €85,000 or higher, a temporary salary reduction (of 10% of the fixed remuneration) during 2021, including the then Chief Executive Officer. Likewise it was applied a 20% reduction in the remuneration of the non executive Board members during the same time period (although this would not affect of the remuneration of the non-executive Chairman, whose remuneration has already been cut by 50%, from €400,000 to €200,000 in December 2020).

As it will be explained in this report, certain contingency measures will continue to be applied in 2022 that will affect the remuneration of non-executive directors.

iii. Previous contractual relations with Grupo PRISA of the executive director Mr. Francisco Cuadrado:

Prior to assuming the position of Executive Chairman of Santillana and executive director of Prisa (July 2021), Mr. Cuadrado has provided his services to different companies of the Santillana division, within the PRISA Group, with which he has been linked by contractual relationships of different nature since October 1989.

At the time of signing his contract as Executive Chairman of Santillana, an agreement was executed to terminate the legal relationships that were in force or suspended between Mr. Cuadrado and Santillana.

iv. Situation at the close of fiscal year 2021 and at the date of approval of this report:

The two executive directors of PRISA are Mr. Carlos Nuñez (Executive Chairman of Prisa Media) and Mr. Francisco Cuadrado (Executive Chairman of Santillana), who have signed services agreements with the companies PRISA Media, S.L. and Grupo Santillana Educación Global, S.L.U., respectively. This report will refer to them jointly as the "**Executive Directors**" and individually as "**Executive Director of PRISA Media**" and "**Executive Director of Santillana**", as appropriate.

At the date of approval of this annual report on remuneration of directors for 2021 (the "**Report**" or "**Annual Report on Remuneration**") PRISA'S Board of Directors has 14 members: 2 Executive Directors, 6 proprietary directors and 6 independent directors.

Likewise, the Board of Directors has the following committees: an Executive Committee, an Audit, Risk and Compliance Committee, the ARCGC and a Sustainability Committee (which has been recently established by resolution of the Board of Directors meeting held in February 2022) .

A. THE COMPANY'S REMUNERATION POLICY FOR THE CURRENT YEAR (2022)

A.1.1. Explain the directors' remuneration policy in force in the current fiscal year. To the extent that it is relevant, certain information may be included by reference to the remuneration policy approved by the General Shareholders' Meeting, provided the inclusion thereof is clear, specific and exact.

A description should be given of the specific determinations, for the current fiscal year, of the remuneration of the directors in their capacity as such for the performance of executive functions, made by the Board of Directors both in accordance with the provisions of the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting.

In any case, at least the following aspects shall be reported:

- a) Description of the company's procedures and bodies involved in the determination and approval of the remuneration policy and its terms and conditions.*
- b) Indicate and, as appropriate, explain whether comparable companies have been taken into account to establish the company's remuneration policy.*
- c) Information on whether any external advisor has participated and, if so, the identity thereof.*
- d) Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.*

A.1.1.1. Directors' remuneration policy in force in the current fiscal year

A.1.1.1.1. "Remuneration Policy 2021/2023":

As indicated in the "Background" section above, the Ordinary Shareholders' Meeting held on 29 June 2021 approved the Directors' Remuneration Policy applicable for fiscal years 2021, 2022 and 2023.

In accordance with the provisions of article 529 novodecies of the consolidated text of the Spanish Companies Act (the "**Spanish Companies Act**"), a reasoned proposal from the Board and the ARCGC report on the new Remuneration Policy were made available to the shareholders. The documents are available on the corporate website www.prisa.com.

The purpose of the updates to the text of the remuneration policy basically was to:

- i. Adapt the Remuneration Policy to the Group's new organisational structure derived from the planned operational division of the PRISA's Education and Media businesses, which provides for two executive directors with the right to remuneration for the performance of executive functions in the area of their respective businesses.

- ii. Remove from the text of the policy certain remuneration items whose duration had expired, and which are therefore no longer applicable;
- iii. Taking into account the prevailing socioeconomic circumstances as well as the specific circumstances of the Company in particular, it was considered appropriate for the Non-executive Chairman's remuneration range (which was between 300,000 and 500,000 euros per annum until December 2020) to be reduced down to a range between 200,000 and 300,000 euros per annum.
- iv. Introduce new medium-term incentive plans targeted at certain key professionals in the Company and its Group to compensate the extraordinary efforts needed to achieve the value creation objectives set for the Group's Education and Media businesses and recognise the value created by the participants for PRISA and its shareholders.
- v. Provide the market with more certainty on the remuneration policy that the Company will apply in 2022 and 2023.
- vi. To introduce the legislative amendments approved by virtue of Act 5/2021 of 12 April 2021 (which amended the consolidated text of the Spanish Companies Act and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies) that affect the content and form of the remuneration policy of listed companies.

The Remuneration policy 2021/2023 aims to keep the remuneration structure of the members of the Board of Directors in line with the Group's general strategy, thus promoting a system of effective incentives that guarantees results-orientation, implementation of the Group's strategic plan and the creation of value for shareholders in a way that is sustainable in the medium and long term, while contributing to the interests of the Group and the long-term sustainability of the Company.

In short, the 2021/2023 Remuneration Policy provides continuity from the Company's remuneration policy applicable in recent years, but adapting it to the Company's new circumstances and organisational structure, as well as new regulations.

A.1.1.1.2. General principles of the Remuneration Policy:

The general principle of the PRISA Remuneration Policy is for the remuneration to be what is needed to attract, retain and motivate distinguished directors with appropriate professional profiles who contribute to reaching the strategic objectives of PRISA Group. Specifically, PRISA Remuneration Policy is based on the following principles:

- i. **Moderation and adaptation to the best market practices:** The aim is for the remuneration of directors to be moderate and consistent with market trends and references in relation to remuneration in the Company's sector of business or at companies that are comparable in terms of size, activity

or their structure, so that they are in keeping with the best market practices.

- ii. Proportionality: The remuneration of non-executive directors must reflect the effective dedication, qualification and responsibility required by the post, but must not be so high as to compromise the director's independence of mind.
- iii. In addition, the remuneration of the directors who perform executive functions is based on the following principles:
 - a) To motivate their permanence and guide their management with exigency and special focus on the long term, and is reasonably linked to the performance of the stock market price in that time period.
 - b) To reflect the Company's current situation, perspectives and aims of sustainable growth. The remuneration system established is aimed at promoting profitability and sustainability at the Company on the long term.
 - c) To include fixed and variable components, with an annual or multi-year scope, as appropriate, in cash and in kind, and in elements indexed to share value or to the value of the Group's business, determined according to the following criteria, in order for the weighting of the different remuneration components to be in line with market practices:
 - The fixed remuneration must be kept at moderate levels and is not modified during the term of the Policy, unless specific circumstances arise which making revising the Policy advisable.
 - Variable remuneration must represent an important part of total remuneration.
 - Medium-term remuneration must have a significant weight.
 - The share-based remuneration must also be significant, but without being the only criterion to define the variable remuneration.
 - The total variable remuneration must be partially deferred over time.
 - d) To include in their contracts a clause that enables the Company to claim back any variable remuneration paid, in the event it is subsequently verified, on an objective basis, that said remuneration was determined based on incorrect or inaccurate data.

- iv. Restrictions on the transfer of the shares that the directors may receive as part of their remuneration package: The Policy establishes that non-executive directors may receive shares in payment for their fixed remuneration and, in that case, they have the obligation to maintain the ownership of those shares until their relationship as director is terminated. Moreover, the executive directors who receive Company shares in payment for their remuneration shall have the obligation to maintain the ownership of those shares for at least three years since the allocation of those shares. An exception to the above is made for situations where, at the time of transfer or exercise, the director has a net economic exposure to share price fluctuations for a market value equivalent to two times or more the director's annual fixed remuneration through ownership of shares, options or other financial instruments. Other cases expressly provided for in the Policy are also exempted from the above.

These exceptions shall not apply to shares that the director needs to dispose of in order to meet the costs related to their acquisition or, subject to the favourable opinion of the ARCGC, to meet extraordinary situations that so require.

- v. Long-term sustainability of the Company: remuneration for board members established in the Remuneration Policy will remain reasonably proportionate to the relevance of the Company, its current economic and financial situation and to the market standards of comparable businesses. Additionally, the remuneration system will be oriented to promote long-term profitability and sustainability of the Company, including the necessary precautions to avoid assuming excessive risks and to prevent compensating unfavourable result.
- vi. Alignment with the business strategy: the Remuneration Policy aims to establish remuneration with objective criteria in relation to the individual performance of the members of the Board of Directors and the achievement of the Company's and the Group's business objectives. For this purpose, variable annual components are foreseen, linked to the achievement of specific, predetermined, quantifiable objectives aligned with the Company's corporate interest and strategic objectives. In addition, medium and long-term incentives are foreseen to strengthen and encourage the achievement of the Company's strategic objectives (based on the operational separation of the Education ("Santillana") and Media ("PRISA Media") businesses and the enhancement of the value of Santillana).

In the preparation of the Remuneration Policy and in the determination of the remuneration scheme and other terms and conditions of remuneration of directors and senior management, the Board of Directors has paid attention to the employment conditions of the Company and the Group. In this regard, the Remuneration Policy is aligned with that of the rest of the PRISA Group's employees in Spain, both in terms of the principles that inspire it and in terms of the main components of remuneration.

On the other hand, and in accordance with the provisions of the Remuneration Policy, the Board of Directors, in order to contribute to the maintenance of a proportionate and balanced remuneration structure, has endeavoured to ensure that the ratio between the average remuneration of directors and senior management and that of employees in Spain (considering 2,367 employees at the time of approval of the Policy by the Board of Directors in May 2021) was reasonable, taking into account the situation of the Company and the sectors in which it operates, as well as the practice of the market and other comparable education and media groups. Considering the data available at the time the Policy was approved: in particular, it was ensured that the average remuneration of senior managers (considering four managers and excluding the two executive directors) did not represent more than 5.2 times the average salary of the workforce in Spain; that the average remuneration of external directors (considering 12 external directors, including the Chairman) did not represent more than 2.3 times the average salary of the workforce in Spain; and that the remuneration of the two executive directors did not represent more than 10.4 times the average salary of the workforce in Spain.

The Remuneration Policy to be applied in fiscal year 2022 will therefore be that approved by the Ordinary Shareholders' Meeting held on 29 June 2021, which includes the principles and bases of prudence, moderation and transparency described before. However, the Company intends to submit to the consideration of the next shareholders' meeting to be held in 2022 the update of the aforementioned Remuneration Policy in order to adjust it to the new organisation of the Board of Directors.

A.1.1.1.3. Contingency measures to be implemented in fiscal year 2022, in the context of the Covid-19 crisis.

As part of the contingency plan implemented in 2020 to minimise the effects caused by the COVID-19 crisis, the Board of Directors, at the proposal of the ARCGC, has resolved that the same 20% reduction in the remuneration of the members of the Board that was applied for 2021 (see the Background of this Report) will continue to be applied during the 2022 financial year and the remuneration of the non-executive Chairman (which in December 2020 already underwent a 50% reduction) will continue to be exempted from the above. Likewise, the remuneration corresponding to the chairmanship of the Appointments, Remuneration and Corporate Governance Committee (ARCGC), the Audit, Risk and Compliance Committee and the Sustainability Committee (in the latter case, once the new Remuneration Policy sets the remuneration of the members of this Committee) shall be exempt, given the special workload, dedication and responsibility that such positions entail.

These measures are in line with the principles set forth in the Company's Remuneration Policy, by virtue of which the remuneration of the directors must be in accordance with the best market practices and must take into account the current situation, prospects and sustainable growth objectives of the Company, keeping a reasonable proportion with its economic and financial situation. Likewise, the Remuneration Policy foresees that the fixed remuneration of the directors will be maintained at moderate levels without undergoing modifications

during the period of validity of the Policy, unless specific circumstances become evident that would call for its revision.

A.1.1.2. Specific determinations of the remuneration of the directors

A.1.1.2.1. Specific determinations of the remuneration of the directors both in their capacity as such and for the performance of executive functions

In relation to the specific determinations for the fiscal year in course, the remuneration of the directors both in their capacity as such and for the performance of executive functions, the ARCGC and the Board of Directors are going to apply in 2022 the Remuneration Policy strictly on strictly on its terms which means that:

- i. The non-executive directors will be paid a fixed annual allowance in cash for belonging to the Board of Directors and, as appropriate, an additional fixed amount of remuneration for belonging to or presiding over the committees of the Board of Directors (the "Committees").
- ii. The remuneration of the directors in their capacity as such (not as executives) will be compatible with any which they may receive for participating on the Boards of Directors of other Group companies, pursuant to their respective bylaws.
- iii. The directors of PRISA will not receive per diems for participating on the Boards of Directors and Committees or other fixed remuneration as directors.
- iv. The expenses associated to travel, meals and accommodation to attend the meetings of the Board of Directors and Committees will be reimbursed by the Company, where they have been previously notified to the Company and accepted by it, and where they are duly justified.
- v. In accordance with the Remuneration Policy, the remuneration of non-executive Chairman of the Board, will consist of a specific fixed remuneration for all concepts ranging between 200,000 and 300,000 euros per year and the specific fixed amount that at all times corresponds to Chairman of the Company is established by the Board of Directors, as proposed by the ARCGC, within this range, taking into consideration the levels of responsibility and dedication required to be Chairman of the Board of Directors and of the Executive Committee, as well as the specific circumstances in the functions performed by the non-executive Chairman, taking into account the specific characteristics of the individual, his or her expertise, career and experience, as well as, in general, the professional suitability for the position.

The remuneration will be paid in cash and will be prorated monthly. It will be incompatible with receiving the remuneration established in points a) and b) above.

- vi. According to the Policy and the detail of their contracts the remuneration of the executive directors (Mr. Francisco Cuadrado, Executive Chairman of Santillana and Mr. Carlos Nuñez, Executive Chairman of PRISA Media) may include the following remuneration items: (i) fixed remuneration, (ii) variable remuneration in the short term, (iii) variable remuneration in the medium or long term, (iv) social security; (v) remuneration in kind and (vi) insurance, indemnities, agreements for exclusivity, post-contractual non-competition or permanence.

The executive directors will not receive the remuneration established for the non- executive directors indicated in the previous letters of this heading.

A.1.1.2.2. Maximum remuneration of the directors:

The Remuneration Policy establishes that the maximum amount of remuneration that the Company may pay yearly to the directors is that resulting from totalling:

- i. The maximum annual amount of 2,000,000 euros, on top of which amounts to be paid to the directors for the functions detailed in sections i), and v) of section A.1.1.2.1 may be added (i.e., the fixed remuneration for participating on the Board of Directors and the committees of the Board of the non-executive directors as well as the annual fixed remuneration of the non-executive Chairman).

The aforementioned amount has, in any case, the nature of maximum, and it falls to the Board of Directors to propose how that amount will be distributed amongst the different remuneration components and amongst the directors, in the form, date and proportion freely determined by the Board in light of the functions and responsibilities attributed to each one, their membership and duties on the Board Committees and other objective circumstances as may be deemed relevant.

- ii. The amounts for the following concepts corresponding to the executive directors for their executive functions: fixed remuneration, variable remuneration and remuneration in kind.
- iii. In the event of termination of the executive directors, the amount to which they are entitled, according to the conditions of their contract, under the terms of section A.1.9 ahead.

A.1.1.3. Description of the procedures and bodies at the Company involved in the determination and approval of the remuneration policy and its terms and conditions

The bodies in charge of designing the Remuneration Policy are the Board of Directors and the ARCGC, while the General Shareholders' Meeting is the one that has the authority, according to article 9 of PRISA's bylaws ("**Bylaws**"), to approve the Directors' Remuneration Policy, pursuant to applicable legislation.

As established in the Corporate Bylaws and in the PRISA Board of Directors Regulations ("**Board Regulations**"), according to articles 249, 249 bis and 529 of consolidated Spanish Companies Act, the Board of Directors shall be in charge of:

- i. Decisions regarding directors' remuneration, within the framework of the Bylaws and, where appropriate, the remuneration policy approved at the General Shareholders' Meeting.
- ii. Approving the terms and conditions of the contracts of the directors that have been attributed executive functions.
- iii. Setting the remuneration of the directors for performing executive functions.

The Board Regulations attribute to the ARCGC not only the functions determined by the Spanish Companies Act but also the following powers in relation to the remuneration of the directors:

- i. Propose to the Board of Directors the remuneration policy of directors and senior managers, and the individual remuneration and other contractual conditions of the executive directors. In turn, the Board Regulations provide that the Sustainability Committee shall propose to the ARCGC the terms of the variable remuneration of the Company's executive directors and senior managers, which are linked to sustainability objectives.
- ii. Ensure that the policy is observed and that the remuneration policy for directors and senior managers, including share-based remuneration systems and their application, are periodically reviewed, and ensure that their individual remuneration is proportionate to their responsibility and dedication and to that of the other directors and senior managers at the Company.
- iii. Inform the Board of Directors of proposals relating to the terms of the variable remuneration of the executive directors and senior managers at the Company, and of the other incentive plans addressed to them and, as the case may be, verify the degree of achievement of the objectives established for them.
- iv. Verify the information on the remuneration of directors and senior managers set out in the different corporate documents and, in particular, prepare the annual report on directors' remuneration for approval by the Board of Directors.

The ARCGC shall be formed by a minimum of three and a maximum of five non-executive directors, the majority of whom shall be independent directors. The designation of the Committee members shall seek to ensure that they have the appropriate knowledge, skills and experience for the functions which they will perform and, particularly, in corporate governance issues, strategic analysis and evaluation of human resource, recruitment of directors and managers, performance of senior management functions and design of remuneration policies and plans for directors and senior managers. The appointment and removal of

Committee members shall be done by the Board of Directors at the proposal of the ARCGC itself.

At the date of preparation of this Report, the composition of the ARCGC is as follows:

- Ms. Beatrice de Clermont-Tonnerre, independent external director, as Chairman.
- Mr Javier Santiso Guimaras, independent non-executive director, as a member.
- Mr Rosauro Varo Rodriguez, independent non-executive director, as a member.
- Ms Carmen Fernández de Alarcón, proprietary director, as a member.

A.1.1.4. Comparable companies used to establish the company's remuneration policy

The aim of the PRISA Remuneration Policy is for directors' remuneration to be reduced and to comply with market trends and references in relation to remuneration in the Company's sector of business or at companies that are comparable in size, activity or structure, so that they are in-keeping with the best market practices. At the same time, the Company's remuneration systems have to be capable of attracting, retaining and motivating talent.

As indicated in last years' Remuneration Reports, PRISA participated in a remuneration study prepared by the firm Korn Ferry, which analysed the amounts and trends in remuneration paid to directors and members of senior management at a set of companies that are comparable to PRISA in terms of stock market capitalisation and annual income (the "**Study**"). Specifically, in that Study, the Company was included in a comparison group along with thirteen other companies, based on the following segmentation criterion: companies with an annual volume of revenues and/or stock market capitalisation in excess of 1.3 billion euros, whether or not their business activities and transactions have international exposure.

According to the Study, the then CEO's fixed remuneration and short-term annual variable remuneration target was below the median of the comparison group. Moreover, the items making up the CEO's remuneration package were in line with those of the peer group.

The Study indicated that the fixed remuneration received by PRISA's directors in respect of their positions as Board members (non-executive) was below the median for directors on the boards of the IBEX 35 companies.

A.1.1.5 Participation of external advisors.

Whenever the ARCGC considers it appropriate, its proposals receive the necessary external advice to carry out their analysis and preparatory work.

For the preparation of the Remuneration Policy, which was approved at the Ordinary Shareholders' Meeting held on 29 June 2021, the Company was advised externally by the firm Uría & Menéndez.

In 2021 Uría & Menéndez has also advised the Company on the configuration of the contracts, currently in force, of the executive directors (Mr. Carlos Nuñez, as Executive Chairman of Prisa Media and Mr. Francisco Cuadrado as Executive Chairman of Santillana).

On the other hand, in relation to the review, update and analysis of the degree of achievement of the objectives linked to the 2018-2020 medium-term deferred remuneration settled in February 2022 (referred to in sections A.1.2.1 and A.1.6 of this Report) the ARCGC has received external advice from KPMG. Willis Tower Watson also advised on the design of the 2021-2024 Medium-Term Incentive Plan linked to Santillana's value creation (referred to in sections A.1.2.1 and A.1.6. of this Report).

The ARCGC has also received external advice on issues related to the contractual conditions of certain members of senior management, as well as on other matters within its competence.

A.1.1.6 Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy

The Remuneration Policy does not contemplate any procedure to apply temporary exceptions.

A.1.2. Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.

Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.

A.1.2.1 Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix)

As established in the Remuneration Policy, only the executive directors will participate in the variable remuneration system. Thus, the Policy complies with Recommendation 57 of the CNMV (according to which variable remuneration should be confined to executive directors).

The variable remuneration system for the Executive Directors described below is as provided in the Remuneration Policy and in their contract with the Company.

The aim of the theoretical variable remuneration received by the Executive Directors is to foment their commitment to the Company and incentivise the best performance of their functions, and it represents an important portion of their total remuneration, being linked to the achievement of objectives established by the Board of Directors in advance, which are mostly specific and quantifiable, so that it does not derive simply from general performance of the market, the Company's business sector or other similar circumstances. The criteria to award the variable remuneration are both financial and non-financial as recommended by international good governance practices in relation to the remuneration of the Directors.

The aim of the Company, in relation to the Group's executives, is to design competitive remuneration packages that permit attracting, retaining and motivate top-tier professionals while establishing a link between their remuneration and the results and objectives of the Company and the Group.

Every year the parameters of a variable remuneration system are defined which complies with formal procedures for determining the amounts to be paid to the Executive Directors. The objectives are set down in writing in advance, and their achievement is determined according to the Executive Directors' results and approved by the Board of Directors, at the proposal of the ARCGC.

The determination of the variable remuneration for the Executive Directors takes into account mainly quantitative business-related objectives, which include the Group's operational and financial objectives, value creation objectives, and qualitative objectives relating to ESG metrics, skills and conduct which are required of a top-tier executive of such characteristics. For fiscal year 2022, 100% of the objectives will be quantitative, without subjective variables.

The variable components of remuneration have sufficient flexibility to permit adjusting them to the point of being able to eliminate them altogether. There is no right to obtain guaranteed variable remuneration (with the exception explained below in relation to the variable remuneration corresponding to the 2021 fiscal year of the Executive Chairman of PRISA Media, Mr. Nuñez). The ARCGC's participation facilitates taking into account the risks associated to remuneration in discussions and in their proposal to the Board of Directors, both when determining and when assessing the annual and multi-year incentives.

Currently, the variable remuneration system for Executive Directors includes short-term annual variable remuneration and a medium-term incentive plan.

Likewise, the Executive Directors may be beneficiaries of an extraordinary incentive linked to the success of strategic operations key to the Group's interests, when so decided by the Board of Directors. Additionally, it should be noted that, as indicated later in this Report, the "Medium-term deferred variable remuneration for the period 2018-2020" in favour of the former Executive Director Mr. Manuel Mirat has been settled in February 2022).

To determine the relative importance of the variable vs. fixed remuneration items ("Remuneration Mix"), the following is taken into account:

i. Fixed remuneration:

Fixed remuneration which, in the case of the Executive Director of Santillana amounts to 475,000 euros and in the case of the Executive Director of Prisa Media is 400,000 euros.

ii. Short-term annual variable remuneration:

Annual short-term variable remuneration amounting to 250,000 euros for each of the Executive Directors, for a level of achievement of 100% of the established objectives. In relation to the variable remuneration corresponding to the 2021 financial year (which is settled in the 2022 financial year), there is the possibility of increasing this amount up to a maximum of 130% if the degree of achievement of the established objectives is greater than 100%, so that the maximum amount that each of the Executive Directors could receive for this remuneration item is 325,000 euros gross.

Taking into account that the two Executive Directors have assumed their responsibilities as Executive Chairman of PRISA Media and Executive Chairman of Santillana, respectively, throughout the 2021 financial year, the annual variable remuneration for this period (see section B.3.1 ii) b) of this Report) is subject to the following particularities, in accordance with the stipulations of their respective contracts with the Company:

- a) The annual variable remuneration of Mr. Carlos Nuñez (Executive Chairman of PRISA Media) is calculated in proportion to the length of service during the year 2021, although, exceptionally, the Company guarantees the payment of 50% of the annual variable remuneration mentioned above (i.e. 50% of €250,000).
- b) With respect to the variable remuneration of Mr. Francisco Cuadrado (Executive Chairman of Santillana) for the performance of his duties during the year 2021, it is calculated as follows:
 - Until 31 July 2021, the amount of the annual variable remuneration is calculated by applying the percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 160,000 euros gross; and

- From 1 August 2021 to 31 December 2021, the amount of the annual variable remuneration is calculated by applying the same percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 250,000 euros gross.

In relation to the variable remuneration corresponding to fiscal year 2022 (payable in fiscal year 2023), there is the possibility of increasing said amount up to a maximum of 150% if the degree of achievement of the objectives set is higher than 135%, so that the maximum amount that each of the Executive Directors could receive for this remuneration item is 375,000 euros gross.

iii. Long-term variable remuneration.

The contracts of the Executive Directors provide that they shall be entitled to participate in the medium or long-term variable remuneration systems established by the Company with which they have the contract or by PRISA, for its executive personnel, under the terms approved from time to time by the Board of Directors of such Company or of PRISA, in accordance with the remuneration structure established by the Board of Directors of PRISA, at the proposal of the ARCGC and within the framework of the Remuneration Policy.

In this regard, currently the following medium- or long-term remuneration systems are distinguished:

- a) Medium-term Incentive Plan 2020-2023, linked to the creation of value of Santillana ("**Incentive Plan 2020-2023 Santillana**")

The Executive Director of Santillana is the beneficiary of a medium-term incentive plan linked to the creation of value for Santillana in the period between 1 September 2020 and 31 December 2023. The plan was approved by the Board of Directors at its meeting held on 26 January 2021.

The aim of this plan is to link part of the remuneration of certain key directors of PRISA and Santillana (among whom is the Executive Director of Santillana) with the interests of PRISA shareholders in a multi-year framework and long-term value creation for the shareholders. In this respect, the plan aims to (i) create incentives for the participants to maximise value creation for the education businesses (Santillana) for the shareholders in a period of approximately three years, (ii) reward the extraordinary efforts required to achieve the value-creation objectives set; and (iii) recognise the contribution of value by the participants to PRISA and Santillana.

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 (1.4

billion euros) and comply with the rest of the conditions established in the regulation of the plan approved by the Board of Directors of PRISA.

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 of the completion of the plan (31 December 2023) and the initial date (1 September 2020), taking into account the amount of the distributed dividends as well as capital flow. Santillana's enterprise value at the completion date will be that resulting from a valuation made by one or more independent experts. The enterprise value of Santillana at the initial date has been set at 1,25 billion euros.

The percentage of the value creation to which the beneficiaries may be entitled will in turn depend on the level of revaluation of Santillana, according to a predetermined scale. The Plan will be settled in cash in the month following the termination date (which is 31 December 2023).

Without prejudice to the above, if there is any corporate transaction involving the purchase, sale, merger, separation, share swap, capital increase or decrease, settlement of a takeover bid on the PRISA shares or reorganisation of any type or initial public offering within the validity period of the incentive plan, which represents a change in effective control in Santillana and/or PRISA, the plan will be settled early on the date that said transaction is executed.

In these scenarios, the enterprise value will be the price or value of Santillana implied in the corresponding corporate transaction. The Company may engage one or more third-party experts to perform a valuation exercise to determine whether the transaction is convenient or not.

In order to receive the corresponding incentive, the Executive Director of Santillana must maintain his contractual relationship with the Group until the payment date of the incentive, except for certain cases of termination which are duly specified in the regulation of the Plan.

The Incentive Plan includes the following malus and clawback clauses normally used in incentive plans similar in nature, which will be applicable for a period of two years from the payment date of the incentive. In the case of the Executive Director of Santillana, the period for which said clauses will be applicable is three years.

Finally, if there are significant internal or external changes that do not represent a change in control (for example, in the Group's scope of consolidation, macroeconomic or regulatory environment) that demonstrate the need to revise the objectives that have been established, the Board of Directors may modify the terms of the Santillana Incentive Plan and its objectives, which will be duly

reported in the corresponding Annual Report on Directors' Remuneration.

- b) Medium-term 2022-2024 incentive plan linked to the creation of value of PRISA Media (**"Incentive Plan 2022-2024 de PRISA Media"**):

In accordance with the Remuneration Policy, the Executive Director of PRISA Media may be the beneficiary of a medium-term incentive plan linked to the creation of value for PRISA Media in the medium term, if the Board of Directors approves it. If so, the plan must have the purpose of linking part of the remuneration of the management team (of which the Executive Director of PRISA Media forms part) to the interests of the PRISA shareholders within a multi-year framework and of long-term value creation in relation to PRISA Media, in a similar way as that explained in the above paragraph on the "Medium-term incentive plan 2020-2023 linked to the creation of value for Santillana".

Thus, the Board of Directors of PRISA at its meeting held on 21 December 2021 has approved a medium-term incentive plan, of which the Executive Director of PRISA Media is the beneficiary, which is linked to the achievement of certain quantitative financial targets included in PRISA Media's budget (linked to EBITDA, Cash Flow and digital revenues) in fiscal years 2022, 2023 and 2024 and which is payable in shares.

Mr. Nuñez will be allocated a theoretical number of shares equivalent to €500,000 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. The calculations will be 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.

This plan aims to link a portion of the remuneration of PRISA Media's Executive Director to the interests of PRISA's shareholders within a multi-year framework and to generate long-term value for shareholders.

The incentive plan will allow its beneficiary to participate in the creation of value of PRISA Media during the reference period provided that minimum targets are exceeded and the other conditions established in the plan's Regulations approved by the Board of Directors of PRISA are met.

In order to accrue the incentive, the Executive Director of PRISA Media must maintain his or her contractual relationship with PRISA Media during the entire term of the Plan. The departure of the executive (either of his own free will or by decision of the Company) would not, in principle, give rise to a right to settlement, unless the Board of

Directors, at the proposal of the Appointments and Remuneration Committee, where appropriate, adopts a different criterion.

The incentive plan includes the corresponding malus and clawback clauses, which are customary in incentive plans of a similar nature. The clawback clause will be applicable during the year following the date of delivery of the shares.

This remuneration plan is pending approval by PRISA's Shareholders' Meeting in order to be applicable to Mr. Nuñez.

c) Medium-term deferred variable remuneration for the period 2018-2020 ("**Deferred Remuneration 2018-2020**"):

In accordance with the provisions of the Remuneration Policy, the former executive director Mr. Manuel Mirat has been the beneficiary of medium-term deferred variable remuneration for the period 2018-2020, payable in shares, which was approved by the Shareholders' Meeting held on 25 April 2018.

This remuneration was referenced to a three-year period that has already ended (2018-2020) and was linked to the evolution of the stock market value of the PRISA share and the achievement of certain objectives (linked to EBITDA and Cash Flow).

Once the degree of achievement of the objectives had been analysed, for which advice was provided by an independent third party, KPMG, which performed the analysis of the impact on EBITDA and Cash Flow of the 2018-2020 Strategic Plan, used as a reference for establishing the objectives the operations that have taken place during this period, achievement of Cash Flow stood at 85.8% while the EBITDA and value increase objectives were not met. This degree of compliance entailed the delivery of 471,900 gross shares to Mr. Mirat, equivalent to 21.45% of the theoretical shares that were allocated to Mr. Mirat in 2018 (2,200,000 shares).

At the request of the beneficiaries of this remuneration plan, the Board of Directors of PRISA resolved that the settlement and delivery of this deferred remuneration be delayed to the period between 1 January and 28 February 2022 (delivery which, according to the general conditions governing this remuneration plan, should be made in the 60-day period following the preparation of the 2020 financial statements).

These matters are expressly provided for in the document formalised by Mr. Mirat with the Company upon termination of the legal relationship between them.

The settlement of this remuneration plan took place in February 2022 and Mr. Mirat received 306,735 net shares (after application of the corresponding tax withholdings).

This remuneration has not been included in the tables in section C of this Report as it has not been accrued in 2021.

It should also be noted that Mr. Francisco Cuadrado (Executive Chairman of Santillana) has also been a beneficiary of this remuneration plan, but as a result of his previous responsibilities as Chief Education Officer of Santillana (i.e. prior to his appointment as a director of Prisa in July 2021).

- d) Extraordinary incentives for the execution of key strategic transactions for the interests of Prisa Group (**"Extraordinary incentives for key strategic operations"**):

The Remuneration Policy provides that during the financial years 2021, 2022 and 2023, the Executive Directors will be entitled to receive a variable remuneration which does not vest, in cash, when the Board of Directors, following a favourable report of the ARCGC, considers that it is in the best interest of the Company to incentivise and reward his performance in the configuration, preparation, negotiation and execution of corporate transactions that are relevant for the future of the Group. Both Executive Directors or only one of them may be beneficiaries of these extraordinary incentives, depending on a decision of the Board of Directors of PRISA.

In any case, the extraordinary incentives that may be granted shall include clawback clauses, thus PRISA will be able to claim a reimbursement of all or part of the extraordinary incentive paid in certain scenarios.

The maximum amount to be paid to the Executive Directors under these extraordinary incentives will amount to twice their fixed annual remuneration provided for in their contracts and its final determination, if appropriate, within such limit, shall be carried out by the Board of Directors, following a favourable report of the ARCGC. Moreover, the Executive Directors shall maintain their relationship with Grupo PRISA without any interruption until the payment date of the corresponding incentive, except in certain cases such as death, permanent disability, or the termination of the labour or mercantile relationship under certain circumstances.

In the event of a takeover or change of control affecting PRISA, among other circumstances provided for, the Board of Directors, at the proposal of the ARCGC, may resolve to early terminate the plan. In such cases, the incentive component related to the performance of the share may be considered fulfilled for the purposes of its accrual.

Targets to be reached by the beneficiaries of these plans may be complemented with any other parameters that the Board of Directors resolves to include, following the proposal of the ARCGC.

A.1.2.2. Actions taken by the company in relation to the remuneration scheme to reduce exposure to excessive risks and to adjust it to the company's long-term objectives, values and interests, accrual period and deferral of payment.

i. General principles

The principles governing the Company's Remuneration Policy take into consideration the interests of shareholders and prudent risk management. To this end, the remuneration scheme is aimed at promoting the profitability and long-term sustainability of the Company, incorporating the safeguards necessary to prevent excessive risk assumption and reward of unfavourable results. The Company works to ensure that the economic and financial return is such that it protects and optimises the value of the Company, in order to adequately remunerate the risk that shareholders assume with the investment of their capital. Remuneration related to the Company's results takes into account any qualifications stated in the audit report that reduce such results.

As stated in the Remuneration Policy, the measures established by the Company to determine adequate risk management and promote the sustainability of results are as follows:

- a) The variable remuneration of the Executive Directors is intended to strengthen their commitment to the Company and to encourage the best performance of their duties, and represents a relevant part of their total remuneration, being linked to the achievement of objectives pre-set by the Board of Directors, most of which are specific and quantifiable, so that it does not simply derive from the general evolution of the markets, the Company's sector of activity or other similar circumstances.
- b) The parameters of the variable remuneration system are defined annually, based on formal procedures for determining the amounts to be paid to the Executive Directors. The objectives are set in writing in advance and their achievement is determined on the basis of the results obtained and approved by the Board of Directors, at the proposal of the ARCGC.
- c) The variable components of remuneration are sufficiently flexible to allow them to be modulated to the point where it is possible to eliminate them entirely. There is no right to obtain guaranteed annual variable remuneration (without prejudice to what has already been said in section A.1.2.1.ii) a) of this Report in relation to the extraordinary measure agreed with the Executive Chairman of Prisa Media, Mr. Carlos Nuñez, for the 2021 financial year).

The involvement of the ARCGC favours the consideration of the risks associated with remuneration in the deliberations and in its proposal to the Board of Directors, both in the determination and in the evaluation process of annual and multi-year incentives.

- d) All of the variable remuneration has fixed maximum amounts to be paid.
- e) Remuneration linked to Company earnings must take account of any qualifications stated in the audit report that reduce those earnings.
- f) The annual variable remuneration is accrued on an annual basis and is paid in arrears in the first half of the calendar year following the year of generation.
- g) The contracts of the Executive Directors have a clawback clause that allows the Company to claim reimbursement of the variable components of remuneration when they have been paid on the basis of data subsequently proven to be inaccurate. This measure is effective for remuneration received as from the entry into force of the respective contracts with the Company. In addition, the medium-term incentive plans described in this report include the corresponding malus and clawback clauses.
- h) The system for setting metrics for quantitative objectives takes into consideration the variables identified in the Company's risk map.
- i) It should be noted that the ARCGC as a whole has the appropriate knowledge, skills and experience with respect to the Company's remuneration policies and practices, as well as the incentives and risks that may arise therefrom, including knowledge, skills and experience regarding the mechanisms for aligning the remuneration structure with corporate risks and financial performance.
- j) The internal audit function conducts an independent review of the definition, implementation and impact of the Company's remuneration policy on its risk map, managed in accordance with the principles set out in the Policy and the guidelines of the Board of Directors.

ii. Incentive Plan 2020-2023 Santillana:

As already noted, the Executive Director of Santillana is the beneficiary of a medium-term incentive plan, payable in cash, that was approved by the Board of Directors at its meeting held in January 2021.

This remuneration is indexed to a period of approximately three years (September 2020 to December 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 (1.4 billion euros) and comply with the rest of the conditions established in the regulation of the plan approved by the Board of Directors of PRISA.

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 of the completion of the plan

(31 December 2023) and the initial date (1 September 2020), taking into account the amount of the distributed dividends as well as capital flow. Santillana's enterprise value at the completion date will be that resulting from a valuation made by one or more independent experts. The enterprise value of Santillana at the initial date has been set at 1,25 billion euros.

The Regulations of the plan approved by the Board of Directors include a clawback clause, which requires the return of the incentive received if, within three years of its receipt, the circumstances determined by the Board of Directors have concurred.

iii. Incentive Plan 2022-2024 PRISA Media:

As mentioned above, the Executive Director of PRISA Media, Mr. Carlos Nuñez, is the beneficiary of a medium-term incentive plan payable in shares, which was approved by the Board of Directors of PRISA in December 2021.

This Plan is 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 and 2024 and is payable in shares.

Mr. Nuñez will be allocated a theoretical number of shares equivalent to €500,000 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. The calculations will be 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.

This plan aims to link a portion of the remuneration of PRISA Media's Executive Director to the interests of PRISA's shareholders within a multi-year framework and to generate long-term value for shareholders.

The incentive plan will allow its beneficiary to participate in the creation of value of PRISA Media during the reference period provided that minimum targets are exceeded and the other conditions established in the plan's Regulations approved by the Board of Directors of PRISA are met.

In order to accrue the incentive, the Executive Director of PRISA Media must maintain his or her contractual relationship with PRISA Media during the entire term of the Plan. The departure of the executive (either of his own free will or by decision of the Company) would not, in principle, give rise to a right to settlement, unless the Board of Directors, at the proposal of the Appointments and Remuneration Committee, where appropriate, adopts a different criterion.

The incentive plan includes the corresponding malus and clawback clauses, which are customary in incentive plans of a similar nature. The clawback clause will be applicable during the year following the date of delivery of the shares.

This remuneration plan is pending approval by PRISA's Shareholders' Meeting in order to be applicable to Mr. Nuñez.

iv. Deferred remuneration 2018-2020:

As already indicated in section A.1.2.1.1.iii)c) of this Report, the former executive director Mr. Manuel Mirat was the beneficiary of medium-term deferred variable remuneration for the period 2018-2020, payable in shares, which was approved by the Shareholders' Meeting held on 25 April 2018. This remuneration was referenced to a three-year period that has already ended (2018-2020) and was linked to the evolution of the stock market value of the PRISA share and the achievement of certain objectives (linked to EBITDA and Cash Flow). At the request of the beneficiaries of this remuneration plan, the Board of Directors of PRISA resolved that the settlement and delivery of this deferred remuneration be delayed to the period between 1 January and 28 February 2022 (delivery which, according to the general conditions governing this remuneration plan, should be made in the 60-day period following the preparation of the 2020 financial statements).

The General Conditions approved by the Board of Directors of PRISA regarding the characteristics of the medium-term deferred remuneration include a clawback clause, which requires the restitution of the excess variable remuneration received if the circumstances determined by the Board of Directors have concurred within three years of its receipt.

In accordance with Recommendation 62 of the CNMV's Code of Good Governance, there is a limitation on the transfer of the shares delivered.

These clawback clauses, as well as the maintenance of a portion of the shares once delivered, also apply to categories of personnel whose professional activities have a material impact on the risk profile. Under no circumstances will an ex post adjustment to the explicit risk result in an increase in the variable remuneration initially granted.

v. Extraordinary incentives for key strategic operations:

As indicated in section A.1.2.1.iii) d) above, in fiscal years 2021, 2022 and 2023 the Executive Directors shall be entitled to receive non-vesting variable remuneration, in cash, when the Board of Directors, following a favourable report from the Appointments and Remuneration Committee, considers it in the best interest of the Company to incentivise and reward their performance in the configuration, preparation, negotiation and execution of corporate transactions relevant to the future of the Group. Both Executive Directors or only one of them, as decided by the Board of Directors of PRISA, may be beneficiaries of such extraordinary incentives.

In any case, the extraordinary incentives granted will include clawback clauses, which will entitle PRISA to demand the return of all or part of the extraordinary incentive paid in certain cases.

The maximum amount to be paid to the Executive Directors within the framework of these extraordinary incentives shall amount to a maximum of twice their annual fixed remuneration established in their contract and its final determination, if applicable, within said maximum, shall be the responsibility of the Board of Directors, subject to a favourable report from the Appointments and Remuneration Committee.

A.1.3. Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.

Within the maximum annual amount foreseen in section A.1.1.2.2. above, the breakdown of the fixed remuneration by positions and responsibilities of the members of the Board of Directors, resolved by the Board, is as follows, notwithstanding the fact that, as already stated in section A.1.1.1.3 of this Report and in view of the extraordinary circumstances, such remuneration will continue to be reduced by 20% during the year 2022. This reduction will not apply to the remuneration of the non-executive Chairman, nor to the remuneration for the chairmanship of the ARCGC, the Audit, Risk and Compliance Committee and the Sustainability Committee (in the latter case, once the new Remuneration Policy sets the remuneration of the members of this Committee):

- i. Chairman of the Board of Directors: Within the range established in the Remuneration Policy, the Board of Directors has established fixed annual remuneration of €200,000 for the year 2022.
- ii. Fixed annual remuneration for participation in the Board of Directors (excluding the Chairman and Executive Directors): 70,000 euros per independent director and 56,000 euros per proprietary director, which, after the aforementioned extraordinary reduction, will be 56,000 euros and 44,800 euros, respectively, in fiscal year 2022.
- iii. Additional annual fixed remuneration for membership in the different Board Committees:
 - Members of the Executive Committee: 30,000 euros per year per director which, after the aforementioned extraordinary reduction, will be 24,000 euros in 2022.
 - Remuneration for participation in the Audit, Risk and Compliance Committee and the ARCGC: 20,000 euros per year per director, being twice this amount for their respective chairmen (i.e. 40,000 euros). The remuneration of the members of the committees, after the aforementioned extraordinary reduction, will be €16,000 in fiscal year 2022. The remuneration corresponding to the Chairwomen of the committees will not be reduced in fiscal year 2022.
 - As for the Sustainability Committee, it has been established by resolution of the Board of Directors in February 2022, so it will be necessary to submit to the consideration of the Shareholders'

Meeting the modification of the Remuneration Policy, to provide for the remuneration of the members of this Committee. The proposal that the Board of Directors will submit to the Shareholders' Meeting is that the chairmanship and membership of this Committee be remunerated under the same terms applicable to the Audit, Risk and Compliance Committee and the NRCGC.

For the current fiscal year, as established in the Policy, no payment of per diems for participation in the Board of Directors and Committees is foreseen.

A.1.4. Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

For the performance of executive duties within the Company, the fixed annual cash remuneration of the executive directors for the 2022 fiscal year is as follows:

- i. Carlos Nuñez (Executive Chairman PRISA Media): 400.000 euros.
- ii. Francisco Cuadrado (Executive Chairman Santillana): 475.000 euros.

It should be noted that the Remuneration Policy provides for the existence of two executive directors and refers to them by name (Mr. Carlos Nuñez as Executive Chairman of PRISA Media and Mr. Manuel Mirat as Executive Chairman of Santillana). However, in July 2021 and, therefore, subsequent to the approval of the Remuneration Policy, Mr. Mirat was replaced by Mr. Francisco Cuadrado as a director of PRISA and as Executive Chairman of Santillana. Mr. Cuadrado's remuneration is in line with the remuneration framework established for the previous Executive Chairman of Santillana (Mr. Mirat) in the Remuneration Policy and, in addition, the remuneration items recognised in favour of Mr. Cuadrado are of a lower amount than those set forth in the Policy.

A.1.5. Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

- i. Remuneration in kind for the CEO:

The Remuneration Policy envisages for the Executive Directors certain remuneration in kind, consisting of the following items:

- a) A life and accident insurance policy:

PRISA has signed a policy with an insurance company that covers the contingencies of death by any cause, absolute invalidity and total permanent disability, with a capital equal to two and a half years of the beneficiary's fixed remuneration (fixed salary received in the previous year), extra capital in the event of accidental death or absolute disability caused by accident, and extra capital in the event of death or total permanent disability caused by a traffic accident.

There is an age limit of 75 years of age for the main risk of death, and of 65 years of age for the supplemental benefits.

On the Board of Directors, the Executive Directors are the exclusive beneficiaries of this policy.

According to the terms of the policy, the insured capital for the Executive Directors is the equivalent of two and a half years of the fixed remuneration associated with that office in the immediately preceding year.

For the year 2022, the amount insured of the life insurance for the Executive Directors amounts to 1,000,000 euros for Mr. Carlos Nuñez (Executive Chairman of Prisa Media) and 1,187,500 euros for Mr. Francisco Cuadrado (Executive Chairman of Santillana), respectively. These amounts are equivalent to two and a half years of their corresponding fixed remuneration.

The premiums for this policy are reviewed annually depending on the loss ratio of the Group's group policies and also vary according to the age of the insured. To this end, in the first quarter of each year, the bonuses attributable to the Executive Directors are reviewed, so the specific amount of the bonuses corresponding to the Executive Directors for the 2022 fiscal year is unknown at the date of preparation of this Report.

b) A private health insurance policy:

In addition the group within its policy applicable to all executives has private health insurance, in the form of reimbursement of expenses. Within the Board of Directors of the Company, only the Executive Directors and their families benefit from this insurance, respecting the age limits set forth in the corresponding policy.

The private health insurance premiums are adjusted annually in light of the losses under PRISA's Group policies and the evolution of the Consumer Price Index in the health sector, according to the broker's proposal. In the last quarter of each year, the premium for the following year is established.

For the year 2022, the premium corresponding to the health insurance of the Executive Directors amounts to 4,624.80 euros for Mr. Carlos Nuñez (Executive Chairman of Prisa Media) and 3,699.84 euros for Mr. Francisco Cuadrado (Executive Chairman of Santillana), respectively.

ii. Others (that are not considered in-kind remuneration):

- a) The directors shall be entitled to the reimbursement of any expenses related to trips, meals and accommodation incurred to attend the

meetings of the Board of Directors and Committees, provided they are duly justified.

- b) The Executive Directors will be entitled to the use of a vehicle according to the terms of PRISA Group's vehicle fleet policy.
- c) The Chairman will also have the necessary means to adequately perform his office and functions, according to the Company's practices and policies.
- d) Moreover, PRISA has contracted a civil liability insurance policy for all its directors, including the Executive Directors, pursuant to the habitual market conditions for this type of insurance.

A.1.6. Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

Indicate the range, in monetary terms, of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

As mentioned above, the variable remuneration system for Executive Directors currently provides for short and medium-term variable components:

i. Annual short-term variable remuneration:

The annual variable remuneration of the Executive Directors is regulated in their contracts, according to which they shall receive non-vesting variable remuneration, in cash, in accordance with the degree of achievement of the objectives assigned to them for each of the annual periods included in the term of their contract, which shall be established annually by the Board of Directors at the proposal of the Appointments and Remuneration Committee.

The Policy establishes that, in general terms, this short-term variable remuneration will be determined according to a compliance scale, mainly linked to the achievement of quantitative business objectives, among which are the Group's operational and financial objectives, value creation objectives and sustainability objectives, as well as, if applicable, qualitative objectives.

The short-term target variable remuneration for the Executive Directors for a level of 100% achievement of the objectives established for 2022 amounts to

250,000 euros, with the possibility of increasing the referred amount up to a maximum of 150%, if the degree of achievement of the objectives set is higher than 135%, so that the maximum amount that each of the Executive Directors may receive for this remuneration item is 375,000 euros gross.

To determine the short-term variable remuneration of the Executive Directors for the year 2022, 100% of the objectives will be quantitative (there will be no subjective variables) based on the 2022 budget of Santillana and Prisa Media, respectively, in accordance with the following detail:

Executive Director	Metrics	Weighting
Executive Chairman Santillana	Ebit	40%
	Operating Cash Flow	40%
	Subscription revenues	15%
	ESG objectives	5%
Executive Chairman PRISA Media	Ebitda	32%
	<i>Cash Flow</i>	32%
	Digital Revenues	31%
	ESG objectives	5%

These objectives aim to improve financial, operating and service results, with special emphasis on Ebitda/Ebit (depending on whether dealing with Prisa Media or Santillana), cash generation and the generation of digital or subscription revenues. In addition, 5% will be linked to the fulfilment of ESG objectives.

The compliance scale for Ebit/Ebitda, Subscription Revenues, Digital Revenues and Cash Flow targets (in the latter case, Santillana's) will be as follows:

Degree of compliance	Payment coefficient
<90%	0%
90%	50%
100%	100%
>120%	135%
>135%	150%

Prisa Media's cash flow target will have the following differential scale:

Degree of compliance	Payment coefficient
<0%	0%
>0€ < 2,300 m€	50%
100% (4,029 m€)	100%
>120%	135%
>135%	150%

The intermediate points between the minimum degree of compliance and 100% are calculated by linear interpolation; from 100% the reward is linear and from 120% or 135% the reward is 135% or 150% respectively, as shown in the tables above.

Additionally, the Executive Chairman of PRISA Media may receive 10% of his target annual variable remuneration (that is, €25,000) if two specific objectives

linked to subscriptions and digital income are achieved in 2022, in more demanding terms than those foreseen in the PRISA Media budget for the 2022 financial year.

Pursuant to the provisions of article 28 of the Board Regulations, the ARCGC will verify the degree of achievement of the objectives to which the short-term variable remuneration is subject, and will submit it for final approval by the Board of Directors of PRISA.

The payment of the short-term variable remuneration is made in arrears, so that the short-term variable remuneration corresponding to the 2022 fiscal year will be paid, if applicable, in the 2023 fiscal year.

ii. Incentive Plan 2020-2023 Santillana:

As already noted in sections A.1.2.1.iii) a) and A.1.2.2. ii), the Executive Director of Santillana is the beneficiary of a medium-term incentive plan linked to the creation of value for Santillana in the period between 1 September 2020 and 31 December 2023. The plan was approved by the Board of Directors at its meeting held on 26 January 2021.

The aim of this plan is to link part of the remuneration of certain key directors of PRISA and Santillana (among whom is the Executive Director of Santillana) with the interests of PRISA shareholders in a multi-year framework and long-term value creation for the shareholders. In this respect, the plan aims to (i) create incentives for the participants to maximise value creation for the education businesses (Santillana) for the shareholders in a period of approximately three years, (ii) reward the extraordinary efforts required to achieve the value-creation objectives set; and (iii) recognise the contribution of value by the participants to PRISA and Santillana.

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 (1.4 billion euros) and comply with the rest of the conditions established in the regulation of the plan approved by the Board of Directors of PRISA.

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 of the completion of the plan (31 December 2023) and the initial date (1 September 2020), taking into account the amount of the distributed dividends as well as capital flow. Santillana's enterprise value at the completion date will be that resulting from a valuation made by one or more independent experts. The enterprise value of Santillana at the initial date has been set at 1,25 billion euros.

The percentage of the value creation to which the beneficiaries may be entitled will in turn depend on the level of revaluation of Santillana, according to a predetermined scale and in accordance with the current Remuneration Policy, may be up to a maximum of 1.98% of such value creation. The Plan will be

settled in cash in the month following the termination date (which is 31 December 2023).

Without prejudice to the above, if there is any corporate transaction involving the purchase, sale, merger, separation, share swap, capital increase or decrease, settlement of a takeover bid on the PRISA shares or reorganisation of any type or initial public offering within the validity period of the incentive plan, which represents a change in effective control in Santillana and/or PRISA, the plan will be settled early on the date that said transaction is executed.

In these scenarios, the enterprise value will be the price or value of Santillana implied in the corresponding corporate transaction. The Company may engage one or more third-party experts to perform a valuation exercise to determine whether the transaction is convenient or not.

In order to receive the corresponding incentive, the Executive Director of Santillana must maintain his contractual relationship with the Group until the payment date of the incentive, except for certain cases of termination which are duly specified in the regulation of the Plan.

The Incentive Plan includes the following malus and clawback clauses normally used in incentive plans similar in nature, which will be applicable for a period of two years from the payment date of the incentive. In the case of the Executive Director of Santillana, the period for which said clauses will be applicable is three years.

Finally, if there are significant internal or external changes that do not represent a change in control (for example, in the Group's scope of consolidation, macroeconomic or regulatory environment) that demonstrate the need to revise the objectives that have been established, the Board of Directors may modify the terms of the Santillana Incentive Plan and its objectives, which will be duly reported in the corresponding Annual Report on Directors' Remuneration.

iii. Incentive Plan 2022-2024 PRISA Media:

As previously indicated in sections A.1.2.1.iii) b) and A.1.2.2. iii) of this Report, the Executive Director of PRISA Media, Mr. Carlos Nuñez, is the beneficiary of a medium-term incentive plan payable in shares, which was approved by the Board of Directors of PRISA in December 2021.

This Plan is 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 and 2024 and is payable in shares.

Mr. Nuñez will be allocated a theoretical number of shares equivalent to €500,000 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. The calculations will be 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.

This plan aims to link a portion of the remuneration of PRISA Media's Executive Director to the interests of PRISA's shareholders within a multi-year framework and to generate long-term value for shareholders.

The incentive plan will allow its beneficiary to participate in the creation of value of PRISA Media during the reference period provided that minimum targets are exceeded and the other conditions established in the plan's Regulations approved by the Board of Directors of PRISA are met.

In order to accrue the incentive, the Executive Director of PRISA Media must maintain his or her contractual relationship with PRISA Media during the entire term of the Plan. The departure of the executive (either of his own free will or by decision of the Company) would not, in principle, give rise to a right to settlement, unless the Board of Directors, at the proposal of the Appointments and Remuneration Committee, where appropriate, adopts a different criterion.

The incentive plan includes the corresponding malus and clawback clauses, which are customary in incentive plans of a similar nature. The clawback clause will be applicable during the year following the date of delivery of the shares.

This remuneration plan is pending approval by PRISA's Shareholders' Meeting in order to be applicable to Mr. Nuñez.

iv. Deferred remuneration 2018-2020:

As already stated in sections A.1.2.1.iii) c) and A.1.2.2. iv) of this Report, the former executive director Mr. Manuel Mirat has been the beneficiary of medium-term deferred variable remuneration for the period 2018-2020, payable in shares, which was approved by the Shareholders' Meeting held on 25 April 2018, which has been settled in February 2022, through the delivery of 306,735 shares to Mr. Mirat (net amount in shares after the application of the corresponding tax withholdings).

Article 18 of the Company's Bylaws and article 32 of the Regulations of the Board of Directors establish that, subject to a resolution of the General Shareholders' Meeting, Executive Directors may benefit from remuneration systems consisting of the delivery of shares or rights over shares, as well as any other remuneration system that is indexed to the value of the shares.

The 2018-2020 Deferred Remuneration was intended to align the interests of its beneficiaries (i.e. the then Chief Executive Officer Mr. Mirat, senior executives and other executives of the Company) with those of the Company's shareholders, within the framework of the Company's 2018-2020 Strategic Plan.

The Deferred Remuneration contemplated for the beneficiaries the allocation of a number of theoretical shares that served as a reference to determine, if applicable, the delivery of a number of ordinary shares of the Company after the reference period of three years, conditioned on the fulfilment of certain requirements and the achievement of certain objectives established in relation

to: (i) the increase in the value of PRISA shares, (ii) consolidated EBITDA and (iii) consolidated cash flow.

The specific characteristics of the Deferred Remuneration were as follows:

- a) Transparent, demanding and measurable medium-term (i.e. three-year) objectives.
- b) Accrual metrics and conditions clearly linked to the achievement of demanding financial targets that enhance shareholder value.
- c) The degrees of achievement of the Deferred Remuneration targets were established, as proposed by the ARCGC, based on the Company's Strategic Plan for the period 2018-2020.

These objectives have been monitored periodically to ensure that the agreed conditions were adapted, as necessary, to preserve the principles underlying the original purpose of the deferred remuneration, while supporting the Company's interest in avoiding any possible loss of competitiveness in the market. An independent third party, KPMG, has analysed the impact of the operations that have taken place during the reporting period on the EBITDA and Cash Flow of the Strategic Plan that was used as a reference for the deferred remuneration.

In order to receive the shares, Mr. Mirat was required to maintain a contractual relationship with the PRISA Group during the term of the Deferred Remuneration and until the delivery date, except for certain cases of termination of his relationship for reasons not attributable to him, which were duly included in the document that implements the general conditions of the deferred remuneration.

- d) In order to calculate the accrual ratio for each level of achievement of the then Chief Executive Officer's objectives, a maximum incentive level was assigned and an achievement scale was determined for each of the metrics.

Both the number of measurement parameters and the payment instruments used to determine the Deferred Remuneration were in line with the practices of listed companies, according to the CNMV Report.

Once the degree of achievement of the objectives was analysed (for which advice was provided by an independent third party, KPMG, which performed the analysis of the impact on EBITDA and Cash Flow of the 2018-2020 Strategic Plan, used as a reference for establishing the objectives of the operations that have taken place during this period), achievement of Cash Flow was 85.8%, while the EBITDA and value increase objectives were not met. As a result of this degree of compliance it was confirmed that the number of shares to be delivered to Mr. Mirat at the time of settlement should amount to 471,900 gross shares, equivalent to 21.45% of the theoretical shares that were allocated to Mr. Mirat in 2018 (2,200,000 shares).

As mentioned above, the settlement was carried out in February 2022, through the delivery of 306,735 shares to Mr. Mirat.

v. Extraordinary incentives for key strategic operations:

As also indicated above in sections A.1.2.1.iii) d) and A.1.2.2.v) of this Report, the Remuneration Policy provides that in fiscal years 2021, 2022 and 2023 the Executive Directors shall be entitled to receive non-vesting variable remuneration, in cash, when the Board of Directors, following a favourable report from the Appointments and Remuneration Committee, considers it in the best interest of the Company to incentivise and reward their performance in the configuration, preparation, negotiation and execution of corporate transactions relevant to the future of the Group. Both Executive Directors or only one of them, as decided by the Board of Directors of PRISA, may be beneficiaries of such extraordinary incentives.

In any case, the extraordinary incentives granted will include clawback clauses, which will entitle PRISA to demand the return of all or part of the extraordinary incentive paid in certain cases.

The maximum amount to be paid to the Executive Directors within the framework of these extraordinary incentives shall amount to a maximum of twice their annual fixed remuneration established in their contract and its final determination, if applicable, within said maximum, shall be the responsibility of the Board of Directors, subject to a favourable report from the Appointments and Remuneration Committee. In addition, Executive Directors must maintain an uninterrupted relationship with Grupo PRISA until the date of payment of the corresponding incentive, except in the event of certain circumstances such as death, permanent disability or the termination of the employment or business relationship in certain cases.

In the event of a takeover or change of control in Prisa, among other foreseen events, the Board of Directors, at the proposal of the ARCGC, may agree to the early settlement of the plan. In such cases, the share performance component of the incentive may be deemed to have been met for accrual purposes.

The objectives to be met by the beneficiaries of these plans may be complemented with any other parameters that the Board of Directors may agree upon, at the proposal of the ARCGC.

A1.7. Main characteristics of long-term savings schemes. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.

Indicate whether the accrual or vesting of any of the long-term savings plans is linked to the attainment of certain objectives or parameters relating to the director's short- or long-term performance.

No savings system for directors is contemplated for the current fiscal year.

A1.8. Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration.

The directors in their capacity as such (non-executive) are not entitled to indemnities in the event of termination of their duties as directors.

The contracts of the Executive Directors provide for indemnities and the payment of other consideration for: (i) the termination of the contract with the Company and (ii) the fulfilment of a post-contractual non-competition agreement. Further details on these covenants are provided in the section on the terms and conditions of the Executive Directors' contracts (i.e. section A.1.9 below).

A1.9. Indicate the conditions that the contracts of executive directors performing senior management functions should contain. Among other things, information must be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as remuneration or golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

The contract of Mr. Carlos Nuñez, Executive Chairman of Prisa Media, is with PRISA Media, S.L. and the contract of Mr. Francisco Cuadrado, Executive Chairman of Santillana, is with Grupo Santillana Educación Global, S.L.U.

For the purposes of article 249 of the Spanish Companies Act, both contracts were approved by the Board of Directors of PRISA (at the proposal of the ARCGC) to the extent that such contracts regulate the executive functions of Messrs. Nuñez and Cuadrado.

For the purposes of this section, the companies PRISA Media, S.L. and Grupo Santillana Educación Global, S.L.U. shall be considered (depending on which executive director is involved) as the Company.

The contracts that regulate the performance of the functions and responsibilities of the Executive Directors (Messrs. Cuadrado and Nuñez) include clauses in accordance with standard market practices in this area, with the aim of attracting and retaining the most outstanding professionals and safeguarding the Company's legitimate interests.

The following are the essential terms and conditions of the Executive Directors' contracts:

- i. Duration: indefinite, notwithstanding the fact that the contracts are linked to the term of their respective positions as Executive Chairman of Santillana and Executive Chairman of PRISA Media.
- ii. Exclusivity and non-competition: exclusivity for the Company and the PRISA Group, and Executive Directors may not, under any contractual relationship, provide services to or carry out professional activities with other persons or entities. It also includes a specific non-competition prohibition.
- iii. Term of advance notice: In the event of termination of the contract by decision of the Executive Directors, they must send notice to the Company indicating such circumstance at least three months in advance. In the event of total or partial non-compliance with the notice period, the Executive Director shall be required to pay the fixed remuneration in cash corresponding to the unfulfilled notice period.

In the event of termination of the contract at the request of the Executive Directors in the event of a change of control (as "change of control" is defined in their contracts), they must notify the Company of their decision within two months of the occurrence of the change of control and must give one month's notice. In the event of breach of the notice obligation, the Executive Directors shall indemnify the Company with an amount equivalent to the fixed remuneration applicable at the time of termination of the contract corresponding to the unfulfilled notice period.

The Company, in the event of corporate withdrawal, must give at least three months' notice. In the event of total or partial non-compliance with the notice period, the Company shall be required to pay the fixed remuneration in cash corresponding to the unfulfilled notice period.

- iv. Indemnity: In the event that the contracts of the Executive Directors are terminated: i) at the request of the executive director in the event of serious and culpable breach by the Company of the obligations established in the contract; ii) at the will of the executive director in the event of a change of control (as "change of control" is defined in the contracts), iii) at the sole will of the Company with which the contract has been entered into; iv) as a consequence of the termination or non-renewal of the position of director of Prisa Media, S.L. or Grupo Santillana Educación Global, S.L.U., depending on the director in question, or v) in the event of total or partial revocation of the powers delegated to the executive director or of the powers granted to him by the Company, the executive directors shall be entitled to receive the following indemnities:
 - a) Mr. Carlos Nuñez (Executive Chairman of Prisa Media), would receive gross indemnity equivalent to eighteen months of his fixed remuneration and his annual variable remuneration in cash.

b) Mr. Francisco Cuadrado (Executive Chairman of Santillana) would receive:

- A total indemnity of 1,643,020 euros gross. In order to determine this figure, the following amounts have been taken into account (a) the amounts of indemnity for unfair dismissal that would have corresponded to Mr. Cuadrado due to the termination of the ordinary and senior management employment relationships that Mr. Cuadrado has maintained with the different entities of the Prisa Group from 18 October 1989 until the entry into force of the current contract and (b) a gross up to mitigate the loss that Mr. Cuadrado will incur as a result of not being able to benefit from the maximum exemption provided for in article 7.e) of the Personal Income Tax Act for severance payments for dismissal or termination of employees.
- Gross supplementary remuneration equivalent to the amount established at that time as the maximum amount of the Social Security contributory unemployment benefit, for the maximum period established for such benefit. In any case, if Mr. Cuadrado obtains the payment of unemployment benefits from the corresponding public body, he will be required to reimburse to the Company the amount received as such supplementary remuneration up to the amount of the benefit obtained, and must make the reimbursement within a maximum period of one month from the date on which the unemployment benefit was recognised. However, this gross supplementary remuneration will not be paid in the event of termination of the contract as a result of a change of control.

Likewise, in the above cases, the Executive Directors shall be entitled to receive, as part of their severance payment, the proportional part of the annual variable remuneration of reference corresponding to the time worked during the year in which the termination occurs. The Executive Directors shall not be entitled to receive the annual variable remuneration corresponding to the year in which the Agreement is terminated, if such termination is due to the will of the Executive Directors, or by decision of the Company based on non-compliance by the Executive Directors, except in those cases in which the termination due to the will of the Executive Directors occurs within the last two months of the fiscal year, in which case they shall be entitled to receive the proportional part of the annual variable remuneration (corresponding to the time worked during the year in which the termination occurs) that, if applicable, would have corresponded to them, provided that the annual objectives established are proportionally reached. The annual variable remuneration will be paid within the first half of the calendar year following the year of generation.

- v. Post-contractual noncompetition The contracts of the Executive Directors include a post-contractual non-competition clause by virtue of which the Executive Director undertakes (i) to refrain from engaging in activities in competition with those of the Company with which they have entered into the contract, either on their own account or on behalf of a third party, in the manner and to the extent specified in their contracts, and (ii) not to hire any person who on the date of termination of the contract is employed by the Company with which they have entered into the contract or any other company of its group, and not to contribute to any employee of such group leaving it.

This non-competition covenant will last for 12 months after termination of this agreement for any reason.

The Executive Directors would receive, as economic consideration for such obligations, remuneration equivalent to six monthly payments of the fixed remuneration in force at the time of termination of the contract. In the event of breach of the aforementioned post-contractual non-competition agreement, the Executive Directors shall be required to reimburse the amount of the remuneration received for such concept and an indemnity in an amount equal to six monthly payments of the fixed remuneration in force at the time of termination of the contract.

- vi. Clawback clause: In general terms, the contracts of the Executive Directors have a clawback clause that allows the Company to claim the reimbursement of the variable components of the remuneration if in the year following its payment any event or circumstance occurs that has as a consequence the significant alteration or modification of the accounts, results, economic or other data on which the granting of the variable remuneration in question was based, other than those deriving from legislative or jurisprudential changes, such that the aforementioned data did not faithfully reflect the situation of the Company or the Group as a result of which there was a justified review of achievement of the objectives established for the accrual of the variable remuneration in question, regardless of whether or not the Executive Chairman had any kind of responsibility in this regard.
- vii. Professional secrecy and duty of confidentiality: The contracts of the Executive Directors include an obligation to maintain professional secrecy. The duty of confidentiality is regulated in article 34 of the Board Regulations and applies even when the director has left office.

A.1.10. The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the current year in consideration for services rendered other than those inherent in their position.

The Remuneration Policy does not contemplate any remuneration other than what is mentioned in the preceding sections for the directors.

A.1.11. Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration.

The Remuneration Policy does not envisage the possibility of providing advances, loans and guarantees to the directors.

A.1.12. The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.

The payment of other remuneration not provided for in the preceding paragraphs is not foreseen.

A.2 Explain any significant change in the remuneration policy applicable in the current year resulting from:

- a) A new policy or an amendment to a policy already approved by the General Meeting.*
- b) Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.*
- c) Proposals that the Board of Directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year.*

As already mentioned in the "Background" of this Report, throughout the 2021 financial year there have been relevant changes in the composition of the Board of Directors of PRISA, some of which have been subsequent to the date of approval of the Remuneration Policy (Shareholders' Meeting of 29 June 2021).

This implies that some aspects of the Remuneration Policy will have to be adjusted to the new circumstances, which will have to be submitted for approval at the next Shareholders' Meeting to be held by the Company in fiscal year 2022. The new Policy will have to provide for, among other issues, i) the remuneration applicable to the new executive director of Santillana and executive director of PRISA (Mr. Francisco Cuadrado); ii) the Medium-Term Incentive 2021-2023 that the Board of Directors approved in December 2021 and whose beneficiary is the Executive Chairman of Prisa Media and executive director of PRISA (Mr. Carlos Nuñez); and iii) the remuneration corresponding to the members of the Sustainability Committee (constituted in February 2022).

A.3 Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

<https://www.prisa.com/uploads/2021/07/politica-de-remuneraciones-2021-2023-vf.pdf>

A.4 Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the General Shareholders' Meeting to which the annual report on remuneration for the previous year was submitted on a consultative basis.

Last year's Annual Remuneration Report received the favourable vote of 94,16% of the votes cast at the Ordinary General Shareholders' Meeting held on 29 June 2021, on the terms stated in section B.4. The Board understood that, considering the shareholders' vote, it was not appropriate to carry out any additional consideration to the remuneration policy and its application.

B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED

B.1.1. Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.

The remuneration items accrued in 2021 correspond to the principles and structure of the current remuneration system, in accordance with the Remuneration Policy described in section A of this Report and with the contracts of the Executive Directors (the current Executive Chairman of Prisa Media, Mr. Carlos Nuñez, the Executive Chairman of Santillana, Mr. Francisco Cuadrado, as well as the former Chief Executive Officer of PRISA and Executive Chairman of Santillana, Mr. Manuel Mirat).

As mentioned in the Background of this Report, in June 2021 the Shareholders' Meeting of PRISA approved a new director remuneration policy applicable for the years 2021, 2022 and 2023. With respect to the 2021 fiscal year, this Remuneration Policy replaced and superseded the text of the 2020/2021 Remuneration Policy.

The ARCGC submitted to the Board (which, in turn, proposed to the General Shareholders' Meeting in June 2021) the terms of the new Directors' Remuneration Policy. In accordance with the provisions of article 529 novodecies of the Spanish Companies Act, a reasoned proposal of the Board, together with a supporting report of the ARCGC, regarding the new Remuneration Policy was made available to the shareholders at the time of the call of the shareholders' meeting.

i. Remuneration of executive directors

The Remuneration Policy provides for the existence of two executive directors and refers to them by name (Mr. Carlos Nuñez as Executive Chairman of PRISA Media and Mr. Manuel Mirat as Executive Chairman of Santillana). However, in July 2021 and, therefore, subsequent to the approval of the Remuneration Policy, Mr. Mirat was replaced by Mr. Francisco Cuadrado as a director of PRISA and as Executive Chairman of Santillana. Mr. Cuadrado's remuneration is in line with the remuneration framework established for the previous Executive Chairman of Santillana (Mr. Mirat) in the Remuneration Policy and, in addition, the remuneration items recognised in favour of Mr. Cuadrado are of a lower amount than those set forth in the Policy. In any case, as stated in section A.2 above, the Company's Board of Directors intends to submit a new remuneration policy

to the General Shareholders' Meeting for the purpose, among other matters, of adapting to this circumstance.

As mentioned above, the contracts of the Executive Directors have been approved by the Board of Directors of PRISA, at the proposal of the ARCGC, to the extent that such contracts regulate the executive functions of Messrs. Nuñez and Cuadrado. The law firm Uría & Menéndez advised the Company on the configuration of these contracts.

In accordance with their contracts and the Remuneration Policy, the Executive Directors, Mr. Carlos Nuñez (Executive Chairman of Prisa Noticias) and Mr. Francisco Cuadrado (Executive Chairman of Santillana), in 2021 have accrued the remuneration set out in section B.3 of this Report.

On the other hand, and as already indicated in the "Background" of this Report, Mr. Manuel Mirat, who was an executive director of the Company until 27 July 2021, had been rendering his services in several companies of the PRISA Group, through successive contractual relationships of different nature, from October 1997 until July 2021. The last executive responsibilities assumed by Mr. Mirat in the Company were those of Chief Executive Officer of PRISA (from September 2017 until June 2021) and Executive Chairman of Santillana (from 29 June until 27 July 2021, having signed the corresponding service agreement on 26 May 2021).

The termination of the last two contracts of Mr. Mirat as Chief Executive Officer of PRISA and as Executive Chairman of Santillana, as well as the termination of the labour relationship that Mr. Mirat had with the Company for other previous contracts, has been settled and terminated in the year 2021, which has given rise to the payment and/or recognition of the remuneration items that were provided for both in Mr. Mirat's contracts with the Company and in the Remuneration Policy and which are stated in section B.3 of this Report.

The termination and settlement of Mr. Manuel Mirat's contracts was approved by the Board of Directors at the proposal of the ARCGC. The Pérez-Llorca law firm advised the Company in connection with the economic conditions associated with the dismissal of Mr. Manuel Mirat as Executive Chairman of Santillana and the termination of his legal relationship with the Company.

ii. Remuneration of directors in their capacity as such (non-executive).

The non-executive directors in 2021 have received the amounts provided for in the Remuneration Policy, which are detailed in section B.5. of this Report, as members of the Board of Directors and of the various Board Committees, as well as, where applicable, as chairs of the Board and of the Committees, with the reductions applied within the framework of the aforementioned contingency plan implemented by the Board of Directors, at the proposal of the ARCGC, within the framework of the COVID-19 crisis (which entailed a 20% reduction throughout the 2021 financial year, on the corresponding remuneration, except for the remuneration of the Chairman of the Board and

except for the remuneration for the chairmanship of the ARCGC and of the Audit, Risk and Compliance Committee in December).

As previously indicated in this Report, in the Remuneration Policy approved at the Shareholders' Meeting of June, 2021, taking into account the socioeconomic circumstances of the moment, as well as those of the Company in particular, it was considered appropriate to reduce the remuneration range of the non-executive Chairman (which until December 2020 was between 300,000 and 500,000 euros per year), being set at a range of between 200,000 and 300,000 euros per year.

The remuneration of the non-executive Chairman, Mr. Joseph Oughourlian, has been set by the Board of Directors of PRISA, at the proposal of the ARCGC, at 200,000 euros per year.

B.1.2. Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.

The following two circumstances are highlighted, although they do not mean, per se, that there has been a deviation in the application of the Remuneration Policy:

- i. The current Remuneration Policy (approved at the shareholders' meeting held in June 2021) provides for the existence of two executive directors and refers to them by name (Mr. Carlos Nuñez as Executive Chairman of PRISA Media and Mr. Manuel Mirat as Executive Chairman of Santillana).

Subsequent to the approval of the Remuneration Policy, in July 2021, Mr. Mirat was replaced by Mr. Francisco Cuadrado as a director of PRISA and as Executive Chairman of Santillana. This circumstance does not imply a deviation from the remuneration policy applicable during the 2021 fiscal year, since Mr. Cuadrado's remuneration is in line with the remuneration framework that was set for the previous Executive Chairman of Santillana (Mr. Mirat) in the remuneration policy and, in addition, the remuneration items recognised in favour of Mr. Cuadrado are of a lower amount than those provided for in the Policy.

In any case, as stated in section A.2 above, the Company's Board of Directors intends to submit a new remuneration policy to the General Shareholders' Meeting for the purpose, among other matters, of adapting to this circumstance.

- ii. The Ordinary Shareholders' Meeting held in June 2021 resolved to increase the size of the Board as well as to appoint a new proprietary director (Ms. Carmen Fernández de Alarcón Roca). Given that the incorporation of a new director implied an increase in the expense corresponding to the remuneration of the directors, the Board of Directors of PRISA, at the proposal of the ARCGC, resolved, with effect from July 2021, the proportional reduction of the annual fixed remuneration corresponding to the proprietary directors, in order to avoid an increase in the total annual expense for the annual fixed remuneration of the directors as a whole.

Thus, the fixed annual remuneration of each of the external directors (independent and proprietary) for their membership on the Board was as follows for the 2021 fiscal year:

- a) From January to June 2021: the proportional part of the fixed annual remuneration of €70,000 (which, after the 20% reduction applied in fiscal year 2021 under the contingency plan for Covid-19, has been reduced to €56,000).
- b) From July to December 2021: i) no change for independent directors, i.e. the proportional part of the annual fixed remuneration of €70,000 (which, after the 20% reduction applied in the 2021 fiscal year under the contingency plan by reason of Covid-19, has remained at €56,56,000) and ii) for proprietary directors, the proportional part of the annual fixed remuneration of €56,000 (which, with the 20% reduction applied in the 2021 fiscal year within the framework of the contingency plan for Covid-19, has been reduced to €44,800).
- c) The remuneration corresponding to the chairwomen of the ARCGC and the Audit, Risk and Compliance Committee has been reduced by 20% until November 2021 and from December 2021, inclusive, they receive it in full without any reduction whatsoever.

B.1.3. Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the society as a whole or ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year.

No temporary exceptions to the Remuneration Policy have been applied during the 2021 fiscal year.

B.2. Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks, aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued. Ensure that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile and the measures in place to avoid any possible conflicts of interest.

The ARCGC oversees compliance with the Remuneration Policy and reports to the Board of Directors on proposals relating to the terms of the variable remuneration of the Company's Executive Directors and Senior Management and verifies the degree of achievement of the objectives to which they are subject.

The Board of Directors, at the proposal of the ARCGC, determines the objectives on which the payment of the variable remuneration of the Executive Directors depends, their weight and metrics at the beginning of each year and the evaluation of their level of compliance at the end of the year.

To evaluate achievement of the objectives, the ARCGC relies on information provided by the Risk Control and Management Control Department and the Human Resources and Talent Management Department of the Company.

In addition, if the external auditors of the Company, in their annual audit report, issue a qualified opinion that affects the objectives of the variable remuneration of the Executive Directors, the Board of Directors of PRISA must take the qualifications into account when determining the variable remuneration of the executive directors.

Finally, the Company has a Risk Management System, supported by an adequate definition and assignment of functions and responsibilities at different levels and by a series of control and management methodologies, tools and procedures whose purpose is to know and control the risks to which the Group is exposed and which could affect achievement of the objectives defined in the Strategic Plan and those of its businesses. Through this Risk Management System, the Group identifies, monitors and analyses risks on an ongoing basis; and defines and, if necessary, implements, on a case-by-case basis, the measures required to mitigate risks when they materialise.

The Company has a risk map approved by the Board of Directors, as a tool for the graphic representation of the risks inherent to the Group, which is used to identify and assess the risks affecting the development of the activities of the different business units. The identification of the risks and the processes that manage each of the risks considered is carried out by the General Management of the business units and the corporate area and aggregated and standardised by the Internal Audit Department. The Group's risk map is reported to the Audit, Risk and Compliance Committee, which monitors the main risks identified. At least once a year, the Board of Directors is informed of the Group's risk map.

In addition, the Company has an internal control over financial reporting (ICFR) model. The Board of Directors of Prisa has assigned among its functions, as established in the Board Regulations, the supervision of internal information and control systems. The Board of Directors relies on Prisa's Audit, Risk and Compliance Committee for the development of these functions, whose responsibilities include supervising the preparation process and the integrity of the financial information of the Company and its Group. The Committee, in turn, supervises the Internal Audit unit to ensure the proper functioning of the information and internal control systems. The internal audit objective is to provide Group Management and the Audit Committee with reasonable assurance that the internal control systems and environment in effect within the Group companies have been properly designed and managed. To this end, internal audit supervises the design and scope of the internal control model over the Group's financial information, and subsequently evaluates the functioning of the control activities defined in the model.

The effective implementation of the internal control model is the responsibility of the executive directors (Executive Chairmen of the Group's businesses) and the General Manager of Risk Control of PRISA, as well as the General Managers of the Group's business units involved in the preparation of the financial information that serves as the basis for the preparation of the Group's financial statements.

The Audit, Risk and Compliance Committee shall periodically evaluate that the risk control and management function is exercised with due independence, verifying that the appropriate processes have been implemented so that management, the Committee itself and the Board can know whether the risk control and management system has operated in accordance with the policies and criteria approved by the Board.

The system of internal control over financial reporting is reviewed by the Group's external auditor, which issues an opinion on the effectiveness of internal control in a reasonable assurance report in accordance with ISAE 3000.

The Remuneration Policy seeks to: i) align it with best market practices, ii) align it with the Company's corporate governance structure, iii) align the directors' remuneration structure with the Group's general strategy and iv) promote an incentive system that guarantees a results-oriented approach and the creation of value for shareholders in a sustainable manner in the medium and long term.

The various actions taken by the Company to (i) reduce exposure to excessive risks, (ii) align remuneration with the Company's long-term interests and (iii) achieve a balance between the fixed and variable components of directors' remuneration have been described previously in this Report. In addition, as also detailed, only Executive Directors are participants in variable remuneration systems, thus preventing variable remuneration from compromising the independence of judgment of non-executive directors.

As mentioned above, variable remuneration includes the following provisions to reduce risks:

- i. The parameters of the short-term variable remuneration system are defined annually, based on formal procedures for determining the amounts to be paid to the Executive Directors. The objectives are set in writing in advance and their achievement is determined on the basis of the results obtained and approved by the Board of Directors, at the proposal of the ARCGC. The application of the short-term annual variable remuneration system for the year 2021 is detailed in section B.1.7 below.
- ii. There is no right to obtain guaranteed short-term annual variable remuneration (without prejudice to the exception agreed with Mr. Nuñez for the 2021 fiscal year).
- iii. All of the variable remuneration has fixed maximum amounts to be paid.
- iv. The system for setting metrics for quantitative objectives takes into consideration the variables identified in the Company's risk map.

- v. The contracts of the Executive Directors have a clawback clause that allows the Company to claim reimbursement of the variable components of remuneration when they have been paid on the basis of data subsequently proven to be inaccurate. This clause is effective for all variable remuneration received from the date of entry into force of their contracts with the Company, and is applicable within the year following the payment of the corresponding variable remuneration.
- vi. In addition, the "Deferred Remuneration 2018-2020" approved by the General Shareholders' Meeting contemplates, considering the duration of this variable remuneration, a specific clawback clause, which requires the former Chief Executive Officer, Mr. Manuel Mirat, to return the variable remuneration received if within the three years following its receipt circumstances determined by the Board of Directors have arisen that require the return of the shares delivered or their cash equivalent. This clawback clause is also applicable to the other beneficiaries of the plan (i.e. senior executives and other Group executives), with a term of application of two years instead of three.
- vii. Likewise, the general conditions approved by the Board of Directors of PRISA that defined the extraordinary remuneration incentives linked to the success of the strategic operations of the sale of the education business of Grupo Santillana Educación Global, S.L.U. in Spain and the refinancing of Grupo Prisa's financial debt with its creditors, which were executed in 2020, include a clawback clause, which requires the former Chief Executive Officer Mr. Manuel Mirat to reimburse all or part of the incentive paid if during the two years following each payment date any of the circumstances determined for this purpose in the aforementioned general conditions were to occur.

This remuneration was paid in full to Mr. Mirat in 2021 (50% was paid in January 2021 and the other 50% was settled in July 2021). However, only 50% of such remuneration has been accrued in fiscal year 2021 (the other 50% was accrued in fiscal year 2020, as stated in the Remuneration Report for fiscal year 2020).

B.3 Explain how the remuneration accrued and consolidated over the financial the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in directors' remuneration, including any accrued remuneration payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company.

B.3.1. Remuneration accrued during the year and compliance with current remuneration policy

In compliance with the provisions of the Remuneration Policy, the remuneration earned in 2021 by the directors was as follows:

i. Non-executive directors:

The non-executive directors have received in fiscal year 2021 the amounts provided for in the Remuneration Policy and detailed in section B.5 of this Report, both for their membership of the Board of Directors and the various Board Committees, as well as, where applicable, for the chairmanships of the Board and the Committees, with the reductions applied within the framework of the contingency plan indicated in the Background of this Report, which was implemented by the Board of Directors in the context of the COVID-19 crisis.

On the other hand, Mr. Manuel Polanco Moreno has been non-executive Chairman of PRISA Noticias until 27 May 2021 and, as such, was entitled to receive a maximum amount of 50,000 euros per year. As part of the aforementioned contingency plan, this remuneration was reduced by 20%, to €40,000, in fiscal year 2021. For the period from 1 January to 27 May 2021, Mr. Polanco received the sum of 16,667 euros.

The total amount accrued by all the directors in their capacity as such (non-executive) in 2021, including the remuneration of the former directors Mr. Javier de Jaime and Mr. Dominique D'Hinnin until the time of their respective resignations, amounts to 1,027,060 euros in PRISA, to which must be added the 17,000 euros accrued by the director Mr. Manuel Polanco for his previous responsibilities in PRISA Media. Consequently, the total annual maximum limit established in the Remuneration Policy for non-executive directors is complied with (i.e. 2,000,000 euros).

ii. Executive directors (Mr. Carlos Nuñez, Executive Chairman of PRISA Media and Mr. Francisco Cuadrado, Executive Chairman of Santillana)

a) Fixed remuneration:

As indicated above, the Remuneration Policy (approved at the shareholders' meeting held in June 2021) provides for the existence of two executive directors and refers to them by name (Mr. Carlos Nuñez as Executive Chairman of PRISA Media and Mr. Manuel Mirat as Executive Chairman of Santillana).

The Remuneration Policy provides for fixed annual remuneration of 400,000 euros for Mr. Nuñez as Executive Chairman of PRISA Noticias and 500,000 euros for Mr. Mirat as Executive Chairman of Santillana (which is the same remuneration that Mr. Mirat had stipulated as Chief Executive Officer of PRISA).

Subsequent to the approval of the Remuneration Policy, in July 2021, Mr. Mirat has been replaced by Mr. Francisco Cuadrado as a director of PRISA and as Executive Chairman of Santillana, and the Company has entered into a contract with Mr. Cuadrado whereby he is recognised annual fixed

remuneration of 475,000 euros without exceeding the maximum annual fixed remuneration that the Remuneration Policy provides for the Executive Chairman of Santillana (500,000 euros).

The Executive Directors in 2021 have earned fixed remuneration, proportional to the time in which they have performed their duties as Executive Chairman of Prisa Noticias and Executive Chairman of Santillana:

- Mr. Nuñez has accrued fixed remuneration of 241,942 euros, for the period from 24 May 2021 (effective date of his appointment as Executive Chairman of Prisa Noticias) to 31 December 2021, taking into account that his annual fixed remuneration amounts to 400,000 euros.
- Mr. Cuadrado has accrued fixed remuneration of 197,917 euros, for the period between 27 July 2021 (date of his appointment as Executive Chairman of Santillana and as a director of PRISA) and 31 December 2021, taking into account that his annual fixed remuneration amounts to 475,000 euros.

Remuneration earned by Mr. Cuadrado for other functions performed at Santillana prior to 27 July 2021, are not included in section C of this report as they are prior to the date on which Mr. Cuadrado assumed his responsibilities as Executive Chairman of Santillana and as a director of PRISA.

b) Short-term variable annual remuneration:

Mr. Nuñez's short-term target variable remuneration for a level of 100% achievement of the objectives set for 2021 amounted to 250,000 euros. This amount could be increased up to 130% (i.e. 325,000) if the degree of achievement of the objectives set is higher than 100%.

The annual variable remuneration of Mr. Carlos Nuñez was to be calculated in proportion to the time of service rendered during the year 2021 although, exceptionally, the Company guarantees him the payment of 50% of the annual variable remuneration of reference mentioned above (i.e. 50% of €250,000).

To determine Mr. Nuñez's short-term variable remuneration, the weighting of objectives was as follows: (i) 70% quantitative objectives and (ii) 30% qualitative objectives.

Mr. Cuadrado's short-term target variable remuneration for a level of 100% achievement of the objectives set for 2021 amounted to 250,000 euros. This amount could be increased up to 130% (i.e. 325,000) if the degree of achievement of the objectives set is higher than 100%.

It should also be noted that with respect to the variable remuneration that may correspond to Mr. Cuadrado for the performance of his duties during

the year 2021, in accordance with his contract, this would be calculated as follows:

- until 31 July 2021, the amount of the annual variable remuneration would be calculated by applying the percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 160,000 euros gross; and
- from 1 August 2021 to 31 December 2021, the amount of the annual variable remuneration would be calculated by applying the same percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 250,000 euros gross.

To determine Mr. Cuadrado's short-term variable remuneration, the weighting of objectives was as follows: (i) 70% quantitative objectives and (ii) 30% qualitative objectives.

The annual variable remuneration corresponding to the 2021 fiscal year accrued by the Executive Directors is €168,252 (Mr. Nuñez) and €148,476 (Mr. Cuadrado), calculated on the target amounts and based on the fulfilment of the objectives set forth in their contracts and in the Remuneration Policy, as explained in more detail in section B.7. below. In the case of Mr. Cuadrado, the target amount contractually recognised for him (250,000 euros) does not exceed the target amount foreseen in the Remuneration Policy for Mr. Mirat as Executive Chairman of Santillana (300,000 euros).

c) Life and accident insurance and health insurance premiums:

The amounts corresponding to the premiums for life and accident insurance and health insurance described in section B.14 have also been accrued.

iii. Mr. Manuel Mirat, former Chief Executive Officer of PRISA and Executive Chairman of Santillana):

As already indicated in the "Background" of this Report, Mr. Manuel Mirat, who was an executive director of the Company until 27 July 2021, had been rendering his services in several companies of the PRISA Group, through successive contractual relationships of different nature, from October 1997 until July 2021.

The last executive responsibilities assumed by Mr. Mirat in the Company were those of Chief Executive Officer of PRISA (from September 2017 until June 2021) and Executive Chairman of Santillana (from 29 June until 27 July 2021, having signed the corresponding service agreement on 26 May 2021).

Mr. Mirat's annual fixed remuneration amounted to 500,000 euros, although during the 2021 fiscal year it was subject to a 20% reduction, applied as part of the contingency plan implemented in the Company due to the Covid-19 crisis. Mr. Mirat has accrued fixed remuneration of 265,417 euros for the

period from January to July 2021 (included in section C of this Report under "Salary").

Mr. Mirat has accrued annual short-term variable remuneration, corresponding to the 2021 fiscal year, in the amount of 175,000 euros.

In addition, in fiscal year 2021, Mr. Mirat has accrued the second 50% of the amount of the Extraordinary Incentives linked to the success of certain key strategic operations executed in fiscal year 2020, which has been settled in July 2021 in the amount of €500,000 (included in section C of this Report under "Other items"). The first 50% of these incentives (another 500,000 euros) was paid in January 2021, but accrued in 2020 (as stated in the Remuneration Report for that year) and is therefore not included in the tables in section C of this Report.

The termination of the last two contracts of Mr. Mirat as Chief Executive Officer of PRISA and as Executive Chairman of Santillana has been settled and terminated in the year 2021, which has given rise to the payment and/or recognition of the following remuneration items that were foreseen both in Mr. Mirat's contracts with the Company and in the Remuneration Policy:

- Indemnity for the termination of the services agreement on 26 May 2021, equivalent to 18 months of fixed and variable annual remuneration: 1,200,000 euros (included in section C of this Report under "Indemnity").

For the calculation of this amount, the annual fixed remuneration of 500,000 euros (without the temporary reduction of 20% applied in the context of the Covid-19 crisis) and Mr. Mirat's annual variable reference remuneration (target), which amounted to 300,000 euros gross, were taken into consideration.

- Employment indemnity for the termination of the employment relationships that Mr. Mirat had maintained with different entities of the PRISA Group since 20 October 2017: 381,145.18 euros gross (included in section C of this Report under "Indemnity").

This amount was already calculated and provided for in the Remuneration Policy.

- Supplemental indemnity: 35,588.64 euros gross (included in section C of this Report under "Indemnity").

In accordance with the provisions of the Remuneration Policy, this amount is equivalent to the amount established as the maximum amount of the Social Security contributory unemployment benefit, for the maximum period established for such benefit.

- Three months' notice (for termination of the contract at the Company's request): 125,000 euros gross (included in section C of this Report under "Indemnity").

This amount was calculated on Mr. Mirat's annual fixed remuneration of 500,000 euros (without the 20% temporary reduction applied in the context of the Covid 19 crisis) and corresponds to the 3-month notice period not observed by the Company.

- Annual variable remuneration corresponding to fiscal year 2021, in an amount proportional to the date of Mr. Mirat's resignation from the Company and calculated on the annual target amount (300,000 euros): 175,000 euros gross (included in section C of this Report under "Short-term variable remuneration").
- Settlement of accrued and unused vacation and bonus payments: a total of 24,702 euros gross (included in heading C of this Report under "Salaries" and "Other items", respectively).
- Post-contractual non-competition covenant: 208,333 euros gross.

In consideration for the post-contractual non-competition covenant provided for in Mr. Mirat's contract, Mr. Mirat will receive six monthly instalments of the gross annual salary (amounting to €500,000), payable in six monthly instalments of the same amount each over the term of the non-competition covenant (i.e., from August 2021 to January 2022, both months inclusive). Consequently, Mr. Mirat is entitled to receive a total amount of 250,000 euros payable in six monthly payments of 41,666.67 euros gross each, and it is the amount of five monthly payments (from August to December, both inclusive), i.e. 208,333 euros, which he has accrued in 2021 (included in section C of this Report under "Other items").

Finally, it should be noted that Mr. Mirat has waived any rights he may be entitled to under the "Santillana 2020-2023 Incentive Plan", referred to in sections A.1.2.1. iii) a) and A.1.2.2.2.ii) of this Report.

iv. Total remuneration of directors and differences from the Annual Financial Statements and Financial Information

The amount of the total remuneration of the Board members shown in section C of this Report, which follows the accrual criteria set forth in "CNMV Circular 3/2021, establishing the model annual report of remuneration of directors of listed public limited companies", differs from the total amount of directors' remuneration disclosed in the Notes to the Annual Financial Statements and in the Semiannual Financial Information of PRISA for the year 2021, as this amount corresponds to the expense recorded for accounting purposes in accordance with the applicable principles and standards.

v. Contribution of remuneration to the Company's sustainable performance.

As expressly stated in the Company's Remuneration Policy, the remuneration system shall be aimed at promoting the long-term profitability and sustainability of the Company, incorporating the necessary precautions to avoid excessive risk-taking and the rewarding of unfavourable results. Likewise, the Policy establishes as one of the criteria on which the remuneration of directors who perform executive functions in the Company must be based, that such remuneration should take into account the current situation, prospects and sustainable growth objectives of the Company.

In this sense, the variable remuneration of the Executive Directors is intended to strengthen their commitment to the Company and to encourage the best performance of their duties, and represents a relevant part of their total remuneration, being linked to the achievement of objectives pre-set by the Board of Directors, most of which are specific and quantifiable, so that it does not simply derive from the general evolution of the markets, the Company's sector of activity or other similar circumstances.

In particular, as detailed in section B.7 of this Report, the annual short-term variable remuneration of the Executive Directors for the 2021 fiscal year has been linked, among other qualitative objectives, to the fulfilment of certain ESG objectives, the remuneration accrued by the Directors in the 2021 fiscal year thus contributing to the sustainable performance of the Company.

B.3.2. Relationship between remuneration obtained by directors and the results or other measures of short and long-term profitability of the entity, if applicable explaining how the changes in profitability of the company may have influenced changes in remuneration of directors.

As stated in the Background of this Report, in the context of the COVID-19 crisis and in order to mitigate the negative impact of the situation, which had a particular impact on the main sources of revenue generation of all types of media, in the 2020 financial year the Board of Directors of PRISA agreed to implement a contingency plan to adapt the cost structures of its businesses to the foreseeable circumstances in the following months, which has led to a 20% reduction in the remuneration of directors throughout the 2021 financial year.

In addition, the remuneration of the Executive Directors has been adjusted to the short and medium/long term performance of PRISA, and, in this regard, the Policy establishes the following remuneration components: (i) short-term annual variable remuneration the objectives of which are determined on an annual basis and are linked to a significant percentage (i.e. 70%) to the Company's financial objectives and (ii) medium-term Deferred Remuneration, the objectives of which are linked to Santillana's value creation and PRISA Media's budget, respectively.

The short and medium-term variable remuneration systems incorporate measures that take into account possible variations in the Company's results, including the following:

- They include achievement scales defined for each objective based on the results achieved by the Company. Consequently, any variation in the

Company's performance in the short or long term will affect the degree of achievement of the objectives and directly affect the amount of variable remuneration that may correspond to the Executive Directors, if any.

- Only when the Board of Directors has prepared the corresponding annual accounts that serve as a basis for determining the degree of achievement of the objectives, will the short or long-term variable remuneration systems, linked to the Company's financial objectives, be accrued.
- In addition, the 2018-2020 Deferred Remuneration provides for the obligation to maintain ownership of a certain number of the shares that may be received under the Deferred Remuneration.

In this regard, the variable remuneration obtained by the Executive Directors has been directly linked to the Company's results, as explained in more detail in section B.7. below.

B.4. Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:

	Number	% of total
Votes cast	592,865,961	100%

	Number	% of votes cast
Votes against	34,635,056	05.84%
Votes in favour	558,218,808.	94.16%
Blank ballots	0	00.00%
Abstentions	12,097	00.00%

B.5 Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined, their relative proportion with regard to each director and how they changed with respect to the previous year.

i. Non-executive Chairman's remuneration:

As previously indicated in this Report, in the Remuneration Policy approved at the Shareholders' Meeting of June 2021, taking into account the socioeconomic circumstances of the moment as well as those of the Company in particular, it was considered appropriate to reduce the remuneration range of the non-executive Chairman (which until December 2020 was between 300,000 and 500,000 euros per year), being set at a range of between 200,000 and 300,000 euros per year.

The amount of the annual fixed remuneration of the non-executive Chairman is a fixed amount for all categories, which is established by the Board of Directors, at the proposal of the ARCGC, within said range and taking into account different considerations. Thus, the remuneration of the non-executive Chairman, Mr. Joseph Oughourlian, was set by the Board of Directors of PRISA at 200,000 euros per year (vs. 400,000 euros per year

received by the former (until December 2020) non-executive Chairman, Mr. Javier Monzón de Cáceres).

ii. Remuneration of other directors in their capacity as such

The remaining remuneration of the directors, in their capacity as such, has not undergone any variation in 2021 with respect to the previous year and continues to be as indicated below, with the following exceptions:

- a) the 20% reduction in directors' remuneration as part of the contingency plan implemented as a result of the COVID-19 crisis has been applied for the entire 2021 fiscal year (whereas in 2020 this reduction was applied between April and December, inclusive) and,
- b) The remuneration of proprietary directors has undergone an additional reduction since July 2021, inclusive (as indicated in section B.1.2. of this Report) as a result of the incorporation of a new proprietary director in June and in order not to increase the total overall remuneration of the Board.

The remuneration was as follows:

- a) Maximum amount of fixed annual remuneration for participation in the Board of Directors: until June 2021 it was 70,000 euros per year for all non-executive directors (excluding the Chairman of the Board) but as from 1 July 2021 this amount has been reduced for proprietary directors, being established as follows: 70,000 euros per year for each independent director and 56,000 euros per year for each proprietary director.

Following the extraordinary reduction applied as part of the contingency plan for the COVID 19 crisis (20%), from January 2021 to June 2021 it was 56,000 euros for all proprietary and independent directors and from 1 July 2021 it was 56,000 euros for independent directors and 44,800 euros for proprietary directors.

This amount is paid in full in cash and prorated monthly.

- b) Maximum annual remuneration for participation in the Executive Committee of 30,000 euros per director. This amount is paid in full in cash and prorated monthly. After the extraordinary reduction indicated above, applied within the framework of the contingency plan, it has been €24,000 in fiscal year 2021.
- c) Maximum annual remuneration for participation in the Audit, Risk and Compliance Committee and in the ARCGC of 20,000 euros per director, being twice this amount for their respective chairmen (i.e. 40,000 euros). This amount is paid in full in cash and prorated monthly. Following the aforementioned extraordinary reduction, applied within the framework of the contingency plan, it has been €32,000 and €16,000, respectively, in fiscal year 2021 (although,

as explained above, this reduction has not been applied to the remuneration for the chairmanship of the committees during the month of December).

Specifically, the amounts of individual remuneration accrued in 2021 by the directors in their capacity as such (non-executive) were as follows, all in cash:

- Joseph Oughourlian: 200,000 euros.
- Roberto Alcántara Rojas: 50,400 euros.
- Amber Capital UK LLP (represented by Mr. Fernando Martínez Albacete until 23 March 2021 and by Mr. Miguel Barroso from that date until 31 December 2021): 66,400 euros.
- Maria Teresa Ballester Fornés: 72,000 euros.
- Beatrice de Clermont-Tonnerre: 112,667 euros.
- Carmen Fernández de Alarcón: 30,555 euros
- María José Marín Rey-Stolle: 73,071 euros
- Manuel Polanco Moreno 74,400 euros.

Additionally, Mr. Polanco in 2021 has received remuneration for his membership in the board of Prisa Noticias in the amount of 17,000 euros, also in cash, for the period from 1 January to 27 May 2021.

- Teresa Quirós Álvarez: 8,000 euros
- Khalid Bin Thani Abdullah Al Thani: 50,400 euros.
- Javier Santiso Guimaras: 96,000 euros.
- Rosauro Varo Rodriguez: 92,357 euros
- Dominique D'Hinnin (who has been a director until 30 November 2021): 88,666 euros.
- Mr. Javier de Jaime Guijarro (who was a director until 23 February 2021): 12,142 euros.

In accordance with the foregoing, the total amount accrued by all directors in their capacity as such (non-executive) in 2021 amounts to 1,044 thousand euros, which represents a decrease with respect to the total amount received by all directors in their capacity as such (non-executive) in 2020 (1,273 thousand euros).

B.6. Explain how the salaries accrued and vested by each of the executive directors over the past financial year for the performance of management duties were determined, and how they changed with respect to the previous year.

In 2021 the Company had the following executive directors:

- i. Mr. Carlos Nuñez has been an executive director of PRISA since his appointment by the General Shareholders' Meeting on 29 June 2021 (and has been Executive Chairman of PRISA Media since 24 May 2021). The fixed remuneration provided for in his contract is 400,000 euros, so Mr. Nuñez has accrued fixed remuneration of 241,942 euros in the 2021 fiscal year, for the time during which he has held his position as Executive Chairman of PRISA Media.
- ii. Mr. Francisco Cuadrado has been an executive director of PRISA since his appointment by co-optation on 27 July 2021 and has also been Executive Chairman of Santillana since the same date. The fixed remuneration provided for in his contract is 475,000 euros, so Mr. Cuadrado has accrued fixed remuneration of 197,917 euros in the 2021 fiscal year, for the time during which he has held his position as Executive Chairman of Santillana.
- iii. Mr. Manuel Mirat has been an executive director of PRISA until his resignation on 27 July 2021 (first as Chief Executive Officer of PRISA until 29 June 2021 and then as Executive Chairman of Santillana until 27 July 2021). The amount of Mr. Mirat's annual fixed remuneration was maintained since the signing of his contract as Chief Executive Officer of PRISA in September 2017, at €500,000.

As part of the contingency plan implemented as a result of the COVID-19 crisis, this remuneration was reduced by 10% for the period from April to December 2020 and for the entire 2021 financial year. Consequently, the fixed remuneration accrued was 463,000 euros in 2020 and 265,417 euros in 2021 (for the period during which he was an executive director of PRISA, from 1 January to 27 July 2021).

B.7 Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year last ended.

In particular:

a) Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

b) In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.

c) Each director that is a beneficiary of remuneration systems or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).

d) Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

As provided for in the Remuneration Policy, only the Executive Directors have been participants in variable remuneration systems during the 2021 financial year.

The variable remuneration system for Executive Directors includes the following variable components:

B.7.1. Annual short-term variable remuneration:

The annual variable remuneration of the Executive Directors is regulated in their contracts, by virtue of which they will receive non-vesting variable remuneration, in cash, in accordance with the degree of achievement of the objectives assigned to them for each of the annual periods included in the term of their contracts, which will be established annually by the Board of Directors at the proposal of the ARCGC.

The Remuneration Policy establishes that, in general terms, this short-term variable remuneration will be determined according to a compliance scale, mainly linked to the achievement of quantitative business objectives, among which are the Group's operational and financial objectives, value creation objectives and sustainability objectives, as well as, to a lesser extent, qualitative objectives.

The annual short-term variable remuneration stipulated in the contracts of the Executive Directors amounts to 250,000 euros for the two Executive Directors, for a level of achievement of 100% of the established objectives, with the possibility of increasing this amount up to a maximum of 130% if the degree of achievement of the established objectives is higher than 100%, so that the maximum amount that the Executive Directors could receive for this remuneration item is 325,000 euros gross.

i. Carlos Nuñez (Executive Chairman of PRISA Media):

Mr. Nuñez joined the organisation on 24 May 2021 and his contract with the Company provides that for the year 2021 his annual variable remuneration will be calculated in proportion to the time of service, although, exceptionally, the Company guarantees him the payment of 50% of the annual variable remuneration mentioned above (i.e. 50% of €250,000).

To determine Mr. Nuñez's short-term variable remuneration for fiscal year 2021, the weighting of objectives is as follows: (i) 70% quantitative objectives, and (ii) 30% qualitative objectives.

a) Quantitative objectives (70%):

These objectives are aimed at improving financial, operating and service results, with special emphasis on EBITDA and cash generation, and two objectives have been introduced for growth in digital business, all within the PRISA Media business.

Specifically, the quantitative measurement of compliance is based on the following three indicators that reflect the most relevant objectives of PRISA Media and according to the following weighting:

Metrics	Weighting
EBITDA	25%
Cash generation (total cash flow before operations)	25%
Digital revenue	20% (10% for revenues and 10% for digital subscriptions to the newspaper El País)

The metrics are based on the 2021 budget.

The compliance scale for EBITDA and for the Revenues and Digital Indicators will be as indicated below.

Metrics	Degree of achievement							
	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt
EBITDA	<90%	0%	90%	50%	100%	100%	≥120%	130%
Digital revenue/ Digital subscribers to El Pais newspaper	<90%	0%	90%	50%	100%	100%	≥120%	130%

The intermediate points of the intervals between 90 and 100 will be calculated by linear interpolation and the intermediate points between 100 and 120 will be calculated linearly.

The Cash Flow target has a differential scale due to the difficulty in meeting the target at a time of intense transformation of the Company coupled with uncertainty as a result of COVID-19. The minimum degree of compliance will be 70% of the target objective and overcompliance will be rewarded by increasing the maximum range.

Metrics	Degree of achievement							
	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt
Cash generation (Operating cash flow)	<70%	0%	70%	50%	100%	100%	≥MAXIMUM	150%

In the cash generation objective (operating cash flow), only linear interpolation is applied until 100% compliance is achieved and, if compliance exceeds 100%, the payment percentage will be 100%, unless compliance results in positive cash generation (>0), in which case 150% will be paid.

b) Qualitative objectives (30%)

The qualitative part includes variables to measure individual performance of certain competencies, as well as achievement of certain ESG objectives specific to the PRISA Media unit:

- 20% is linked to individual performance according to new competencies and especially valuing effort and leadership to drive the organisation towards digital and cultural transformation.

Only in duly justified exceptional cases may a maximum overcompliance of 25% be awarded. Effort and leadership in driving the organisation towards meeting annual objectives and maintaining the team's motivation during 2021 is especially valued.

- 10% is linked to the fulfilment of ESG objectives.

c) Key objective:

A "key objective" is applied, the achievement of which allows or disallows the accrual of variable remuneration in the short term. This key objective is that Prisa Media's structural expenses should be lower than budgeted.

In accordance with the above, the ARCGC, at its meetings held on 25 January and 28 February 2022, determined and assessed the degree of achievement of the objectives established for the receipt of Mr. Nuñez's short-term variable remuneration accrued in 2021. Since several extraordinary events not foreseen in the budget have occurred in fiscal year 2021, the ARCGC has agreed to make certain adjustments to the actual results obtained, in order to measure the percentage of achievement of objectives. The Board of Directors meeting held on 28 February 2022, at the proposal of the ARCGC, has approved the amount to be paid for these concepts.

In accordance with the above, the degree of achievement of quantitative objectives (weighted at 70%) was 43.7% (0% EBIT target, 8.4% systems revenue target, 10.3% student number target and 25% cash generation target (total cash flow before operations)), and the degree of achievement of qualitative objectives (weighted at 30%, including the individual performance variables of certain competencies as well as achievement of certain ESG objectives) was 31.5%.

The total degree of compliance amounts to 110.7%, which means that the variable remuneration that Mr. Nuñez has accrued in 2021 amounts to 168,252 euros.

ii. Mr. Francisco Cuadrado (Executive Chairman of Santillana):

Mr. Cuadrado assumed his responsibilities as Executive Chairman of Santillana in July 2021, although he had previously served the Company as Chief Business Officer of Santillana.

With respect to the variable remuneration that could correspond to Mr. Cuadrado for the performance of his duties during the year 2021, in accordance with his contract, it is calculated as follows:

- until 31 July 2021, the amount of the annual variable remuneration is calculated by applying the percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 160,000 euros gross; and
- from 1 August 2021 to 31 December 2021, the amount of the annual variable remuneration is calculated by applying the same percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 250,000 euros gross.

Thus, the target annual variable remuneration for a level of 100% achievement of the objectives set for 2021 amounts to 197,500 (mix of the two target amounts above), which can be increased up to 130% (i.e. 256,750) if the degree of achievement of the objectives set is higher than 100%.

To determine Mr. Cuadrado's short-term variable remuneration for fiscal year 2021, the weighting of objectives is as follows: (i) 70% quantitative objectives, and (ii) 30% qualitative objectives.

a) Quantitative objectives (70%):

These objectives are aimed at improving financial, operating and service results, with special emphasis on EBIT and cash generation, and two objectives have been introduced for growth in subscription models, all within the Education business (Santillana).

Specifically, the quantitative measurement of compliance is based on the following four indicators that reflect Santillana's most relevant objectives and according to the following weighting:

Metrics	Weighting
EBIT	25%
Cash generation (total cash flow before operations)	25%
Systems revenue	10%
Number of students	10%

The metrics are based on the 2021 budget.

The compliance scale for EBIT, subscription model growth (i.e. system revenue and number of students) will be as follows.

Metrics	Degree of achievement							
	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt
EBIT	<90%	0%	90%	50%	100%	100%	≥120%	130%
Systems revenue	<90%	0%	90%	50%	100%	100%	≥120%	130%
Number of students	<90%	0%	90%	50%	100%	100%	≥120%	130%

Intermediate points between 90 and 100 will be calculated by linear interpolation and intermediate points between 100 and 120 will be calculated linearly.

In 2021, the total Cash Flow before operations target will have a differential scale due to the difficulty in meeting the target at a time of intense transformation of the Company coupled with uncertainty as a result of COVID-19. The minimum degree of compliance will be 70% of the target objective and overcompliance will be rewarded by increasing the maximum range.

Metrics	Degree of achievement							
	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt
Cash generation (<i>Total Cash Flow before operations</i>)	<70%	0%	70%	50%	100%	100%	≥200%	150%

In the cash generation objective (total cash flow before operations) only linear interpolation applies until 100% compliance is reached and, after compliance above 100%, the payment percentage will be 100% unless the maximum entitlement to the maximum payment is reached.

b) Qualitative objectives (30%)

The qualitative part includes variables for measuring individual performance of certain competencies, as well as achievement of certain specific ESG objectives for the Education business unit (Santillana):

- 20% is linked to individual performance according to new competencies and especially valuing effort and leadership to drive the organisation towards digital and cultural transformation.

Only in duly justified exceptional cases may a maximum overcompliance of 25% be awarded. Effort and leadership in driving the organisation towards meeting annual objectives and maintaining the team's motivation during 2021 is especially valued.

- 10% is linked to the fulfilment of ESG objectives.

c) Key objective:

A "key objective" is applied, the achievement of which allows or disallows the accrual of variable remuneration in the short term. This key objective is to ensure that Santillana's net income is positive.

The key objective has been met.

In accordance with the above, the ARCGC, at its meetings held on 25 January and 28 February 2022, has determined and assessed the degree of achievement of the objectives established for the receipt of Mr. Cuadrado's short-term variable remuneration accrued in 2021 and has proposed to the Board of Directors the amount to be paid for this concept. The Board of Directors held on 28 February 2022 approved the ARCGC's proposal.

In accordance with the above, the degree of achievement of the quantitative objectives (weighted at 70%) was 43.7% (0% for the EBIT objective, 8.4% for the systems revenue objective, 10.3% for the number of students objective and 25% for the cash flow objective), and 31.5% for the degree of achievement of the qualitative objectives (weighted at 30%, including the individual performance variables of certain competencies as well as achievement of certain ESG objectives).

The total degree of compliance amounts to 75.2%, so that the variable remuneration that Mr. Cuadrado has accrued in 2021 amounts to 148,476 euros.

iii. Mr. Manuel Mirat (executive director until July 2021):

Mr. Mirat's annual variable remuneration for the 2021 fiscal year has been settled upon termination of his contracts with the Company in July 2021. See section B.10 of this Report.

B.7.2. Long-term variable remuneration:

As already indicated in sections A.1.6.iii) and A.1.11 above, the former executive director Mr. Manuel Mirat was the beneficiary of medium-term deferred variable remuneration for the period 2018-2020, payable in shares, which was approved by the Shareholders' Meeting held on 25 April 2018.

This medium-term Deferred Remuneration was intended to align the interests of its beneficiaries with those of the Company's shareholders, within the framework of the Company's Strategic Plan for the 2018-2020 period. Thus, the Deferred Remuneration contemplated for the beneficiaries the allocation of a number of theoretical shares ("RSUs") that served as a reference to determine, if applicable, the delivery of a number of ordinary shares of the Company after a reference period of three years, conditioned on the fulfilment of certain requirements and the objectives established for: (i) Increase in share value, (ii) consolidated EBITDA and (iii) consolidated Cash Flow.

Once the degree of achievement of the objectives had been analysed, for which advice was provided by an independent third party, KPMG, which performed the analysis of the impact on EBITDA and Cash Flow of the 2018-2020 Strategic Plan, using the operations that have taken place during this period as a reference for establishing the objectives, achievement of Cash Flow was 85.8%, while the EBITDA and value increase objectives would not have been met. This degree of compliance entailed the delivery of 471,900 gross shares to Mr. Mirat, equivalent to 21.45% of the theoretical shares that were allocated to Mr. Mirat in 2018 (2,200,000 shares).

At the request of the beneficiaries of this remuneration plan, the Board of Directors of PRISA resolved that the settlement and delivery of this deferred remuneration be delayed to the period between 1 January and 28 February 2022 (delivery which, according to the general conditions governing this remuneration plan, should be made in the 60-day period following the preparation of the 2020 financial statements). The settlement of this remuneration plan was made in February 2022 and the corresponding amount is not shown in the tables in section C of this Report, since it was not accrued in 2021.

B.7.3. Extraordinary incentives linked to key strategic transactions (sale of the education business of Grupo Santillana Educación Global, S.L.U. in Spain and refinancing of Grupo Prisa's financial debt):

Regarding the two extraordinary remuneration incentives addressed to the former Chief Executive Officer of Prisa (and other executives) that were linked to the success of two relevant strategic transactions that were executed in 2020 (sale of the education business of Grupo Santillana Educación Global, S.L.U. in Spain and refinancing of the financial debt of Grupo Prisa with its creditors), as already indicated in this Report, in 2021 Mr. Mirat has accrued the second 50% of the amount of such incentives which has been settled in July 2021 in the amount of €500,000 (included in heading C of this Report under "Other items"). The first 50% of these incentives (another €500,000) was paid in January 2021, but accrued in

2020 (as stated in the Remuneration Report for that year) and is therefore not included in the tables in section C of this Report.

Payment was made in cash, based on achievement scales on predefined target amounts. In the case of Mr. Mirat, the target amount for the refinancing transaction was €330,000 and the target amount associated with the sale of Santillana España was €670,000, making a total target amount, for the two incentives, of €1,000,000.

The amount that each participant could receive would range from 80% to 120% of the allocated target amount.

The conditions for receiving the incentives were as follows: i) formalisation and final execution of the sale of Santillana España and the refinancing agreements with the Company's main creditors, under the conditions approved by the Board of Directors, in both cases, with the individual contribution of the beneficiary and ii) maintenance of the labour or mercantile relationship with the Company. These conditions were met.

The Board, at the proposal of the ARCGC, had to determine the amount achieved by each participant on the basis of the overall assessment and their individual contribution. In the case of the refinancing incentive, in order to make this proposal, the ARCGC had to rely on the report of the external advisors of the operation to assess the operation as a whole and on a report justifying the individual contribution of each participant. Consequently, the Board could modify the target pool amount by 20% upward (120% of target) or 20% downward (80% of target). The valuation of the individualised allocation was to be performed after the transactions had been executed.

In January 2021, the Board, at the proposal of the ARCGC, agreed that the compliance ratio would be 100% of the two incentives, taking into account the qualitative assessment of the final conditions of the agreements reached in the transactions (in the case of the refinancing agreement, the assessment contained in the report of Lazard, external advisor of the transaction, was taken into account, and in relation to the sale of Santillana España, the report of Morgan Stanley, external advisor of the transaction, was taken into account, as well as the optimum contribution of the Chief Executive Officer in the transactions).

Payment was made as follows:

- i. A first payment (the amount of which is equal to 50% of the sum of the two Incentives) after the execution of the operations (which were closed on 31 December 2020). This first payment was made in January 2021.
- ii. A second payment (equivalent to the other 50%), six months after the closing of the operations. This second payment was linked to the performance of Prisa's shares compared to a group of comparable companies that were defined and could be paid after the end of the period for measuring the performance of the share. The Board of

Directors, when assessing the pay-out ratio, could take into account significant internal or external changes that would make it appropriate to determine a pay out ratio of up to 100%, even if the PRISA share had not outperformed the Comparison Group, under certain predefined assumptions. This payment was settled in July 2021.

B.8 Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or clawback clauses, why they were implemented and the years to which they refer.

No reduction or claim has been made for the return of variable components as no variable remuneration has been accrued or paid as a result of data that has subsequently been proven to be manifestly inaccurate.

B.9 Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favour of the directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the director.

There are no long-term savings systems in favour of the directors in 2021.

B.10 Explain, where applicable, the indemnification or any other type of payment deriving from the early cessation, whether at the company's or the director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by directors during the year last ended.

Mr. Mirat rendered his services in several companies of the PRISA Group, through successive contractual relationships of different nature, from October 1997 to July 2021. The termination of the last two contracts of Mr. Mirat as Chief Executive Officer of PRISA and as Executive Chairman of Santillana, as well as the termination of the employment relationship that Mr. Mirat had with the Company, has been settled and terminated in the year 2021, which has given rise to the payment and/or recognition of the following remuneration items that were provided for both in Mr. Mirat's contracts with the Company and in the Remuneration Policy:

- a) Indemnity for the termination of the services agreement on 26 May 2021, equivalent to 18 months of fixed and variable annual remuneration: 1,200,000 euros (included in section C of this Report under "Indemnity").

For the calculation of this amount, the annual fixed remuneration of 500,000 euros (without the temporary reduction of 20% applied in the context of the Covid-19 crisis) and Mr. Mirat's annual variable reference remuneration

(target), which amounted to 300,000 euros gross, were taken into consideration.

- b) Employment indemnity for the termination of the employment relationships that Mr. Mirat had maintained with different entities of the PRISA Group since 20 October 2017: 381,145.18 euros gross (included in section C of this Report under "Indemnity").

This amount was already calculated and provided for in the Remuneration Policy.

- c) Supplemental indemnity: 35,588.64 gross, (included in section C of this Report under "Indemnity").

In accordance with the provisions of the Remuneration Policy, this amount is equivalent to the amount established as the maximum amount of the Social Security contributory unemployment benefit, for the maximum period established for such benefit.

- d) Three months' notice (for termination of the contract at the Company's request): 125,000 gross (included in section C of this Report under "Indemnity").

This amount was calculated on Mr. Mirat's annual fixed remuneration of €500,000 (without the temporary 20% reduction applied in the context of the Covid 19 crisis) and corresponds to the Company's unfulfilled notice period of 3 months.

- e) Annual variable remuneration corresponding to fiscal year 2021, in an amount proportional to the date of Mr. Mirat's resignation from the Company and calculated on the annual target amount (300,000 euros): 175,000 gross (included in section C of this Report under "Short-term variable remuneration").

- f) Settlement of accrued and unused vacation and bonus payments: 24,702 euros gross (included in section C of this Report under "Salary" and "Other items", respectively).

- g) Post-contractual non-competition covenant: 208,333 euros gross

In consideration for the post-contractual non-competition covenant provided for in Mr. Mirat's contract, Mr. Mirat will receive six monthly instalments of the gross annual salary (amounting to €500,000), payable in six monthly instalments of the same amount each over the term of the non-competition covenant (i.e., from August 2021 to January 2022, both months inclusive). Consequently, Mr. Mirat is entitled to receive a total amount of €250,000 payable in six monthly payments of 41,666.67 euros gross each, and it is the amount of five monthly payments (from August to December, both inclusive), that is, 208,333 euros, which he has accrued in 2021 (included in section C of this Report under "Other items").

It is noted for the record that the firm Uría & Menéndez advised the Company in the configuration of Mr. Mirat's contract as Executive Chairman of Santillana. Likewise, the Pérez-Llorca law firm advised the Company in connection with the economic conditions associated with the dismissal of Mr. Manuel Mirat Santiago as Executive Chairman of Santillana and the termination of his legal relationship with the Company.

B.11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, if so, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

As already indicated in the "Background" of this Report, in 2021:

- i. Mr. Carlos Nuñez has joined the Company as Executive Chairman of PRISA Media and executive director of PRISA. His services agreement has been signed in May 2021 with PRISA Media, S.L.
- ii. Mr. Francisco Cuadrado has been appointed Executive Chairman of Santillana and executive director of PRISA. His services agreement has been signed in July 2021 with Grupo Santillana Educación Global, S.L.U.
- iii. Mr. Manuel Mirat was an executive director of PRISA until 27 July 2021. Mr. Mirat assumed the responsibilities of Chief Executive Officer of PRISA from September 2017 until June 2021 and Executive Chairman of Santillana from 29 June until 27 July 2021, for which purpose he entered into the corresponding services agreement, in May 2021, with Grupo Santillana Educación Global, S.L.U.

Mr. Mirat's contractual relationship with the Company ended in July 2021.

B.12 Explain any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

No additional remuneration whatever has been earned by the directors as consideration for services rendered other than those inherent in the position.

Notwithstanding the foregoing and as already stated in this Report, before Mr. Francisco Cuadrado was appointed Executive Chairman of Santillana and director of PRISA (which occurred on 27 July 2021), he had been providing his services in Santillana as Global Director of Education, in consideration for which he has earned fixed remuneration and annual variable remuneration, for the period from 1 January to 31 July 2021 (although Mr. Cuadrado was appointed Executive Chairman of Santillana on 27 July 2021, the new economic conditions associated with that position were not effectively applied until 1 August 2021). These considerations do not constitute a payment derived from his status as a director of the Company, and therefore are not taken into account for the purposes of this Report.

B.13 Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

There are no advances, loans or guarantees granted by the Company to its directors.

B.14. Itemise the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the various salary components.

In relation to executive directors, the amount and nature of the remuneration in kind accrued in 2021 is detailed below:

i) Life and accident insurance policy:

The amounts of the annual premium for 2021 corresponding to the life and accident insurance policy were as follows:

- Mr. Carlos Nuñez: 219.86 euros for life insurance and 38.40 euros for accident insurance.

Life insurance amount insured for the year 2021 was 400,000 euros.

- Mr. Francisco Cuadrado: 1,642.68 euros for life insurance and 41.49 euros for accident insurance.

Life insurance amount insured for the year 2021 was 881,528 euros.

- Mr. Manuel Mirat: 1,303.85 euros for life insurance and 139.12 euros for accident insurance.

Life insurance amount insured for the year 2021 was 1,250,000 euros.

ii) Private health insurance policy:

- Carlos Nuñez: The amount of the premium corresponding to the health insurance policy was 2,616.95 euros.

- Francisco Cuadrado: The amount of the premium corresponding to the health insurance policy was 1,495.40 euros.

- Manuel Mirat: The amount of the premium corresponding to the health insurance policy was 3,364.65 euros.

On the other hand, it is noted that Messrs. Nuñez, Cuadrado and Mirat have made use, in the exercise of their respective functions, of a Company vehicle, in accordance with Grupo PRISA's vehicle fleet policy, although this is not considered to be remuneration in kind.

B.15 Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director's services to the company.

PRISA has not made any payments to a third party entity in which the directors may provide services, the purpose of which is to remunerate their services in the company.

B.16. Explain and detail the amounts accrued in the year in relation to any other remuneration concept other than that set forth above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true image of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons for those that would have been considered, if applicable, that do not constitute remuneration to the director or in consideration for the performance of their executive functions and whether or not has been considered appropriate to be included among the amounts accrued under the "Other concepts" heading in Section C.

There are no other categories of remuneration.

C. DETAIL OF THE INDIVIDUAL REMUNERATION CORRESPONDING TO EACH OF THE DIRECTORS

Name	Type	Accrual period fiscal year 2021
JOSEPH OUGHOURLIAN	Non-Executive Chairman (Proprietary Director)	From 01/01/2021 through 31/12/2021
ROSAURO VARO RODRIGUEZ	Non-Executive Deputy Chairman (Independent Director)	From 01/01/2021 through 31/12/2021
BEATRICE DE CLERMONT-TONNERRE	Lead Director (Independent Director)	From 01/01/2021 through 31/12/2021
ROBERTO ALCÁNTARA ROJAS	Proprietary Director	From 01/01/2021 through 31/12/2021
AMBER CAPITAL UK LLP (REPRESENTED BY MIGUEL BARROSO AYATS)	Proprietary Director	From 01/01/2021 through 31/12/2021
MARIA TERESA BALLESTER FORNES	Independent Director	From 01/01/2021 through 31/12/2021
FRANCISCO CUADRADO PÉREZ	Executive Director	From 27/07/2021 through 31/12/2021
CARMEN FERNANDEZ DE ALARCÓN	Proprietary Director	From 29/06/2021 through 31/12/2021
MARIA JOSE MARIN REY-STOLLE	Independent Director	From 23/02/2021 through 31/12/2021
CARLOS NUÑEZ MURIAS	Executive Director	From 24/05/2021 through 31/12/2021
MANUEL POLANCO MORENO	Proprietary Director	From 01/01/2021 through 31/12/2021
TERESA QUIRÓS ÁLVAREZ	Independent Director	From 30/11/2021 through 31/12/2021
KHALID BIN THANI ABDULLAH AL THANI	Proprietary Director	From 01/01/2021 through 31/12/2021
JAVIER SANTISO GUIMARAS	Independent Director	From 01/01/2021 through 31/12/2021
DOMINIQUE D'HINNIN	Independent Director	From 01/01/2021 through 30/11/2021
MANUEL MIRAT SANTIAGO	Executive Director	From 01/01/2021 through 27/07/2021
JAVIER DE JAIME GUIJARRO	Independent Director	From 01/01/2021 through 23/02/2021

C.1 Complete the following tables on the individual remuneration earned by each director during the year (including remuneration for executive functions)

C.1.a) Remuneration earned at the Company to which this report relates:

i) Remuneration earned in cash (€k)

Name	Fixed remuneration	Per diems	Remuneration for belonging to a board committee	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance	Other items	Total fiscal year 2021	Total fiscal year 2020
JOSEPH OUGHOURLIAN	200	0	0	0	0	0	0	0	200	104
ROSAURO VARO RODRIGUEZ	56	0	36	0	0	0	0	0	92	1
BEATRICE DE CLERMONT TONNERRE	56	0	57	0	0	0	0	0	113	77
ROBERTO ALCÁNTARA ROJAS	50	0	0	0	0	0	0	0	50	60
AMBER CAPITAL UK LLP (REPRESENTED BY MR. MIGUEL BARROSO)	50	0	17	0	0	0	0	0	67	77
MARIA TERESA BALLESTER FORNES	56	0	16	0	0	0	0	0	72	77
FRANCISCO CUADRADO PEREZ	0	0	0	0	0	0	0	0	0	0
CARMEN FERNANDEZ DE ALARCÓN	23	0	8	0	0	0	0	0	31	0
MARIA JOSE MARIN REY-STOLLE	47	0	26	0	0	0	0	0	73	0
CARLOS NUÑEZ MURIAS	0	0	0	0	0	0	0	0	0	0
MANUEL POLANCO MORENO	50	0	24	0	0	0	0	0	74	85

TERESA QUIRÓS ÁLVAREZ	5	0	3	0	0	0	0	0	8	0
KHALID BIN THANI ABDULLAH AL THANI	50	0	0	0	0	0	0	0	50	60
JAVIER SANTISO GUIMARAS	56	0	40	0	0	0	0	0	96	2
DOMINIQUE D'HINNIN	51	0	38	0	0	0	0	0	89	94
MANUEL MIRAT SANTIAGO	0	0	0	224	175	0	1,742	728	2,869	969
JAVIER DE JAIME GUIJARRO	8	0	4	0	0	0	0	0	12	93

ii) Table of movements of share-based remuneration systems and gross profit on vested shares or financial instruments

Name	Name of the Plan	Financial instruments at the beginning of the fiscal year 2020		Financial instruments granted during the fiscal year 2020		Financial instruments vested during the fiscal year				Instruments accrued and not exercised	Financial instruments at the end of the fiscal year 2020	
		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. equivalent shares/vested shares	Price of vested shares	Gross profit on the vested shares or financial instruments (€k)	No. instruments	No. instruments	No. equivalent shares
MANUEL MIRAT SANTIAGO	Medium-term Incentive Plan 2018-2020	471,900	471,900	0	0	0	0	-	-	0	471,900	471,900

Remarks

i) "PRISA Media Incentive Plan 2022-2024": In accordance with the provisions of the Remuneration Policy, the Executive Director of PRISA Media may be the beneficiary of a medium-term incentive plan linked to the creation of value for PRISA Media in the medium term. The Board of Directors of PRISA at its meeting held on 21 December 2021 has approved a medium-term incentive plan, of which the Executive Director of PRISA Media is the beneficiary, which is linked to the

achievement of certain quantitative financial targets included in PRISA Media's budget (linked to EBITDA, Cash Flow and digital revenues) in fiscal years 2022, 2023 and 2024 and which is payable in shares. This plan is pending approval by PRISA's Shareholders' Meeting.

Mr. Nuñez will be allocated a theoretical number of shares equivalent to €500,000 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. The calculations will be 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.

ii) At the Ordinary Shareholders' Meeting held on 25 April 2018, a medium-term Deferred Remuneration plan was approved for the period 2018 to 2020, consisting of the delivery of shares in the Company linked to the performance of the market price of the share and the achievement of some objectives. That plan was addressed to the CEO of PRISA and to certain executives, who may receive a specific number of ordinary shares in the Company after a reference period of 3 years, provided certain pre-established requirements are met. In 2018, the Company assigned a number of "theoretical shares" (Restricted Stock Units or RSUs) to each beneficiary and set some objectives (different from share market price) that must be met to be able to benefit from the incentive, which will serve as a reference for determining the final number of shares to be delivered, if any.

After analysing the degree of achievement of the objectives, Cash Flow compliance was 85.8%, while the EDITDA and value increase objectives were not met. This degree of compliance entailed the delivery of 471,900 gross shares to Mr. Mirat, equivalent to 21.45% of the theoretical shares that were allocated to Mr. Mirat in 2018 (2,200,000 shares).

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

The settlement was made in February 2022, through the delivery of 306,735 shares to Mr. Mirat (net amount in shares after application of the corresponding tax withholdings). The cash equivalent for the 471,900 gross shares is €274,174 and the cash equivalent for the 306,735 net shares is €178,213. The cash equivalent of the shares has been calculated on the basis of the share price on the day on which the Executive Committee adopted the decision to proceed with the settlement (25 January 2022).

iii) Long-term savings systems

Director	Remuneration for vesting of rights under savings systems

Name	Contribution of the year by the company (€k)				Amount of cumulative funds (€k)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights		Year t		Year t-1	
	Year t	Year t-1	Year t	Year t-1	Systems with vested economic rights	Systems with non-vested economic rights	Systems with vested economic rights	Systems with non-vested economic rights

iv) Detail of other items

name	Item	Amount
MANUEL MIRAT SANTIAGO	Vacation accrued and not taken	17
MANUEL MIRAT SANTIAGO	Extraordinary incentive for 2020 operations	500
MANUEL MIRAT SANTIAGO	Life, accident and health insurance	3
MANUEL MIRAT SANTIAGO	Noncompetition clause	208

iii) Long-term savings systems

	Remuneration for vesting of rights under savings systems
Director 1	

Name	Contribution of the year by the company (€k)				Amount of cumulative funds (€k)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights		Year t		Year t-1	
	Year t	Year t-1	Year t	Year t-1	Systems with vested economic rights	Systems with non-vested economic rights	Systems with vested economic rights	Systems with non-vested economic rights

iv) Detail of other items

Name	Item	Amount of remuneration
FRANCISCO CUADRADO PÉREZ	Life, accident and health insurance	3
CARLOS NUÑEZ MURIAS	Life, accident and health insurance	3
MANUEL MIRAT SANTIAGO	Life, accident and health insurance	2
MANUEL MIRAT SANTIAGO	Vacation accrued and not taken	3

C.1. c) Summary of remuneration (€k):

Summary should include the amounts relating to all the remuneration items included in this report that have been earned by the director, in thousands of euros.

Name	Remuneration earned at the Company					Remuneration earned at the Company					Total year 2021 Company + Group
	Total remuneration in cash	Gross profit on vested shares or financial instruments	Remuneration from savings systems	Remuneration for other items	Company total fiscal year 2021	Total remuneration in cash	Gross profit on vested shares or financial instruments	Remuneration from savings systems	Remuneration for other items	Total fiscal year 2021 group	
JOSEPH OUGHOURLIAN	200	0	0	0	200	0	0	0	0	0	200
ROSAURO VARO RODRIGUEZ	92	0	0	0	92	0	0	0	0	0	92
BEATRICE DE CLERMONT TONNERRE	113	0	0	0	113	0	0	0	0	0	113
ROBERTO ALCÁNTARA ROJAS	50	0	0	0	50	0	0	0	0	0	50
AMBER CAPITAL UK LLP (REPRESENTED BY MR. MIGUEL BARROSO)	67	0	0	0	67	0	0	0	0	0	67
MARIA TERESA BALLESTER FORNES	72	0	0	0	72	0	0	0	0	0	72
FRANCISCO CUADRADO PÉREZ	0	0	0	0	0	349	0	0	0	349	349
CARMEN FERNANDEZ DE ALARCÓN	31	0	0	0	31	0	0	0	0	0	31
MARIA JOSE MARIN REY-STOLLE	73	0	0	0	73	0	0	0	0	0	73
CARLOS NUÑEZ MURIAS	0	0	0	0	0	413	0	0	0	413	413

MANUEL POLANCO MORENO	74	0	0	0	74	17	0	0	0	17	91
TERESA QUIRÓS ÁLVAREZ	8	0	0	0	8	0	0	0	0	0	8
KHALID BIN THANI ABDULLAH AL THANI	50	0	0	0	50	0	0	0	0	0	50
JAVIER SANTISO GUIMARAS	96	0	0	0	96	0	0	0	0	0	96
DOMINIQUE D'HINNIN	89	0	0	0	89	0	0	0	0	0	89
MANUEL MIRAT SANTIAGO	2,869	0	0	0	2,869	47	0	0	0	47	2,916
JAVIER DE JAIME GUIJARRO	12	0	0	0	12	0	0	0	0	0	12
Total:	3,896	0	0	0	3,896	826	0	0	0	826	4,722

Remarks

i) The amount of the total remuneration of the directors, specified in the previous table (4,675 thousand euros) follows the accrual criteria established in the CNMV's "Circular 1/2020, establishing the model of annual report on remuneration of directors of listed corporations", and differs in 94 thousand euros from the total amount of directors' remuneration specified in the Notes to the Financial Statements and in the Half-Year Financial Information of PRISA of fiscal year 2021 (4,769 thousand euros), because that amount relates to the accounting provision of the expense. The difference in the amount is broken down as follows:

- 2021 annual variable remuneration (accounting expense amounting to 428 thousand euros);
- Medium-Term Incentive Plan 2020-2023 Santillana (accounting expense amounting to 247 thousand euros);
- Medium Term Incentive 2018-2020 (accounting expense amounting to 322 thousand euros);
- Post-contractual non-competition agreement of Mr. Manuel Mirat (accounting expense for the full amount, that is, 250 thousand euros)

ii) Within the global remuneration of the Board of Directors includes that pertaining to Javier de Jaime Guijarro, Manuel Mirat Santiago and Dominique D'Hinnin, up to the time of their cessation as a directors in February, July and November 2021, respectively,

iii) With respect to the director Amber Capital, the overall remuneration accrued includes both the period during which it was represented by Mr. Fernando Martínez Albacete on the Board of Directors of PRISA (January-March 2021), and the remuneration accrued while it was represented by Mr. Miguel Barroso (March-December 2021).

C.2 Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation (in thousand €)								
	Year 2021	% variation 2021/2020	Year 2020	% variation 2020/2019	Year 2019	% variation 2019/2018	Year 2018	% variation 2018/2011	Year 2017
Executive Directors									
FRANCISCO CUADRADO PÉREZ	349	0	0	0	0	0	0	0	0
CARLOS NUÑEZ MURIAS	413	0	0	0	0	0	0	0	0
MANUEL MIRAT SANTIAGO	2,916	200.93%	969	91.50%	506	-41.03%	858	164%	325
External Directors									
JOSEPH OUGHOURLIAN	200	92.31%	104	-13.33%	120	0	120	-25.47%	161
ROBERTO ALCÁNTARA ROJAS	50	-16.67%	60	-23.08%	78	-16.13%	93	-53.03%	198
AMBER CAPITAL UK LLP (REPRESENTED BY MR. MIGUEL BARROSO)	67	-12.99%	77	-6.10%	82	51.85%	54	0	0
MARIA TERESA BALLESTER FORNES	72	-6.49%	77	108.11%	37	0	0	0	0
BEATRICE DE CLERMONT TONNERRE	113	46.75%	77	57.14%	49	0	0	0	0
CARMEN FERNANDEZ DE ALARCÓN	31	0	0	0	0	0	0	0	0
MARIA JOSE MARIN REY- STOLLE	73	0	0	0	0	0	0	0	0
MANUEL POLANCO MORENO	91	-28.35%	127	-15.33%	150	-79.59%	735	-55.07%	1,636
TERESA QUIRÓS ÁLVAREZ	8	0	0	0	0	0	0	0	0
KHALID BIN THANI ABDULLAH AL THANI	50	-16.67%	60	-14.29%	70	-9.09%	77	-11.49%	87
DOMINIQUE D'HINNIN	89	-5.32%	94	-22.95%	122	-6.15%	130	-41.96%	224
JAVIER SANTISO GUIMARAS	96	4,700%	2	0	0	0	0	0	0
ROSAURO VARO RODRIGUEZ	92	9,100%	1	0	0	0	0	0	0
JAVIER DE JAIME GUIJARRO	12	-87.10%	93	5.68%	88	25.71%	70	536.36%	11
Consolidated results of the company	-81,566	-51%	-166,392	-1,165%	15,629	337%	3,577	-92%	44,732
Average employee remuneration	43	0%	43	0%	43	0%	43	0%	43

Remarks
The calculation of the average remuneration of the employees has been carried out taking into account the criteria established in Circular 3/2021 of the CNMV, that is, it represents the ratio between the amount of the remuneration accrued by the staff in each year, determined pursuant to the accounting regulations applicable in the preparation of the consolidated and audited annual accounts for each year (discounting, where appropriate, the remuneration of directors) and the weighted average number of employees (excluding directors) calculated on a full-time equivalent basis. When calculating this ratio, all employees of PRISA or any of its subsidiaries at some point in each financial year have been included. The figures have been taken from the audited consolidated annual accounts.

D. OTHER INFORMATION OF INTEREST

If there are any material aspects relating to directors' remuneration that have not been addressed elsewhere in this report and which are necessary in order to provide a more comprehensive and reasoned view of the remuneration structure and practices of the company, provide a brief explanation.

This annual remuneration report was approved by the Board of Directors at its meeting held on 28 March 2022.

Indicate whether there are any directors who voted against or abstained from voting to approve this Report.

YES NO

Independent Assurance Report on the “Information Regarding
Internal Control over Financial Reporting (ICFR) System”

PROMOTORA DE INFORMACIONES, S.A.

2021

INDEPENDENT ASSURANCE REPORT ON THE “INFORMATION REGARDING THE INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) SYSTEM”

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.:

Scope of the work

We have examined the accompanying information on the Internal Control over Financial Reporting (ICFR) system of PROMOTORA DE INFORMACIONES, S.A. and subsidiaries (the “Group”) contained in Section F of the Annual Corporate Governance Report for the year ended December 31, 2021.

Criteria applied by PRISA:

The aforementioned system is based on the rules and policies defined by the Boards of Directors of PROMOTORA DE INFORMACIONES, S.A. in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control-Integrated Framework (2013) report.

A system of internal control over financial reporting is a process designed to provide reasonable assurance on the reliability of financial information in accordance with the accounting principles and standards applicable to it. A system of internal control over financial reporting includes policies and procedures that: (i) enable the records reflecting the transactions performed to be kept accurately and with a reasonable level of detail, (ii) guarantee that these transactions are performed only in accordance with the authorizations established; (iii) provide reasonable assurance that transactions are recognized appropriately to enable the preparation of the financial information in accordance with the accounting principles and standards applicable to it; and (iv) provide reasonable assurance in relation to the prevention or timely detection of unauthorized acquisition, use or sale of the company’s assets that could have a material effect on the financial information. In view of the limitations inherent to any system of internal control over financial reporting, certain errors, irregularities, or fraud might not be detected. Also, the projection to future periods of an evaluation of internal control is subject to risks, including the risk that internal control may be rendered inadequate as a result of future changes in the applicable conditions or that there may be a reduction in the future of the degree of compliance with the policies or procedures established.

Directors' Responsibility

The Directors of PROMOTORA DE INFORMACIONES, S.A. are responsible for maintaining the System of Internal Control over Financial Reporting included in the consolidated financial statements and for evaluating its effectiveness. This responsibility includes the implementation and maintenance of the internal control system, the maintenance of adequate records and the making of relevant estimates for the preparation of the consolidated annual accounts, so that is free of material errors, whether due to fraud or error.

Our responsibility

Our responsibility is to issue an independent assurance report on the effectiveness of the System of Internal Control over Financial Reporting (ICFR) based on the work performed by us and on the evidence we have obtained.

We have carried out our reasonable assurance work in accordance with the requirements established by the International Standard on Assurance Engagements (ISAE) 3000 revised, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) as agreed with PROMOTORA DE INFORMACIONES, S.A. on December 22, 2021. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the financial information contained in the PRISA' Group consolidated financial statements is presented in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence we have obtained provides a sufficient and adequate basis for our opinion.

Independence and quality control

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which are based on the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour.

Our Firm applies the International Standard on Quality Control No 1 (ISQC 1) and therefore maintains a global system of quality control, which includes documented policies and procedures in relation to compliance with ethical requirements, professional standards and applicable legislation.

Reasonable assurance work includes comprehension of internal control over financial information contained in the financial statements; risk evaluation regarding possible material errors within them; tests and evaluations on design and daily effectiveness of the system and the use of any other procedures we considered necessary.

Conclusion

In our opinion, at December 31, 2021, the Group had, in all material respects, an effective System of Internal Control over Financial Reporting contained in its consolidated financial statements, and this internal control system is based on the rules and policies defined by the Board of Directors of PROMOTORA DE INFORMACIONES, S.A. in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control-Integrated Framework (2013) report. Also, the disclosures contained in section F of the Annual Corporate Governance Report at December 31, 2021 comply, in all material respects, with the requirements established in article 540 of the Corporate Enterprises Act, ECC order /461/2013 of March 20, Circular 3/2021, of September 28, which amends Circular 1/2020, of October 6, which amends Circular 7/2015, of December 22, Circular 5/2013, of June 12, and Circular 2/2018 of June 12 of the Spanish National Securities Market Commission (CNMV).

This report can under no circumstances be considered an audit report carried out in accordance with prevailing audit regulations in Spain. Nevertheless, in accordance with prevailing audit regulations in Spain, we have audited the consolidated financial statements of PROMOTORA DE INFORMACIONES, S.A. and subsidiaries for the year ended December 31, 2021, prepared by the directors in accordance with the International Financial Reporting Standards as adopted by the European Union, and other financial reporting framework provisions applicable to the Prisa Group in Spain and our report issued on March 28, 2022 on the consolidated financial statements expressed an unqualified opinion.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Antonio Vázquez Pérez

March 28, 2022

DECLARACION DE RESPONSABILIDAD SOBRE LAS CUENTAS ANUALES E INFORME DE GESTIÓN (QUE INCLUYE EL ESTADO DE INFORMACIÓN NO FINANCIERA) CORRESPONDIENTES AL EJERCICIO 2021, DE PROMOTORA DE INFORMACIONES, S.A. Y SOCIEDADES DEPENDIENTES.

AFFIDAVIT OF ASSUMPTION OF LIABILITY WITH RESPECT TO THE 2021 ANNUAL ACCOUNTS AND CONSOLIDATED MANAGEMENT REPORT (WHICH INCLUDE THE NON-FINANCIAL INFORMATION) OF PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

28 de marzo de 2022

Conforme a lo dispuesto en el art. 8 del Real Decreto 1362/2007 de 19 de octubre, todos los miembros del Consejo de Administración de PROMOTORA DE INFORMACIONES, S.A. declaran que responden del contenido de las cuentas anuales e informe de gestión (que incluye el Estado de Información no financiera) del ejercicio 2021, correspondientes a PROMOTORA DE INFORMACIONES, S.A. y sociedades dependientes, que han sido formuladas con fecha 28 de marzo de 2022 siguiendo el Formato Electrónico Único Europeo (FEUE), conforme a lo establecido en el Reglamento Delegado (UE) 2019/81, en el sentido de que, hasta donde alcanza su conocimiento, han sido elaboradas con arreglo a los principios de contabilidad aplicables, ofrecen la imagen fiel del patrimonio, de la situación financiera y de los resultados del emisor y de las empresas comprendidas en la consolidación tomados en su conjunto, y que el informe de gestión consolidado incluye un análisis fiel de la evolución y los resultados empresariales y de la posición del emisor y de las empresas comprendidas en la consolidación tomadas en su conjunto, junto con la descripción de los principales riesgos e incertidumbres a las que se enfrentan.

Pursuant to the provisions of Article 8 of Royal Decree 1362/2007 of October 19, the members of the Board of Directors of PROMOTORA DE INFORMACIONES, S.A. hereby declare that they are accountable for the content of the 2021 annual accounts and management reports (which include the non-financial information) of both PROMOTORA DE INFORMACIONES, S.A. and subsidiaries, which were drawn up on March 28, 2022 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. Roberto Alcántara Rojas

Amber Capital UK LLP (representado por D. Miguel Barroso Ayats)

D.^a Béatrice de Clermont-Tonnerre

D.^a M.^a Teresa Ballester

D. Francisco Cuadrado

D^a Carmen Fernández de Alarcón

D^a Pepita Marín

D. Carlos Nuñez

D. Manuel Polanco Moreno

D^a Teresa Quirós

D. Javier Santiso

D. Khalid Thani Abdullah Al Thani

D. Rosauro Varo