Report on Limited Review

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
Interim Condensed Consolidated Financial Statements
and Consolidated Director´s Report for six month period ended
June 30, 2020

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REPORT ON LIMITED REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(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. at the request of Board of Directors:

Report on the interim condensed consolidated financial statements

Introduction

We have carried out a limited review of the accompanying interim condensed consolidated financial statements (hereinafter the interim financial statements) of PROMOTORA DE INFORMACIONES, S.A. (hereinafter, the parent) and subsidiaries (hereinafter, the Group), which comprise the balance sheet as at June 30, 2020, the income statement, the statement of other comprehensive income, the statement of changes in equity, the cash flow statement and the explanatory notes, all of which have been condensed and consolidated for the six-month period then ended. The parent´s directors are responsible for the preparation of said interim financial statements in accordance with the requirements established by the International Accounting Standard (IAS) 34, “Interim Financial Reporting”, as adopted by the European Union, for the preparation of interim condensed financial information, in conformity with article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on said interim financial statements based on our limited review.

Scope of review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A limited review of interim financial information consists of making inquiries, primarily of personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with prevailing audit regulations in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

As a result of our limited review, which under no circumstances should be considered an audit of financial statements, nothing came to our attention that would lead us to conclude that the accompanying interim financial statements for the six-month period ended at June 30, 2020 have not been prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34, “Interim Financial Reporting”, as adopted by the European Union in conformity with article 12 of Royal Decree 1362/2007 for the preparation of interim financial statements.

Emphasis paragraph

We draw attention to the matter described in accompanying explanatory note 1, which indicates that the abovementioned interim financial statements do not include all the information that would be required for complete financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union and therefore, the accompanying interim d financial statements should be read in conjunction with the financial statements for the year ended December 31, 2019. This matter does not modify our conclusion.

Report on other legal and regulatory reporting requirements

The accompanying consolidated interim management report for the six-month period ended June 30, 2020 contains such explanations as the parent´s directors consider necessary regarding significant events which occurred during this period and their effect on these interim financial statements, of which is not an integral part, as well as on the information required in article 15 of Royal Decree 1362/2007. We have checked that the accounting information included in the abovementioned report agrees with the interim financial statements for the six-month period ended June 30, 2020. Our work is limited to verifying the consolidated interim management report in accordance with the scope described in this paragraph and does not include the review of information other than that obtained from the accounting records of PROMOTORA DE INFORMACIONES, S.A. and its subsidiaries.

Paragraph on other issues

This report has been prepared at the request of the Board of Directors with regard of the semi-annual financial report required by article 119 of the consolidated text of the Securities Market Law developed by Royal Decree 4/2015, of October 23.

ERNST & YOUNG, S.L.

Antonio Vázquez Pérez

October 27, 2020

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

Interim Condensed Consolidated Financial Statements together with Consolidated Directors' Report for the six months ended June 30, 2020

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

Interim Condensed Consolidated Financial Statements for the six months ended June 30, 2020

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET AT JUNE 30, 2020

(Thousands of Euros)

ASSETS	Notes	06/30/2020 (*)	12/31/2019
A) NON-CURRENT ASSETS		**495,681**	**652,461**
I. PROPERTY, PLANT AND EQUIPMENT	3	173,939	190,728
II. GOODWILL	4	112,278	151,073
III. INTANGIBLE ASSETS	4	115,515	125,008
IV. NON-CURRENT FINANCIAL ASSETS	5	16,231	20,665
V. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	6	38,319	48,711
VI. DEFERRED TAX ASSETS	7	39,382	116,250
VII. OTHER NON-CURRENT ASSETS		17	26
B) CURRENT ASSETS		**766,154**	**919,703**
I. INVENTORIES		75,078	84,423
II. TRADE AND OTHER RECEIVABLES			
1. Trade receivables for sales and services		263,159	373,339
2. Receivable from associates		2,795	4,149
3. Receivable from public authorities		30,941	34,192
4. Other receivables		31,224	33,038
5. Allowances	8	(59,649)	(61,364)
		268,470	383,354
III. CURRENT FINANCIAL ASSETS	5	6,553	4,740
IV. CASH AND CASH EQUIVALENTS		188,849	166,580
V. ASSETS CLASSIFIED AS HELD FOR SALE	12	227,204	280,606
TOTAL ASSETS		**1,261,835**	**1,572,164**

EQUITY AND LIABILITIES	Notes	06/30/2020 (*)	12/31/2019
A) EQUITY	**9**	**(675,000)**	**(411,604)**
I. SHARE CAPITAL		70,865	666,131
II. OTHER RESERVES AND ACCUMULATED PROFIT FROM PRIOR YEARS		(506,724)	(913,209)
III. RESULT FOR THE YEAR ATTRIBUTABLE TO THE PARENT		(212,050)	(182,298)
IV. TREASURY SHARES		(914)	(2,591)
V. TRANSLATION DIFFERENCES		(103,457)	(49,393)
VI. NON CONTROLLING INTEREST		77,280	69,756
B) NON-CURRENT LIABILITIES		**1,322,468**	**1,331,843**
I. NON-CURRENT BANK BORROWINGS	10	1,168,320	1,164,869
II. NON-CURRENT FINANCIAL LIABILITIES	10	114,261	117,207
III. DEFERRED TAX LIABILITIES	7	17,812	24,993
IV. LONG-TERM PROVISIONS	11	19,314	22,139
V. OTHER NON-CURRENT LIABILITIES		2,761	2,635
C) CURRENT LIABILITIES		**614,367**	**651,925**
I. TRADE PAYABLES		181,463	270,523
II. PAYABLE TO ASSOCIATES		1,017	1,531
III. OTHER NON-TRADE PAYABLES		36,366	52,591
IV. CURRENT BANK BORROWINGS	10	143,068	50,188
V. CURRENT FINANCIAL LIABILITIES	10	20,382	23,745
VI. PAYABLE TO PUBLIC AUTHORITIES		31,397	41,499
VII. CURRENT PROVISIONS		10,670	11,799
VIII. OTHER CURRENT LIABILITIES		26,211	35,767
IX. LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	12	163,793	164,282
TOTAL EQUITY AND LIABILITIES		**1,261,835**	**1,572,164**

(*) Non audited financial statements

The accompanying Notes 1 to 22 are an integral part of the Condensed Consolidated Balance Sheet at June 30, 2020.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2020

(Thousands of Euros)

	Notes	06/30/2020 (*)	06/30/2019 (**)
Revenues		388,190	478,960
Other income		4,605	6,708
OPERATING INCOME	13-16	392,795	485,668
Cost of materials used		(63,593)	(64,716)
Staff costs		(153,506)	(171,360)
Depreciation and amortisation charge	3-4	(39,132)	(40,702)
Outside services	13	(136,469)	(212,769)
Variation in operating allowances		(6,994)	(2,155)
Impairment of goodwill	4	(16,602)	-
Other expenses		(4,319)	(1,303)
OPERATING EXPENSES		(420,615)	(493,005)
RESULT FROM OPERATIONS		(27,820)	(7,337)
Finance income		1,370	1,419
Finance costs		(36,576)	(35,305)
Changes in value of financial instruments		(2,917)	(2,667)
Exchange differences (net)		376	(2,905)
FINANCIAL RESULT	14	(37,747)	(39,458)
Result of companies accounted for using the equity method		(6,941)	596
RESULT BEFORE TAX FROM CONTINUING OPERATIONS		(72,508)	(46,199)
Expense tax		(75,978)	(13,117)
RESULT FROM CONTINUING OPERATIONS		(148,486)	(59,316)
Result after tax from discontinued operations	15	(75,143)	7,011
CONSOLIDATED RESULT FOR THE PERIOD		(223,629)	(52,305)
Result attributable to non controlling interests		11,579	758
RESULT ATTRIBUTABLE TO THE PARENT	16	(212,050)	(51,547)

BASIC EARNINGS PER SHARE (in euros)		(0.30)	(0.08)
DILUTED EARNINGS PER SHARE (in euros)		(0.30)	(0.08)

(*) Non audited financial statements
(**) The consolidated income statement for the first half of 2019 has been restated for comparative purposes and in accordance with IFRS 5 to present the result of Media Capital as a discontinued operation and has not been audited.

The accompanying Notes 1 to 22 are an integral part of the Condensed Consolidated Income Statement for the six months ended June 30, 2020

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2020

(Thousands of Euros)

	06/30/2020 (*)	06/30/2019 (*)
CONSOLIDATED PROFIT FOR THE YEAR	**(223,629)**	**(52,305)**
Items that may be reclassified subsequently to profit or loss	**(61,993)**	**6,497**
Translation differences	**(53,455)**	**5,172**
Profit/(Loss) for valuation	(53,903)	5,172
Amounts transferred to the profit and loss account	448	-
Other non-current financial assets at fair value	**-**	**100**
Profit/(Loss) for valuation	-	100
Tax effect	**-**	**(25)**
Entities accounted for using the equity method	**(8,538)**	**1,250**
TOTAL RECOGNIZED INCOME AND EXPENSE	**(285,622)**	**(45,808)**
Attributable to the Parent	(270,325)	(45,934)
Attributable to non-controlling interests	(15,297)	126

(*) Non audited financial statements

The accompanying Notes 1 to 22 are an integral part of the Condensed Consolidated Statement of Comprehensive Income for the six months ended June 30, 2020.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2020
(Thousands of Euros)

	Share Capital	Share Premium	Reserves	Prior Years' Accumulated Profit	Treasury Shares	Translation Differences	Accumulated Profit for the Year	Equity Attributable to the Parent	Non Controlling Interests	Total Equity
Balance at 31 December 2018	**524,902**	**201,512**	**(636,059)**	**(87,692)**	**(2,856)**	**(40,918)**	**(269,347)**	**(310,458)**	**74,649**	**(235,809)**
Capital increases	141,229	51,005						192,234		192,234
Treasury share transactions										
- Reserves for treasury shares			(519)		519			-		-
Distribution of 2018 result										
- Legal reserve			11,020					11,020		11,020
- Reserves			99,181	(379,548)			269,347	(11,020)		(11,020)
Income and expense recognised in equity										
- Translation differences				(2,833)		8,371		5,538	884	6,422
- Result for 2019							(51,547)	(51,547)	(758)	(52,305)
- Measurement of financial instruments			75					75		75
Other			3,040	(174,438)		(7,830)		(179,228)	24	(179,204)
Changes in non controlling interest										
- Dividends recognized during the Year									(9,642)	(9,642)
- Due to changes in percentage of ownership									(3,186)	(3,186)
Balance at June 30, 2019 (*)	**666,131**	**252,517**	**(523,262)**	**(644,511)**	**(2,337)**	**(40,377)**	**(51,547)**	**(343,386)**	**61,971**	**(281,415)**
Balance at 31 December 2019	**666,131**	**254,180**	**(521,182)**	**(646,207)**	**(2,591)**	**(49,393)**	**(182,298)**	**(481,360)**	**69,756**	**(411,604)**
Capital reduction	(595,266)		595,266					0		0
Treasury share transactions										
- Delivery of treasury shares					58			58		58
- Sale of treasury shares					955			955		955
- Purchase of treasury shares					(1,006)			(1,006)		(1,006)
- Reserves for treasury shares			(1,670)		1,670			-		-
Distribution of 2019 result										
- Prior year losses			(209,606)	27,308			182,298	0		0
Income and expense recognised in equity										
- Translation differences				(4,211)		(54,064)		(58,275)	(3,718)	(61,993)
- Result for 2020							(212,050)	(212,050)	(11,579)	(223,629)
Other		(254,180)	252,767	811				(602)	(238)	(840)
Changes in non controlling interest										
- Dividends recognized during the Year									(550)	(550)
- Due to changes in scope of consolidation									29	29
- Due to changes in percentage of ownership									23,580	23,580
Balance at June 30, 2020(*)	**70,865**	**0**	**115,575**	**(622,299)**	**(914)**	**(103,457)**	**(212,050)**	**(752,280)**	**77,280**	**(675,000)**

(*) Non audited financial statements

The accompanying Notes 1 to 22 are an integral part of the Condensed Consolidated Statement of Changes in Equity for the six months ended June 30, 2020.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2020

(Thousands of Euros)

	06/30/2020 (*)	06/30/2019 (**)
RESULT BEFORE TAX FROM CONTINUING OPERATIONS	**(72,508)**	**(46,199)**
Depreciation and amortisation charge and provisions	66,920	44,146
Changes in working capital	**(24,528)**	**(20,563)**
Inventories	9,345	(4,665)
Accounts receivable	104,979	22,365
Accounts payable	(138,852)	(38,263)
Income tax recovered (paid)	(11,759)	(18,986)
Other profit adjustments	**40,867**	**38,482**
Financial results	37,747	39,458
Gains and losses on disposal of assets	(1,292)	
Other adjustments	4,412	(976)
CASH FLOWS FROM OPERATING ACTIVITIES	**(1,008)**	**(3,120)**
Recurrent investments	**(28,708)**	**(31,236)**
Investments in intangible assets	(21,180)	(23,941)
Investments in property, plant and equipment	(7,528)	(7,295)
Investments in non-current financial assets	(277)	(349,504)
Proceeds from disposals	14,915	4,551
Investments in non-current financial assets	-	34
CASH FLOWS FROM INVESTING ACTIVITIES	**(14,070)**	**(376,155)**
Proceeds and payments relating to equity instruments	(51)	199,471
Proceeds relating to financial liability instruments	106,397	66,311
Payments relating to financial liability instruments	(18,558)	(12,919)
Dividends and returns on other equity instruments paid	(1,096)	(33,372)
Interest paid	(20,753)	(18,976)
Other cash flow from financing activities	(16,552)	(17,849)
CASH FLOWS FROM FINANCING ACTIVITIES	**49,387**	**182,666**
Effect of foreign exchange rate changes	**(12,037)**	**1,486**
CHANGE IN CASH FLOWS FROM CONTINUING OPERATIONS	**22,272**	**(195,123)**
Cash flows from operating activities from discontinued operations	**(3,507)**	15,923
Cash flows from investing activities from discontinued operations	**(5,930)**	(2,433)
Cash flows from financing activities from discontinued operations	**9,434**	(13,224)
CHANGE IN CASH FLOWS FROM DISCONTINUED OPERATIONS	**(3)**	**266**
CHANGE IN CASH FLOWS IN THE YEAR	**22,269**	**(194,857)**
Cash and cash equivalents at beginning of year	**166,580**	**295,093**
- Cash	107,610	250,360
- Cash equivalents	58,970	44,733
Cash and cash equivalents at end of period	**188,849**	**100,236**
- Cash	157,285	79,602
- Cash equivalents	31,564	20,634

(*) Non audited financial statements.

(**) The consolidated statement of cash flow for the first half of 2019 has been restated for comparative purposes and in accordance with IFRS 5 to present the cash flow of Media Capital as a discontinued operation and has not been audited.

The accompanying Notes 1 to 22 are an integral part of the Condensed Consolidated Cash Flow Statement for the six months ended June 30, 2020.

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

Notes to the Interim Condensed Consolidated Financial Statements for the six months ended June 30, 2020

Translation of condensed consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union. In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2020

(1) BASIS OF PRESENTATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2020

The interim condensed consolidated financial statements of Prisa Group for the first half of 2020 have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, taking into account all mandatory accounting policies and rules and measurement bases with a material effect, as well as with the Commercial Code, the obligatory legislation approved by the Institute of Accounting and Auditors of Accounts, and other applicable Spanish legislation.

The interim condensed consolidated financial statements for the six months ended June 30, 2020 and the notes have been prepared by the Group’s directors are presented in accordance with the International Accounting Standard (IAS) 34 *Interim Financial Reporting* in compliance with RD 1362/2007, of October 19, implementing the Spanish Securities Market Law 24/1988, of July 28, as it relates to the need for transparent information on issuers whose securities are admitted to trading on an official secondary market.

These interim condensed consolidated financial statements were approved by the Promotora de Informaciones, S.A. (Prisa or the Company) ´s Directors on October 27, 2020.

These consolidated financial statements are presented in thousands of euros.

In accordance with IAS 34, the interim financial reporting is prepared in order to update the latest approved consolidated financial statements, highlighting the new activities, events and circumstances that have taken place during the first six month of the year and avoiding the repetition of information previously reported in the consolidated financial statements for 2019. Therefore, the interim condensed consolidated financial statements do not contain all the information and disclosures required for a complete set of consolidated financial statements in accordance with IFRSs as adopted by the European Union. In order to correctly understand the information included in these condensed consolidated financial statements, they must be read in conjunction with the consolidated financial statements for 2019.

The IFRSs are applied in the preparation of the consolidated financial information of the Group. The financial statements of individual companies that are part of the Group are prepared and presented in accordance with accounting standards in each country.

In accordance with IAS 8, the accounting principles and measurement bases applied by the Group are applied uniformly in all transactions, events and concepts, in the first half of 2020 and 2019.

The interim condensed consolidated financial statements for the six months ended June 30, 2020 have been subjected to a limited review by the external auditor of the Company.

a) Evolution of the financial structure of the Group

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

The Company's General Shareholders' Meeting on November 15, 2017 agreed to an increase in share capital amounting to EUR 450,000 thousand. On January 22, 2018, this amount was subsequently extended by an additional EUR 113,220 thousand by the Prisa Board of Directors. In February 2018, the capital increase was subscribed by an amount of EUR 563,220 thousand.

On January 22, 2018, the Company signed with all the financial creditors of the *Override Agreement* (agreement to refinance the Group's debt signed in December 2013) an agreement to refinance and modify the terms of Prisa's current financial debt (the “Refinancing”). On June 29, 2018, the Refinancing came into effect, once the agreements reached with all of its creditors were concluded. On this same date, and as one of the preconditions for the agreement to come into force, the Company cancelled a debt amounting EUR 480,000 thousand with the proceeds from the cash capital increase described above (EUR 450,000 thousand) and cash available from the Company (EUR 30,000 thousand). The basic terms of the Refinancing agreement include the extension of the debt maturity date to November and December 2022 and no redemption obligation until December 2020. With the entry into force of the Refinancing agreement, the Group's financial debt has become a long-term maturity which has led to an improvement in the working capital and the Group's financial structure.

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 has been used to partially fund the acquisition of 25% of the share capital of Grupo Santillana Educación Global, S.L.

On May 14, 2020, Vertix, 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 amount, net of costs, was destined to partial repayment of syndicated loan of the Group *(see notes 2- “Significant operations” and 10)*. This transaction meant an accounting loss for EUR 29 million, accounted as “*Result after tax from discontinued operations*” (*see notes 2- “Significant operations” and 15*).

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 trough Vertix in the Portuguese company. This transaction is conditional to the authorization of the Group´s financial creditors and to the authorization of the Portuguese regulatory authorities that may be necessary. The transaction is expected to be carried out simultaneously through independent block transfers of the shares for a total price of EUR 36.8 million. The above have meant an accounting loss for EUR 48.5 million, accounted as "*Result after tax from discontinued operations*" (*see notes 2 – "Significant operations" and 15*).

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 *(see note 9).*Therefore, on June 30, 2020, the Parent Company's equity (including participating loans outstanding at period-end) was EUR 273,137 thousand. This amount is greater than two thirds of the capital stock, which is why it was in a situation of equity balance at that date.

On October 15, 2020 Prisa has entered into a lock-up agreement (the "Lock-up Agreement") which contains a term sheet that sets out, among other aspects, the essential terms on which the Group's syndicated financial debt will be restructured. The agreement, negotiated with a representative group of its main financial creditors, concerns the debt arising from the syndicated facility agreement currently totalling EUR 1,148 million, dated December 11, 2013 (agreement amended on various occasions since then), that will be totally restructured in the coming months (the "Restructuring"). The Lock-up Agreement came into effect in respect of the banks that signed or acceded to it, which represents 79.7% of the syndicated indebtedness to be restructured. Following this, the Company will seek support for the Lock-up Agreement from the rest of the creditors (including the senior-ranking debt), or at least the minimum number needed to ensure that the arrangement can be implemented in terms that are binding for all creditors. Likewise, the Restructuring is conditional on successfully completing the selling of certain Santillana K-12 and pre K-12 business assets in Spain (*see note 21*), and also needs to be binding on all creditors owed the financial debt to be restructured.

The basic terms of the Restructuring consist in: (i) partial repayment of the debt to be restructured in an amount of EUR 400 million; (ii) a significant time extension for the maturity of the remaining financial debt, until 2025; and (iii) adaptation of the financial conditions of the debt to the Group's new position in terms of generating cash. On top of these essential terms, the agreed Restructuring allows Prisa to incur further senior-ranking debt to strengthen its liquidity position in the future, and to complete certain actions of business reorganisation. Finally, the basic terms include a relaxation of certain financial covenants and Prisa's commitment to achieving a leverage cap in September 2023 (4.25x Net Debt/EBITDA). The agreed Restructuring will therefore make the Group's financial indebtedness more flexible and give it a financial structure that allows the Group to fulfil 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 recent global expansion to a large number of countries has led 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 globalisation and the absence, for the time being, of effective medical treatment against the virus, the consequences for the Group's businesses are uncertain, and will depend to a large extent on the development, extent and possible flare-ups of the pandemic in the coming months and on the reaction and of all the economic actors affected, and their ability to rise to the challenge.

Therefore, at the date of approval of these interim condensed consolidated financial statements, we have carried out an assessment and quantification of the impacts that COVID-19 had on the Group as of June 30, 2020. There is still a high level of uncertainty about its consequences in the short, medium and long term.

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

- Liquidity risk: The situation in the markets has caused an increase in liquidity pressures in the economy and a contraction in the credit market. To face this, the Group has in place a Super Senior credit facility to meet operational needs for a maximum amount of EUR 80 million, that is fully drawn as of June 30, 2020 (*see note 10*). Likewise, Grupo Santillana Educación Global, S.L. and its subsidiaries have credit facilities with a limit amount of EUR 18.5 million as of June 30, 2020, of which, EUR 13.8 million were drawn on that date. Therefore, as of June 30, 2020, the Group had undrawn credit facilities amounting to EUR 4.7 million, together with cash available of EUR 179 million. The Group has also implemented specific plans for the improvement and efficient management of liquidity to address these tensions.

  Likewise, on October 15, 2020 Prisa has entered into a Lock-up Agreement which contains a term sheet that sets out, among other aspects, the essential terms on which the group's syndicated financial debt will be restructured, and that will be totally restructured in the coming months (*see note 21*). This restructuring will allow, among other aspects, to incur further senior-ranking debt to strengthen its liquidity position in the future.

- Operational risk: the changing and unpredictable nature of events could lead to the emergence of a risk of interruption in the provision of services or sales. Therefore, the Group has established contingency plans aimed at monitoring and managing its operations at all times. To date, no notable incidents have been revealed.

- Risk of change in certain financial magnitudes: the factors referred to above have adversely affect the Group's 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 Group in the next consolidated financial statements, such as "Revenue", "Result from operations" or "Result before tax". In this regard, the Group has made an estimate of the impact of COVID-19 in the first half of 2020, which would entail a reduction in the Group's advertising revenue (excluding Media Capital), from the income from the sale of newspapers and magazines and the income from book sales and training of approximately 42%, 20% and 11% respectively, in relation to the same period of the previous year. The Group's "Result from operations" in the first half of 2020 is expected to be reduced by the effect of COVID-19 by approximately 169% compared to the same period of 2019 (excluding for a comparable basis, the expense of Mediapro rulling and the result from operations of Media Capital in 2019). On June 30, 2020, the pandemic would not have had a significant impact on net debt.

Therefore, the Group has implemented a contingency plan with the aim of minimizing the aforementioned effects, and continues to work on it during the second half of 2020. As of June 30, 2020, this contingency plan has resulted in cost savings, and therefore an improvement in the Group's profit from operations of EUR 23 million, and cost savings for 2020 are estimated to be around EUR 43 million. 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 Group, such as financial leverage ratios and compliance with financial ratios included in the financial agreements of the Group. In this sense, in October 2020, Prisa agreed with the financial creditors of the *Override Agreement* and the *Super Senior Credit facility*, among other aspects, a flexibilization to compliance with the financial ratios (covenants) to which the Group is subject and for a period extending until June 2021. Therefore, this agreement allows Prisa more flexibility to compliance with its financial obligations in the short term.

- Balance sheet assets and liabilities measurement risk: a change in the future estimates of the Group's revenue, production costs, finance costs, credit quality of trade receivables, etc. could have an adverse impact on the carrying amount of certain assets (goodwill, intangible assets, deferred tax assets, trade and other receivables, etc.) and on the need to recognize provisions or other liabilities. The appropriate analyses and calculations have been carried out which have allowed, where appropriate, those assets and liabilities to be remeasured with the information available to date. This has meant that at June 30, 2020 there have been significant changes in the estimates at the end of 2019 regarding recoverability of goodwill, investments accounted for using the equity method and tax credits, as described in notes 4, 6 and 7 respectively.

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

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

b) New standards which have become effective

The application of the amendments and interpretations applicable from January 1, 2020 did not have a significant impact on the Group's condensed interim consolidated financial statements for the present period.

The Group has elected not to early adopt other IFRSs issued but not yet effective, except for the early application of the amendment to IFRS 16 Leases - "Rent improvements", which has meant a lower lease expense in the first half of 2020 of EUR 506 thousand.

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

c) Estimates

Consolidated earnings and the determination of consolidated equity are subject to the accounting policies and standards, measurement bases and estimates applied by the Group's directors in the preparation of the interim condensed consolidated financial statements. The accounting policies and standards and measurement bases are explained in notes 2 and 4 to the consolidated financial statements for 2019.

In the interim condensed consolidated financial statements, estimates were occasionally made by management of the Group to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates, based on the best information available, refer mainly to:

1. Income tax expense, which in accordance with IAS 34 is recognized in each interim period based on the best estimate of the weighted average annual income tax rate the Group expects for the full year.
2. The measurement of assets and goodwill to determine the possible existence of impairment losses.
3. The useful life of property, plant and equipment and intangible assets.
4. The assumptions used to calculate the fair value of financial instruments.
5. The likelihood and amount of undetermined or contingent liabilities.
6. Provisions for unissued and outstanding invoices.
7. Estimated sales returns received after the end of the reporting period.
8. The estimates made for the determination of future commitments.
9. The recoverability of deferred tax assets.
10. Determination of the lease term in contracts with renewal option.

Although these estimates were made on the basis of the best information available to date on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) at the end of 2020 or future reporting periods. The effects of changes in accounting estimates are applied prospectively in profit and loss in the periods affected by the change.

In the six months ended June 30, 2020, there were no significant changes in the estimates made at the end of 2019 except those referring to the recoverability of goodwill, of the investments accounted for using the equity method, of the deferred tax assets and the value of the investment in Media Capital as described in notes 4, 6, 7 and 12, respectively.

With regard to Vertix and Media Capital and as mentioned in the note 12, those companies have been valued on June 30, 2020 at the fair value (transactions price as result of the transactions described in note 2- *Significant operations* less costs to sale), registering the corresponding adjustment for impairment loss in *"Result after tax from discontinued operations"*.

d) Comparison of the information

Since September 2019 the results of Media Capital were reclassified as a discontinued operation under "*Result after tax from discontinued operations*" to the extent that on that date the requirements established in IFRS 5 were met.

In accordance with IFRS 5 and for the purpose of comparison, the consolidated income statement and the consolidated cash flow statement for the first half of 2019 and their disclosures in the notes have been modified to present Media Capital as a discontinued operation *(see notes 12 and 15).*

Also, with Media Capital representing a segment of the Group, and being presented as a discontinued operation, this segment was eliminated in the 2019 financial year and the information of 2019 has been modified for comparison purposes *(see note 15).*

The information contained in these interim condensed consolidated financial statements for the six months ended June 30, 2019 is presented only for comparison purposes with the information relating to the six months ended June 30, 2020.

e) Seasonality of the Group

Given the different sources of revenues and activities carried out by Group companies, operations are not considered to be highly cyclical or seasonal. The evolution of the educational business results throughout the year depends on the timing of the educational campaigns in the different countries where it operates. However, this effect is mitigated by the performance of the result from other sources of revenues such as advertising.

f) Materiality

In accordance with IAS 34 the Group assessed materiality in relation to the condensed interim consolidated financial statements in determining the information to disclose in these explanatory notes regarding the different line items in the interim financial statements.

g) Correction of errors

No errors were corrected in the condensed consolidated financial statements for the six months ended June 30, 2020.

(2) CHANGES IN THE GROUP STRUCTURE

The most significant changes in the scope of consolidation in the first half of 2020 were as follows:

Subsidiaries

In January 2020, the liquidation of Radio Mercadeo, Ltda. took place.

In February 2020, the liquidation of Grupo Latino de Publicidad Colombia, S.A.S took place.

In March 2020, the liquidation of Prisa Noticias Colombia, S.A.S took place.

In June 2020 is sold Fullscreen Solutions, S.A. de C.V.

Also, in June 2020, is liquidated GLR Colombia, Ltda.

Associates

In May 2020, Sociedad Española de Radiodifusión, S.L. sold its stake in Laudio Irratia, S.L.

Significant operations

Regarding of the sale and purchase agreement of Vertix between Prisa and Cofina of September 2019, on March 11, 2020 Cofina voluntarily waived to continue with the share capital increase approved by Cofina's shareholders on January 29, 2020 to partially finance the price of the agreement, which implied a breach of the share purchase agreement of Vertix and its termination. In this regard, the Company has initiated and will continue to pursue all measures and actions against Cofina in defense of its interests, those of its shareholders and of any others affected by the situation created by Cofina. To this extent, on April 14, 2020 the Company filed an arbitration request before the *Centro de Arbitragem Comercial da Câmara do Comércio e Indústria Portuguesa* in accordance with the sale and purchase agreement. This request does not preclude the exercise of any additional measures and actions against Cofina.
On July 31, 2020, Cofina presented its answer to Prisa's request, to which it added a request for a counterclaim, to which Prisa responded on October 1, 2020. At this time, the arbitral tribunal is still to be set up, which will set the milestones and terms of the arbitration procedure.

On May 14, 2020, Vertix, SGPS, S.A. (subsidiary fully owned by Prisa) sold to Pluris the shares amounting to 30.22% of share capital of Media Capital. This transaction has been carried out through a block trade transfer of the shares for a price of EUR 10,500 thousand. The implicit valuation of the transaction was of an enterprise value of EUR 130 million, based on the financial position of Media Capital as of closing of the first quarter of the year. This transaction result in an accounting loss in Prisa's individual and consolidated accounts of EUR 29 million (*see note 15*). The cash inflow, net of cost, has been used to partial repayment of syndicated loan of the Group *(see note 10)*.

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 Vertix in the Portuguese company. This transaction, which has been authorized by Pluris within the framework of the shareholders' agreement signed with Vertix, is conditional to the authorization of the Group´s financial creditors and to the authorization of the Portuguese regulatory authorities that may be necessary. The transaction is expected to be carried out simultaneously through independent block transfers of the shares for a total price of EUR 36.8 million (before transaction costs). The above implies an implicit valuation (*enterprise value*) of EUR 150 million and an accounting loss for EUR 48.5 million, accounted as "*Result after tax from discontinued operations*" (*see note 15*).

Thus, as of June 30, 2020, the requirements established in IFRS 5 continue to be met in order to continue presenting the assets and liabilities of Media Capital and Vertix as held for sale in the attached condensed consolidated balance sheet, to the extent that the Board of Directors of Prisa continued to evaluate various alternatives to dispose of its investment in Media Capital, as has been shown with the sale agreement reached on September 4, described above.

(3) PROPERTY, PLANT, AND EQUIPMENT

Additions to the Group's condensed consolidated financial statements under "*Property, plant and equipment*" during the first half of 2020 totaled EUR 7,528 thousand, corresponding mainly to the investments made for Santillana in digital developments and learning systems (EUR 5,024 thousand), investments made by Prisa in the work of conditioning and remodeling the facilities for the new corporate offices (EUR 598 thousand) as well as investments of all the business units in computer, fundamentally, for the development of teleworking for an amount of EUR 1,083 thousand.

Impairment losses-

In the first half of 2020, an impairment loss of EUR 1,276 thousand was recognized for the printing plant in Lugo.

The amount of the net assets subject to IFRS 16 amounts to EUR 123,230 thousand as of June 30, 2020 and mainly corresponds with the contract leases of offices and warehouses of the Group and contracts leases of learning systems.

The expense of amortization of property, plant and equipment registered during the first half of 2020 amounts to EUR 19,608 thousand, of which EUR 11,307 thousand corresponding to the amortization of property, plant and equipment held under leases.

(4) GOODWILL AND INTANGIBLE ASSETS

Goodwill

The decrease in "*Goodwill*" is due to the impairment of goodwill resulting from investment in Grupo Latino de Radiodifusión Chile, Ltda. and the effect of changes in exchange rates in aforementioned goodwill and in goodwill resulting from investment in Editora Moderna, Ltda.

Impairment tests

COVID-19 has been an indication of impairment on the recoverable value of goodwill, to the extent that has adversely affected the revenue generation of the Group, so the impairment tests have been updated to estimate the value in use of the cash-generating units, calculated on the basis of the estimated future cash flows based on the business plans most recently elaborated by management. These business plans include the best estimates available of income and costs of the cash-generating units using industry projections and future expectations.

These projections cover the following five years and include a residual value that is appropriate for each business, applying a constant expected growth rate ranging from 0% to 2.5% (range between 0% and 2.5% in 2019). The expected growth rate that has been used in the most relevant impairment tests (Editora Moderna, Ltda. and Grupo Latino de Radiodifusión Chile, Ltda.) is located in the first half of 2020 between 0% and 1.5% (between 0% and 1.5% in 2019).

In order to calculate the present value of these flows, they are discounted at a rate that reflects the weighted average cost of capital employed adjusted for the country risk and business risk corresponding to each cash-generating unit. Therefore, in the first half of 2020 the rates used ranged from 7.5% to 28% (6.9% and 22.7% in 2019) depending on the business being analysed. The rate that has been used for the most relevant impairment tests (Editora Moderna, Ltda. and Grupo Latino de Radiodifusión Chile, Ltda.) is between 10% and 13% (9% and 12% in 2019).

Results of the impairment tests-

The result of these tests has mean to the recording of an impairment of EUR 16,602 thousand in the goodwill of Grupo Latino de Radiodifusión Chile, Ltda. (GLR Chile) mainly as a result of the impact of COVID-19 on future projections, which has led to a decrease in the projected long-term growth of GLR Chile. In this regard, the pandemic has adversely affected advertising revenues, increasing their volatility, and has therefore led to a drop in expectations regarding the future growth of the advertising business. To a lesser extent, the impairment of goodwill results from an increase in the applicable discount rate, due to both the effects of COVID-19 and to geopolitical uncertainties in the country.

Sensitivity to changes in key assumptions-

- Editora Moderna, Ltda.

  To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would exceed the book value by EUR 67.7 million. In the event that the expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would exceed the book value by EUR 69.8 million.

- Grupo Latino de Radiodifusión Chile, Ltda.

  To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would be less than the book value by EUR 2.3 million. In the event that the expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would be less than the book value by EUR 1.6 million.

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

  To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would exceed the book value by EUR 145.7 million. In the event that the expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would exceed the book value by EUR 150.4 million.

Intangible assets

Additions to the Group's condensed consolidated financial statements under "*Intangible assets*" during the first half of 2020 amounted to EUR 21,180 thousand and are derived mainly from prototypes of the education business (EUR 15,226 thousand) and the acquisition of computer software by group entities (EUR 5,419 thousand).

Impairment losses-

An impairment of administrative concessions of GLR Chile has been accounted for an amount of EUR 2,376 thousand.

The amount of the net assets subject to IFRS 16 amounts to EUR 9,892 thousand as of June 30, 2020 and corresponds with the contract leases of administrative concessions of Radio.

The amortization expense of intangible assets registered during the first half of 2020 amounts to EUR 19,524 thousand, of which EUR 2,233 thousand correspond to the amortization of intangible assets held under leases.

(5) FINANCIAL ASSETS

The detail of "*Non- current financial assets*" and "*Current financial assets*" is as follows:

	Thousands of euros					
	Non-current financial assets		Current financial assets		Total financial assets	
	06/30/20	12/31/19	06/30/20	12/31/19	06/30/20	12/31/19
Financial assets at amortized cost						
Loans and receivables	5,299	9,411	3,214	989	8,513	10,400
Other financial assets at amortized cost	10,932	11,254	3,339	3,751	14,271	15,005
Total	**16,231**	**20,665**	**6,553**	**4,740**	**22,784**	**25,405**

(6) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Changes in "*Investments accounted for using the equity method*" in the accompanying condensed consolidated balance sheet, during the first half of 2020, are mainly due to the results participation in Sistema Radiópolis, S.A. de C.V., the impairment accounted in the investment of the aforementioned company and by the effect of the exchange rate.

In the first half of 2020, the impairment test of net investment in Sistema Radiópolis, S.A. de C.V. was updated as a consequence of the negative effect that COVID-19 has had on the recoverable value of this investment which value in use has been calculated based on the forecasts of the next 5 years, including a residual value in which a rate of constant expected growth of between 0.5% and 1.5% (between 0.5% and 1.5% in 2019). In order to calculate the present value of these flows, they are discounted at a rate that reflects the weighted average cost of capital employed adjusted for the country risk and business risk corresponding to each cash-generating unit. Therefore, in the first half of 2020 the rates used ranged from 12% to 12.5% (between 11% to 11.5 in 2019).

The result of this test has meant recording of an impairment of the net investment of EUR 8,418 thousand under the heading *"Result of companies accounted for using the equity method"* in the accompanying condensed consolidated income statement. This impairment is mainly a consequence of the impact of COVID-19 on future projections, that has adversely affected advertising revenues of Radiópolis and to the projected long-term growth. To a lesser extent, the impairment of the investment results from an increase in the applicable discount rate.

(7) TAX MATTERS

Deferred tax assets and liabilities-

The movement in the heading "*Deferred Tax Assets*" mainly includes the effect of the tax credit recovery analysis, according to the criteria established by the accounting regulations, which has led to a withdrawal of tax credits corresponding to (i) deductions for a total of EUR 16,692 thousand, (ii) tax credits arising from non-deductibility of net financial expenses of EUR 40,240 thousand and (iii) credits for negative tax bases amounting to EUR 9,328 thousand; which has meant the withdrawal of all the tax credits belonging to the Consolidated Tax Group, of which Prisa is the parent company.

These falls are mainly motivated by the review of future business projections as a consequence of the impact of COVID-19, which has led to a decrease in the projected long-term growth of the Group's businesses, as well as the impact of the agreement formalised in October 2020 for the sale of the Santillana Spain business, and for the restructuring of the Group's syndicated debt (*see notes 1a) and 21*).

Exchange rate fluctuations in Brazil and Mexico, as well as the different accounting and tax accounting criteria of certain provisions recorded in Santillana's companies in Latin America (especially Editora Moderna) have resulted in a net withdrawal of deferred tax assets amounting to EUR 10,281 thousand.

The net withdrawal of the heading "*Deferred Tax Liabilities*" amounting to EUR 7,181 thousand mainly includes the different accounting and tax allocation criteria for certain institutional sales made in Brazil, as well as exchange rate fluctuations in Brazil and Colombia.

Tax inspections-

On the date of preparing these explanatory notes, an appeal for judicial review before the National High Court has been filed against the partial resolution in favour of the economic-administrative appeal relating to VAT for the 2010-2011 financial years. The tax debt arising from these notices was paid. No additional equity impact will be derived from these actions.

On the date of preparing these explanatory notes, an appeal for judicial review has been filed with the National High Court against the decision to dismiss the economic-administrative corporation tax appeal for the financial years 2009 to 2011 of the Consolidated Tax Group 194/09, of which Prisa Radio, S.A. was the parent company. The tax debt arising from these notices was paid. No additional equity impact will be derived from these actions.

On the date these explanatory notes were prepared, a resolution has been received in favour of the economic-administrative appeal relating to the Personal Income Tax Appeal for the period May 2010 to December 2012, as well as the disciplinary proceedings derived from these inspections.

(8) TRADE AND OTHER RECEIVABLES

The movement in the allowances heading of the condensed consolidated balance sheet during the first half of 2020 is as follows:

Thousands of euros				
Balance at 12/31/2019	Translation adjustment	Charge for the year/Excess	Amounts used	Balance at 06/30/2020
61,364	(5,401)	4,315	(629)	59,649

(9) EQUITY

Share capital

On January 1, 2020, the share capital of Prisa amounts to EUR 666,131 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 0.94 euros, and have been fully paid up.

At the General Shareholders Meeting held on June 29, 2020 (the "General Meeting"), the following resolutions were passed:

i. Share capital reduction by an amount of EUR 320,762 thousand to offset losses, by decreasing the par value of shares by EUR 0.452637587, to EUR 0.487362413 per share.

ii. Reduction of the share capital by an amount of EUR 7,086 thousand to increase the legal reserve account, by decreasing the par value of the shares by EUR 0.01, to EUR 0,477362413 per share.

iii. Reduction of the share capital by an amount of EUR 267,418 thousand, through the reduction of the par value of the Company's shares by EUR 0.377362413, to EUR 0.10 per share, to set up a reserve which will only be available under the same requirements as those for the share capital reduction.

Consequently, as of June 30, 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.

Share premium

As of December 31, 2019, the share premium reserve of Prisa amounted to EUR 254,180 thousand and it was totally unrestricted.

As mentioned in the previous section, the General Meeting agreed to apply the entirety of the aforesaid issue premium reserve to partially offset the *"negative results of prior periods"*, therefore, as of June 30, 2020, there is no share premium.

Non-controlling interest

The detail, by company, of the non-controlling interest at June 30, 2020 and December 31, 2019 is as follows:

	Thousands of euros	
	06/30/2020	12/31/2019
Caracol, S.A.	8,037	11,183
Diario As, S.L.	9,944	11,166
GLR Chile, Ltda.	10,341	15,171
Media Capital, SGPS, S.A. Group and subsidiaries	26,397	4,711
Prisa Radio, S.L. and subsidiaries (Spain)	18,937	21,704
Other companies	3,624	5,821
Total	**77,280**	**69,756**

(10) FINANCIAL LIABILITIES

The detail of *"Non-current financial liabilities"* and *"Current financial liabilities"* is as follows:

	Thousands of euros					
	Non-current financial liabilities		Current financial liabilities		Total financial liabilities	
	06/30/20	12/31/19	06/30/20	12/31/19	06/30/20	12/31/19
Bank borrowings	1,168,320	1,164,869	143,068	50,188	1,311,388	1,215,057
Financial liabilities by leases	114,056	117,006	20,342	23,675	134,398	140,681
Other financial liabilities	205	201	40	70	245	271
Total	**1,282,581**	**1,282,076**	**163,450**	**73,933**	**1,446,031**	**1,356,009**

Bank borrowings

The most significant balance under financial liabilities relates to bank borrowings, the detail of which at June 30, 2020 and December 31, 2019, in thousands of euros is as follows:

	06/30/20		12/31/19	
	Drawn-down amount maturing at short term	Drawn-down amount maturing at long term	Drawn-down amount maturing at short term	Drawn-down amount maturing at long term
Syndicated loan Prisa (Tranche 2)	15,000	977,311	15,000	976,512
Syndicated loan Prisa (Tranche 3)	-	151,210	-	161,080
Super Senior credit facility	80,000	36,500	-	36,500
Credit facilities, loans, finance leases and other	48,068	17,785	35,188	8,177
Fair value of financial instruments	-	(14,486)	-	(17,400)
Total	**143,068**	**1,168,320**	**50,188**	**1,164,869**

In accordance with IFRS 13, to determine the theoretical calculation of the fair value of the financial debt 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 once the refinancing process is completed (level 2 variables, estimates based on other observable market methods). The fair value of the Tranche 2 and 3 of syndicated loan, of the super senior credit facility and of the accrued interest cash and PIK pending to be paid, according to this calculation, would amount to EUR 1,108,234 thousand at June 30, 2020 considering a 12.88% average discount over the real principal payment obligation to the creditor entities.

Refinancing-

On June 29, 2018, the Refinancing of Group´s debt came into effect. In this context, Prisa agreed to the renewal of its syndicated loan amounting to EUR 1,117,592 thousand which was structured in two sections with the following characteristics:

- Tranche 2 in amount of EUR 956,512 thousand with maturity November 2022.
- Tranche 3 in amount of EUR 161,080 thousand with maturity December 2022.
- The cost of the debt of Tranches 2 and 3 was referenced to the Euribor plus a negotiated margin, equal for both tranches.
- The payment schedule established two partial and obligatory debt repayments on December 31, 2020 and 2021 for EUR 15 and 25 million respectively, as well as additional partial amortisations in 2021 and 2022 conditioned on the cash generation of the Prisa Group.
- The financial creditors have agreed that Tranche 2 is preferred over Tranche 3.
- The package of debt guarantees was partially modified.

The Company's Refinancing agreement contemplates the mechanism of automatic conversion of Tranche 3 debt to Tranche 2 as the aforementioned Tranche 2 is reduced by forced or voluntary amortization debt. On June 30, 2018 the Profit Participating Loans (PPL) conversed to Tranche 2 and 3.

Likewise, the Refinancing agreement involved a restructuring of the debt, which included a new borrower, Prisa Activos Educativos, S.L.U., which assumed nominal debt of Prisa for an amount of EUR 685 million, which, among other aspects, allows 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 remains recorded in Prisa.

EUR 35,000 thousand of Tranche 2 debt, included in the Refinancing, was drawn down in September 2019 to settle the payment of the unfavourable ruling in the Mediapro dispute of March 29, 2019. This provision replaces the guarantee issued to cover the aforementioned litigation.

In May 2020, EUR 10,000 thousand of the Syndicated loan is repayment with proceeds from the sale of 30.22% of Media Capital *(see note 2- "Significant operations")*

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.

As described in notes 1a) and 21, on October 15, 2020 Prisa has entered into a Lock-up Agreement which contains a term sheet that sets out, among other aspects, the essential terms on which the group's syndicated financial debt will be restructured, and that will be totally restructured in the coming months. The basic terms of the Restructuring consist in: (i) partial repayment of the debt to be restructured in an amount of EUR 400 million; (ii) a significant time extension for the maturity of the remaining financial debt, until 2025; and (iii) adaptation of the financial conditions of the debt to the group's new position in terms of generating cash. On top of these essential terms, the agreed Restructuring allows Prisa to incur further senior-ranking debt to strengthen its liquidity position in the future, and to complete certain actions of business reorganisation. Finally, the basic terms include a relaxation of certain financial covenants and Prisa's commitment to achieving a leverage cap in September 2023 (4.25x Net Debt/EBITDA).

Other aspects of debt-

The guarantee structure for Tranches 2 and 3 is as follows:

Personal guarantees

Tranches 2 and 3 of Prisa's debt, which correspond to the debt refinanced in June 2018, are jointly and severally guaranteed by Prisa and the companies Diario El País, S.L., Distribuciones Aliadas, S.A.U., Grupo de Medios Impresos y Digitales, S.L.U., Prisa Activos Educativos, S.L.U., Prisa Activos Radiófonicos, S.L.U., Prisa Noticias, S.L.U., Prisaprint, S.L.U, Prisa Gestión Financiera, S.L.U. and Grupo Santillana Educación Global, S.L.U.

In addition, Vertix, SGPS, S.A.U. guarantees Tranches 2 and 3 limited to a maximum amount of EUR 600,000 thousand.

Guarantees

As a consequence of the Refinancing of June 2018, Prisa currently has certain owned bank accounts pledged and, furthermore, Distribuciones Aliadas, S.A.U. has credit rights derived from certain material contracts pledged and certain bank accounts held by it pledged, all in guarantee of the aforementioned creditors.

Part of Prisa's investment in Grupo Santillana Educación Global, S.L. (100% share capital), in Prisa Radio, S.A. (80% share capital) and Grupo Media Capital SGPS, S.A. (64.47% share capital after the partial cancellation of said pledge granted in May 2020) and the 100% of the investments (100% share capital) in Prisa Activos Educativos, S.L.U., Prisa Activos Radiofónicos, S.L.U., Prisa Noticias, S.LU., Prisaprint, S.L.U. and Prisa Gestión Financiera, S.L.U. was also pledged, thereby insuring Tranches 2 and 3.

Other aspects

Grupo Media Capital, SGPS, S.A. assumes certain restrictions in relation to financing contracts, thus restricting the actions and operations that can be carried out.

Super senior credit facility -

On June 29, 2018, and within the framework of Refinancing the debt, the Company established a Super Senior credit facility for a maximum amount of up to EUR 86.5 million, of which EUR 50 million had the objective of financing the Group's operating needs. In April 2019, as a result of the acquisition of 25% of Santillana, the credit facility was increased by EUR 30 million, for a maximum amount of up to EUR 116.5 million. As of December 31, 2019, EUR 36.5 million was draw down to finance the acquisition by Prisa Radio, S.A. of shares of 3i in treasury shares.

In March 2020, EUR 80 million was drawn down for operating needs mainly associated for the effect of COVID 19, in this way the Super Senior credit facility as of June 30, 2020 is fully drawn down.

The guarantee structure of this Super Senior credit policy is the same as the one mentioned above relating to Tranche 2 and 3 of the debt of Prisa, in such a way that the creditors of said credit policy and those of Tranche 2 and 3 have the same guarantees. However, the Super Senior credit policy has a preferential rank with respect to Tranches 2 and 3 in relation to said guarantees. Also, Grupo Media Capital, SGPS, S.A. assumes certain restrictions in relation to this credit policy.

Financial liabilities for leases

The application of IFRS 16 Leases resulted in an addition of the financial liabilities associated with the leases, amounting at June 30, 2020 to EUR 114,056 thousand in the long term and EUR 20,342 thousand in the short term.

In the first half of 2020, the payment associated with financial liabilities for leases amounts to EUR 14.5 million, included in *"Other cash flow from financing activities"* of the condensed consolidated statement of cash flow.

(11) LONG-TERM PROVISIONS

Long-term provisions include those for taxes, corresponding to the estimated tax liability amount arising from inspections conducted on Group companies *(see note 7)*, provisions constituted to cover employee compensation and third-party liability provisions for the estimated amount to cover claims and litigation against Group companies. In addition, this section also includes Group interests in companies accounted for using the equity method, the net value of which is negative.

The breakdown of "Long-term provisions" at June 30, 2020 and at December 31, 2019, is as follows:

	Thousands of euros	
	06/30/20	12/31/19
For taxes	3,488	3,384
For redundancies	4,154	4,061
For third-party liability and other	11,672	14,694
Total	**19,314**	**22,139**

(12) NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE

Since September 2019 the assets and liabilities of Media Capital and Vertix are presented in the condensed consolidated balance sheet *as 'Non-current assets held for sale'* and *'Non-current liabilities linked to assets held for sale"*. As of June 30, 2020, the requirements established in IFRS 5 for presentation as assets held for sale and liabilities associated with them continue to be met.

The contribution of the aforementioned companies in each of the main balance sheet entries is as follows (in thousands of euros):

	06/30/2020
Non-current assets-	**111,460**
Property, plant, and equipment	19,629
Goodwill	79,646
Intangible assets	8,707
Other non-current assets	3,478
Current assets-	**111,409**
Inventories	72,706
Trade receivables and other receivables	30,100
Cash and cash equivalents	8,603
Total assets	**222,869**
Non-current liabilities-	**60,426**
Non-current bank borrowings	54,374
Other non-current liabilities	6,052
Current liabilities-	**99,270**
Commercial creditors	33,002
Other non-trade payables	11,016
Current bank borrowings	42,011
Public administrations	10,124
Other current liabilities	3,117
Total liabilities	**159,696**

Media Capital and Vertix are valued on the consolidated balance sheet at fair value (selling price of the transaction agreements) less costs to sell, because is less than the book value (*see note 15*).

(13) OPERATING INCOME AND EXPENSES

Operating income

The breakdown of income from the Group's main business lines for the six months ended June 30, 2020 and June 30, 2019 is as follows:

	Thousands of euros	
	06/30/20	06/30/19
Advertising sales and sponsorship	110,061	176,123
Sales of books and training	242,719	253,270
Newspaper and magazine sales	23,026	30,714
Sales of add-ons and collections	3,164	5,539
Intermediation services	1,803	2,852
Other services	7,417	10,462
Revenue	**388,190**	**478,960**
Income from non-current assets	1,488	1,889
Other income	3,117	4,819
Other income	**4,605**	**6,708**
Total operating income	**392,795**	**485,668**

The following table shows the breakdown of the Group's incomes at June 30, 2020 and at June 30, 2019 in accordance with the geographical distribution of the entities that generated them (thousands of euros):

	Advertising sales and sponsorship		Sales of books and training		Newspaper and magazine sales		Others		Total operating income	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Europe	**89,211**	**137,760**	**40,507**	**45,239**	**23,026**	**30,137**	**13,855**	**21,106**	**166,599**	**234,242**
Spain	89,211	137,760	39,723	45,030	23,026	30,137	13,842	21,095	165,802	234,022
Rest of Europe	-	-	784	209	-	-	13	11	797	220
America	**20,850**	**38,363**	**202,212**	**208,031**	**-**	**577**	**3,134**	**4,455**	**226,196**	**251,426**
Colombia	12,654	23,506	19,719	18,712	-	-	310	1,992	32,683	44,210
Brazil	-	-	69,865	55,249	-	-	515	470	70,380	55,719
Mexico	68	338	29,380	31,210	-	470	414	164	29,862	32,182
Chile	5,932	10,861	13,622	17,339	-	-	1,322	973	20,876	29,173
Rest of America	2,196	3,658	69,626	85,521	-	107	573	856	72,395	90,142
TOTAL	110,061	176,123	242,719	253,270	23,026	30,714	16,989	25,561	392,795	485,668

Staff

The average number of employees at the Group and its breakdown by gender is as follows:

	06/30/20	06/30/19
Men	4,648	4,620
Women	4,158	3,999
Total	**8,806**	**8,619**

The previous employee figures included staff at Media Capital, and expenditure on personnel is included under *"Result after tax from discontinued operations"* in the accompanying condensed consolidated income statement *(see notes 15).*

The breakdown of the average workforce, by gender, at Media Capital for the first half of 2020 and 2019 are as follows:

	06/30/20	06/30/19
Men	612	620
Women	413	413
Total	**1,025**	**1,033**

Outside services

The detail of *"Outside services"* for the six months ended June 30, 2020 and June 30, 2019 is as follows:

	Thousands of euros	
	06/30/20	06/30/19
Independent professional services	37,369	42,454
Leases and fees	4,216	4,291
Advertising	14,692	21,352
Intellectual property	11,003	10,338
Transport	11,307	13,075
Other outside services	57,882	121,259
Total outside services	**136,469**	**212,769**

As of June 30, 2019, the heading "*Other external services*" included the provision derived from the unfavorable court order in the conflict with Mediapro dated March 29, 2019 for an amount of EUR 51,036 thousand.

(14) FINANCIAL RESULT

The detail of *"Financial result"* for the group at June 30, 2020 and 2019 is as follows:

	Thousands of euros	
	06/30/20	06/30/19
Income from current financial assets	599	435
Income from equity investments	-	34
Other finance income	771	950
Finance income	**1,370**	**1,419**
Interest on debt	(33,884)	(28,507)
Adjustments for inflation	481	(455)
Loan arrangement costs	(250)	(820)
Other finance costs	(2,923)	(5,523)
Finance costs	**(36,576)**	**(35,305)**
Exchange gains	20,659	13,551
Exchange losses	(20,283)	(16,456)
Exchange differences (net)	**376**	**(2,905)**
Value variation of financial instruments	**(2,917)**	**(2,667)**
Financial loss	**(37,747)**	**(39,458)**

The heading "*Other finance costs*" includes EUR 4,222 thousand for the effect of updating the financial liability associated with the lease agreements (EUR 3,899 thousand as of June 30, 2019). It also includes the reversal of a provision of a financial credit amounting to EUR 2,623 thousand.

The heading "*Value variation of financial instruments*" includes the financial expense accrued due to the transfer to the condensed consolidated income statement of the difference between the amount in the initial registration date of the debt associated to the Refinancing and its nominal amount along the duration of the debt, using the effective interest method (*see note 10*).

(15) RESULT AFTER TAX FROM DISCONTINUED OPERATIONS

As of June 30, 2020, the headline *"Result after tax from discontinued operations"* includes the following items, associated with Media Capital as described in note 12:

- Impairment was recorded for the loss resulting from the agreement to purchase 30.22% of Media Capital to Pluris (minus costs of the sale) in May 2020, amounting to EUR 28,769 thousand (*see note 2 - significant operations*).
- An additional impairment was recorded for the loss resulting from the valuation of Media Capital at the price of the sale agreement for the remaining 64.47% of the Portuguese subsidiary (minus costs of the sale) in September 2020 amounting to EUR 48,522 thousand (*see note 2 - Significant operations*).
- Reversal of non-materialised sales costs associated with the non-executed transaction with Cofina and adjustments for the increase of non-controlling interests resulting

from the sale of 30.22% of Media Capital, amounting to EUR 2,148 thousand.

- The contribution of the result of Media Capital to the results of the Group during the first half 2020, for a negative amount of EUR 14,415 thousand, offset by the positive effect of the decrease in the net assets of Media Capital from the same amount.

For comparison purposes, the results of Media Capital as of June 30, 2019 have been reclassified in this section. The breakdown is as follows:

(Thousand of euros)	06/30/2020	06/30/2019
Operating income-	**55,259**	**86,272**
Revenue	55,049	85,058
Other income	210	1,214
Operating expenses-	**(71,166)**	**(76,041)**
Cost of materials used	(15,634)	(13,595)
Staff costs	(21,304)	(20,535)
Depreciation and amortisation charge	(4,693)	(4,399)
Outside services	(28,906)	(37,493)
Change in allowances, write-downs and provisions	(629)	(19)
Profit from operations	**(15,907)**	**10,231**
Financial loss	(981)	(1,383)
Expense tax	2,473	(2,570)
Result after tax from discontinued operations	**(14,415)**	**6,278**

(16) BUSINESS SEGMENTS

Segment reporting is structured by geographical segment and business segment of the Group.

The breakdown of the consolidated revenues of the Group based on the geographical location of the companies that gave rise to them is as follows:

	Thousands of euros	
	06/30/20	06/30/19
Europe	**164,506**	**230,636**
Spain	163,722	230,427
Rest of Europe	784	209
America	**223,684**	**248,324**
Colombia	32,455	42,619
Brazil	70,027	55,600
Mexico	29,538	32,118
Chile	19,658	28,321
Rest of America	72,006	89,666
Total	**388,190**	**478,960**

The business segments were determined based on the Prisa Group's organizational structure at June 30, 2020 considering the nature of the products and services offered, and the customer segments which they target.

The Media Capital segment was eliminated in September 2019 because being presented as a discontinued operation. The information of the first half of 2019 has been modified for comparison purposes. Therefore, at June 30, 2020, Prisa's operations are divided into three main segments:

- Education, which includes primarily the sale of educational books and the services and materials related to the education systems;
- Radio, the main source of revenue from which is the broadcasting of advertising and, in addition, the organization and management of events and the provision of other supplementary services; and
- Press, which groups together mainly the activities relating to the sale of newspapers and magazines, advertising, promotions, printing, central advertising and technology services;

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

Segment information about these businesses for the six months ended June 30, 2020 and June 30, 2019 is presented below (in thousands of euros):

	EDUCATION		RADIO		PRESS		OTHERS		ELIMINATIONS AND ADJUSTMENTS		PRISA GROUP	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Operating income	**244,545**	**255,980**	**81,409**	**134,500**	**75,580**	**104,531**	**4,404**	**7,115**	**(13,143)**	**(16,458)**	**392,795**	**485,668**
- External sales	**244,297**	**255,778**	**79,941**	**131,828**	**65,392**	**94,955**	**184**	**84**	**2,981**	**3,023**	**392,795**	**485,668**
- Advertising	0	0	75,097	123,665	32,605	49,819	0	0	2,359	2,639	110,061	176,123
- Books and training	242,719	253,267	0	0	0	0	0	0	0	3	242,719	253,270
- Newspapers and magazines	0	0	0	0	23,026	30,714	0	0	0	0	23,026	30,714
- Sale of audiovisual rights and programs	0	0	0	0	0	0	0	0	0	0	0	0
- Other	1,578	2,511	4,844	8,163	9,761	14,422	184	84	622	381	16,989	25,561
- Intersegment sales	**248**	**202**	**1,468**	**2,672**	**10,188**	**9,576**	**4,220**	**7,031**	**(16,124)**	**(19,481)**	**0**	**0**
- Advertising	0	0	1,318	2,692	2,577	1,707	0	0	(3,895)	(4,399)	0	0
- Books and training	0	0	0	0	0	0	0	0	0	0	0	0
- Newspapers and magazines	0	0	0	0	0	0	0	0	0	0	0	0
- Sale of audiovisual rights and programs	0	0	0	0	0	0	0	0	0	0	0	0
- Other	248	202	150	(20)	7,611	7,869	4,220	7,031	(12,229)	(15,082)	0	0
Operating expenses	**(214,105)**	**(221,450)**	**(115,218)**	**(115,492)**	**(95,765)**	**(107,749)**	**(8,954)**	**(64,422)**	**13,427**	**16,108**	**(420,615)**	**(493,005)**
- Cost of materials used	(48,615)	(45,001)	(12)	(43)	(15,074)	(19,892)	0	0	108	220	(63,593)	(64,716)
- Staff costs	(67,402)	(74,805)	(45,682)	(52,700)	(36,140)	(37,304)	(4,249)	(6,551)	(33)	0	(153,506)	(171,360)
- Depreciations and amortisation charge	(24,353)	(26,061)	(9,148)	(9,111)	(4,876)	(4,863)	(755)	(667)	0	0	(39,132)	(40,702)
- Outside services	(67,903)	(72,216)	(40,459)	(53,467)	(37,498)	(45,626)	(3,649)	(57,311)	13,040	15,851	(136,469)	(212,769)
- Change in operating provisions	(6,079)	(2,106)	(439)	(129)	(476)	(65)	0	145	0	0	(6,994)	(2,155)
- Changes in valuation allowances to Group companies	0	0	0	0	0	0	(22)	(38)	22	38	0	0
- Other expenses	247	(1,261)	(19,478)	(42)	(1,701)	1	(279)	0	290	(1)	(20,921)	(1,303)
Result from operations	**30,440**	**34,530**	**(33,809)**	**19,008**	**(20,185)**	**(3,218)**	**(4,550)**	**(57,307)**	**284**	**(350)**	**(27,820)**	**(7,337)**
Finance income	**1,003**	**1,065**	**1,110**	**1,084**	**1,214**	**1,135**	**7,085**	**16,179**	**(9,042)**	**(18,044)**	**1,370**	**1,419**
- Interest income	238	559	1,002	1,013	1,204	1,122	7,085	7,999	(9,040)	(9,907)	489	786
- Other financial income	765	506	108	71	10	13	0	8,180	(2)	(8,137)	881	633
Finance costs	**(5,484)**	**(12,828)**	**(3,424)**	**(3,234)**	**(132)**	**(2,929)**	**(39,494)**	**(35,249)**	**9,041**	**16,268**	**(39,493)**	**(37,972)**
- Interest expenses	(4,091)	(4,401)	(1,041)	(1,074)	(1,668)	(1,398)	(36,129)	(31,460)	9,045	9,826	(33,884)	(28,507)
- Other financial expenses	(1,393)	(8,427)	(2,383)	(2,160)	1,536	(1,531)	(3,365)	(3,789)	(4)	6,442	(5,609)	(9,465)
Exchange differences (net)	**714**	**(2,790)**	**680**	**(57)**	**(507)**	**(50)**	**(509)**	**(7)**	**(2)**	**(1)**	**376**	**(2,905)**
Financial result	**(3,767)**	**(14,553)**	**(1,634)**	**(2,207)**	**575**	**(1,844)**	**(32,918)**	**(19,077)**	**(3)**	**(1,777)**	**(37,747)**	**(39,458)**
Result of companies accounted for using the equity method	0	0	(2,885)	929	(16)	(422)	0	3	(4,040)	86	(6,941)	596
Result before tax from continuing operations	**26,673**	**19,977**	**(38,328)**	**17,730**	**(19,626)**	**(5,484)**	**(37,468)**	**(76,381)**	**(3,759)**	**(2,041)**	**(72,508)**	**(46,199)**
Expense tax	(20,384)	(8,293)	(4,474)	(7,703)	(9,034)	(1,121)	(40,915)	4,000	(1,171)	0	(75,978)	(13,117)
Result from continuing operations	**6,289**	**11,684**	**(42,802)**	**10,027**	**(28,660)**	**(6,605)**	**(78,383)**	**(72,381)**	**(4,930)**	**(2,041)**	**(148,486)**	**(59,316)**
Result after tax from discontinued operations	**0**	**0**	**0**	**0**	**0**	**0**	**(73,221)**	**7,011**	(1,922)	0	**(75,143)**	**7,011**
Consolidated result for the year	**6,289**	**11,684**	**(42,802)**	**10,027**	**(28,660)**	**(6,605)**	**(151,604)**	**(65,370)**	**(6,852)**	**(2,041)**	**(223,629)**	**(52,305)**
Non-controling interests	**(129)**	**(211)**	**1,076**	**(409)**	**1,051**	**(219)**	**0**	**0**	9,581	1,597	**11,579**	**758**
Result atributable to the Parent	**6,160**	**11,473**	**(41,726)**	**9,618**	**(27,609)**	**(6,824)**	**(151,604)**	**(65,370)**	**2,729**	**(444)**	**(212,050)**	**(51,547)**

(17) RELATED PARTY TRANSACTIONS

The transactions performed with related parties in the six months ended June 30, 2020 and in 2019 were as follows (in thousands of euros):

	06/30/2020			06/30/2019		
	Directors and executives	Group employees, companies or entities	Significant shareholders	Directors and executives	Group employees, companies or entities	Significant shareholders
Finance expenses	-	10	9,396	-	50	7,924
Services received	-	319	3,436	-	250	3,961
Leases	-	184	976	-	121	1,145
Purchase of goods	-	-	19	-	-	48
Other expenses	1,498	68	125	5,193	91	438
Total expenses	**1,498**	**581**	**13,952**	**5,193**	**512**	**13,516**
Finance income	-	3,018	-	-	102	-
Provision of services	-	3,230	1,297	-	1,007	1,545
Leases	-	-	14	-	-	16
Other revenue	-	16	126	-	-	988
Total revenue	**-**	**6,264**	**1,437**	**-**	**1,109**	**2,549**

All related party transactions have taken place under market conditions.

Transactions with directors and executives

The aggregate amount of EUR 1,498 thousand corresponded to the remuneration received by directors and executives as detailed in note 18.

Transactions between Group employees, companies or entities

The aggregate amount of EUR 581 thousand is mainly includes the expenditure derived from the leasing of frequencies of radio with associates companies and the advertising commission expense with Wemass Media Audience Safe Solutions, S.L.

Finally, the aggregate amount of EUR 6,264 thousand mainly includes the income received for commercialization of advertising with Wemass Media Audience Safe Solutions, S.L., the income received by Radio in Spain from provision of technical assistance and advisory services and the income for sale of newspapers to Kioskoymás, Sociedad Gestora de la Plataforma Tecnológica, S.L.

Transactions with significant shareholders

The aggregate amount of EUR 13,952 thousand mainly consists of expenditure on telephony and internet by Prisa Group companies with Telefónica, S.A., the expense by the leasing of offices in Tres Cantos with Telefónica, as well as finance costs derived from credits granted by major shareholders to Prisa Group companies, mainly the Refinancing interest expenses corresponding to HSBC Holding, PLC, and Banco Santander, S.A. amounting to EUR 9,044 thousand *(see note 10).*

Meanwhile, the aggregate amount of EUR 1,437 thousand mainly consists of income of Prisa Group companies for advertising services with Banco Santander, S.A. and Telefónica, S.A.

The detail of other transactions performed with related parties in the six months ended June 30, 2020 and in 2019 is as follows (in thousands of euros):

	06/30/2020		06/30/2019	
	Group employees, companies or entities	Significant shareholders	Group employees, companies or entities	Significant shareholders
Financing agreements: loans granted	599	-	315	-
Financing agreements: loans received	-	18,000	-	-
Other transactions	-	-	-	5,400

Transactions with significant shareholders

As of June 30, 2020, the amount of EUR 18,000 thousand corresponds to ICO loans granted by Banco Santander, S.A. to Santillana and Radio.

As of June 30, 2019 the aggregate amount of EUR 5,400 thousand in "*Other transactions*" included the expenses of the capital increase of April 2019 corresponding to Banco Santander, S.A. registered in the heading "*Other reserves*" in the accompanying condensed consolidated balance sheet, that are pending payment.

The detail of the balances receivable from and payable to associates and related parties as of June 30, 2020 and as of December 31, 2019 is as follows:

	06/30/2020		12/31/2019	
	Group employees, companies or entities	Significant shareholders	Group employees, companies or entities	Significant shareholders
Trade receivables	2,795	754	4,149	1,433
Receivables- loans	3,928	-	10,057	-
Total receivables	**6,723**	**754**	**14,206**	**1,433**
Trade payables	1,017	3,390	1,531	5,267
Payables- loans	3	407,068	2	414,517
Total payables	**1,020**	**410,458**	**1,533**	**419,784**

Balance with Group employees, companies or entities-

Receivables loans at June 30, 2020 mainly include the loans granted by Sociedad Española de Radiodifusión S.L. to Green Emerald Business Inc in the amount of EUR 2,868 thousand (EUR 2,542 thousand at December 31, 2019).

Balance with significant shareholders-

The aggregate amount of EUR 407,068 thousand is mainly accounted the loans granted to Prisa Group companies by:

- Banco Santander, S.A. amounting to EUR 37,809 thousand (EUR 46,902 thousand at December 31, 2019).

- HSBC Holding, PLC amounting to EUR 369,259 thousand (EUR 367,615 thousand at December 31, 2019).

(18) REMUNERATION AND OTHER BENEFITS OF BOARD MEMBERS AND EXECUTIVES

In the six months ended June 30, 2020 and 2019, the consolidated companies registered the following amounts in respect of remuneration to Prisa's Board members and executives:

	Thousands of euros	
	06/30/2020	06/30/2019
Compensation for belonging to the Board and/ or Board Committees	695	734
Salaries	237	250
Variable compensation in cash	(253)	122
Compensation systems based on shares	(300)	588
Indemnification	-	-
Other	2	2
Total remuneration received by board members	**381**	**1,696**
Total remuneration received by executives	**1,117**	**3,497**

The aggregated remuneration of directors and senior management reflected in the table above corresponds to the accounting expenses made in the income statement of Promotora de Informaciones, S.A. (Prisa) and other companies of its Group and consequently it corresponds to the accounting provisions registered in the profit and loss account.

As it was already announced through the inside information communication that Prisa sent to the CNMV on March 31, 2020 (registration no. 132), as well as in the Annual Report n compensation of Directors sent to the CNMV on May 4, 2020 (registration no. 1941), in the context of the COVID-19 crisis and in order to mitigate the negative impact of the current situation which has an special effect on the main sources of income generation of all kind of media, the Board of Directors in its meeting held on said date resolved to put in place a contingency plan to adequate the cost structures of the businesses to the foreseeable circumstances of the following months, starting with a reduction, from the date thereof, of 20% in the directors remuneration and around 35% in the annual remuneration of the Chief Executive Officer and the Senior Management, which is already reflected on the table above. The CEO and members of Prisa's Senior Management have voluntarily renounce to receive, in relation to the financial year 2020, the part of the annual variable remuneration that refers to quantitative objectives.

Remuneration of the Directors:

Regarding the first half of 2020:

i) The overall remuneration of the Board of Directors includes that of Mr. Javier Gómez-Navarro up to the time of his cease as a director on June 29, 2020, once expired the term for which he was appointed

ii) 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, taking into account the extraordinary circumstances of the COVID-19 crisis, a 10% reduction will be applied to this remuneration on a pro rata basis for the period between April and December 2020.

iii) Within the variable remuneration in cash of the directors, are included the following items:

- Annual variable compensation (bonus): is the reflection of the amount corresponding to theoretical annual variable compensation of CEO Mr Manuel Mirat, sole executive director of the Company, if 2020 management objectives are achieved. However, since this compensation is subject to achievement of the management objectives at the end of the year 2020, 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 2020 annual accounts of the Group are prepared, based on the level of achievement of the objectives established by the Board of Director. As it has already been stated above, the CEO has voluntarily renounce to receive, in relation to the financial year 2020, the part of the annual variable remuneration that refers to quantitative objectives (that is, 80% of the target amount of EUR 300 thousand). Consequently, for the purposes of the annual variable remuneration of the CEO for the financial year 2020, the parameters to be used to calculate said remuneration will be based solely on variables which measure individual performance (whose weight will be 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 Group, 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. It is for this reason that a negative amount (EUR 253 thousand) has been recorded, in relation to the variable remuneration in cash.

iv) At the Ordinary Shareholders' Meeting held on April 25, 2018, it was approved a Medium Term Incentive Plan 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 objectives, targeted at the CEO of Prisa and certain managers, who may receive a certain number of ordinary shares of the Company following a reference period of 3 years, provided that certain predefined requirements are met. The Company has 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 will serve as a reference to determine the final number of shares to be delivered, if is the case.

In the first half of 2020, a lower expense of EUR 300 thousand was recorded for this item in relation to the CEO of Prisa. This is due to the fact that, in the first semester of 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. This lower expense is included within "Compensation systems based on shares" in the previous table. However, since this compensation is subject to achievement of the certain objectives, the accounting figure in no way constitutes acknowledgment that that variable compensation has accrued, which will occur, if at all, once the year 2020 is closed and the consolidated annual accounts of the Group are prepared, based on the level of achievement of the established objectives.

v) No other credits, advances or loans occurred, nor were pension obligations incurred, in respect of the Board of Directors during the first half of 2020.

Regarding the first half of 2019:

i) The overall remuneration of the Board of Directors includes that of Mr. Waaled Alsa'di up to the time of his cease as a director on June 3, 2019, and that of Ms. Béatrice de Clermont - Tonnerre, who was appointed director on said date.

ii) Remuneration of Mr. Javier Monzón de Cáceres (non-executive Chairman since January 1, 2019) and of Mr. Manuel Polanco Moreno:

The Board of Directors of Prisa held in December 2018 agreed to the cessation of Mr. Manuel Polanco Moreno as non-executive Chairman, effective January 1, 2019, and agreed to the appointment of Mr. Javier Monzón de Cáceres, at that time non-executive Vice Chairman and Coordinating Director, as non-executive Chairman of the Board of Directors of Prisa, with effect also from January 1, 2019.

The General Shareholders' Meeting held on June 3, 2019, has modified the Remuneration Policy of the Prisa directors for the period 2018-2020, to establish the new remuneration conditions applicable to the non-executive Chairman of the Board of Directors, with retroactive effect as of January 1, 2019, which has been established, under the Policy, at EUR 400 thousand per year.

Mr. Manuel Polanco Moreno remains a director of Prisa and from January 1, 2019, he receives the remuneration that the Remuneration Policy provides for the directors, in their capacity as such for its membership to the Board of Directors and the Delegated Commission.

iii) Within the variable remuneration in cash of the directors, are included the following items:

- Annual variable compensation (bonus): is the reflection of the amount corresponding to theoretical annual variable compensation (considering a 100% fulfilment with the established targets) of CEO Mr Manuel Mirat, sole executive director of the Company, if 2019 management objectives are achieved.

- Regularization of 2018 bonus paid in April 2019 to the CEO.

iv) In the first half of 2019, an accounting expense of EUR 588 thousand was recorded for the "Incentive Plan 2018-2020", in relation to the CEO of Prisa. This expense is included within "Compensation systems based on shares" in the previous table.

v) No other credits, advances or loans occurred, nor were pension obligations incurred, in respect of the Board of Directors during the first half of 2019.

Senior management compensation

The aggregate compensation of the managers is the compensation of members of senior management, that being understood to be the members of the Management Committee that are not executive directors and have an employment or mercantile relationship with Prisa and other companies in the Group, managers who regularly attend meetings of the Committee, and the Internal Audit Manager of Prisa (the "Managers") and it is the accounting reflection of the overall compensation of Managers.

The aggregate compensation of the managers in the first half of 2020 amount to EUR 1,117 thousand and in the first half of 2019 amounted to EUR 3,497 thousand.

Regarding the first half of 2020:

i) As of June 30, 2020, the managers are the following: Mr Xavier Pujol, Mr Guillermo de Juanes, Mr Jorge Bujía, Mr Augusto Delkader, Mr Jorge Rivera, Ms Marta Bretos, Mr Miguel Angel Cayuela, Mr Pedro García Guillén, Mr Alejandro Martínez Peón, Mr Luis Cabral and Ms Virginia Fernández.

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

- Annual variable compensation (bonus): reflection of the amount corresponding to theoretical annual variable compensation of the executives if 2020 management objectives are achieved. However, since this compensation is subject to achievement of the management objectives at the end of the year 2020, 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 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 have voluntarily renounce to receive, in relation to the financial year 2020, the part of the annual variable remuneration that refers to quantitative objectives

- Regularization of 2019 bonus paid in 2020.

- In the first half of 2020, a lower expense of EUR 694 thousand was recorded for the "Incentive Plan 2018-2020", in relation to the Managers. This is due to the fact that, in the first semester of 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. However, since this compensation is subject to achievement of the certain objectives, the accounting figure in no way constitutes acknowledgment that that variable compensation has accrued, which will occur, if at all, once the year 2020 is closed and the consolidated annual accounts of the Group are prepared, based on the level of achievement of the established objectives.

Regarding the first half of 2019:

i) As of June 30, 2019, the managers were the following: Mr Xavier Pujol, Mr Guillermo de Juanes, Mr Augusto Delkader, Mr Jorge Rivera, Ms Marta Bretos, Mr Miguel Angel Cayuela, Mr Pedro García Guillén, Mr Alejandro Martínez Peón, Ms Rosa Cullel, Ms Virginia Fernández and Mr Jorge Bujía (whose compensation ois that from his appointment as Director of Risk Control and Management Control at the beginning of June 2019).

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

- Annual variable compensation (bonus): reflection of the amount corresponding to theoretical annual variable compensation of the executives if 2019 management objectives were achieved.

- Regularization of 2018 bonus paid in April 2019.

- In the first half of 2019, an accounting expense of EUR 1,358 thousand was recorded for “Incentive Plan 2018-2020”, in relation to the senior management.

(19) GUARANTEE COMMITMENTS TO THIRD PARTIES

At June 30, 2020, Prisa had furnished personal guarantees (including counter-guarantees) amounting to EUR 21,703 thousand (EUR 2,986 thousands corresponds to Media Capital).

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

(20) ONGOING LITIGATIONS AND CLAIMS

A) CNMC

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

On July 19, 2019, an administrative contentious appeal was lodged against said Resolution before Section Six of the National Court (Audiencia Nacional) and requested the suspension of the enforceability of the Resolution for the duration of the procedure. On September 4, 2019, the National Court (Audiencia Nacional) suspended the enforceability of the Resolution subject to the guarantee submission for the amount of the penalty imposed by the Resolution. On November 4, 2019 a bank guarantee for the said amount was submitted before the National Court (Audiencia Nacional) and by Order of November 6, 2019, the Chamber agreed to consider complete in due time and form the imposed condition and therefore to suspend the enforceability of the Resolution.

On April 16, 2020, Grupo Santillana Educación Global, S.L.U., Santillana Educación S.L., Edicions Obradoiro, S.L., Edicions Voramar, S.A., Zubia Editoriala S.L., Ediciones Grazalema, S.L. and Grup Promotor d'Ensenyament i Difusio en Catala, SL, S.L. have filed the corresponding lawsuit before the National Court (Audiencia Nacional) requesting the complete nullity of the Resolution and, alternatively, the complete nullity of the sanction imposed or its significant reduction. The State's legal profession has submitted the corresponding answering brief in due time and form and the hearing for the practice of the expert evidence (ratification) has been set for October 26, 2020.

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

B) Other litigations

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

(21) EVENTS AFTER THE BALANCE SHEET DATE

On October 15, 2020, Prisa has entered into a lock-up agreement (the "Lock-up Agreement") which contains a term sheet that sets out, among other aspects, the essential terms on which the Group's syndicated financial debt will be restructured. The agreement, negotiated with a representative group of its main financial creditors, concerns the debt arising from the syndicated facility agreement currently totalling EUR 1,148 million, dated December 11, 2013 (agreement amended on various occasions since then), that will be totally restructured in the coming months (the "Restructuring"). The Lock-up Agreement came into effect in respect of the banks that signed or acceded to it, which represents 79.7% of the syndicated indebtedness to be restructured. Following this, the Company will seek support for the Lock-up Agreement from the rest of the creditors (including the senior-ranking debt), or at least the minimum number needed to ensure that the arrangement can be implemented in terms that are binding for all creditors.

The basic terms of the Restructuring consist in: (i) partial repayment of the debt to be restructured in an amount of EUR 400 million; (ii) a significant time extension for the maturity of the remaining financial debt, until 2025; and (iii) adaptation of the financial conditions of the debt to the Group's new position in terms of generating cash. On top of these essential terms, the agreed Restructuring allows Prisa to incur further senior-ranking debt to strengthen its liquidity position in the future, and to complete certain actions of business reorganisation.

Finally, the basic terms include a relaxation of certain financial covenants and Prisa's commitment to achieving a leverage cap in September 2023 (4.25x Net Debt/EBITDA).

The Restructuring is conditional on successfully completing the selling of certain Santillana K-12 and pre K-12 business assets in Spain, as described below. The Restructuring also needs to be binding on all creditors owed the financial debt to be restructured. In the event, therefore, that it is not possible to get those creditors' full support for the arrangement, the Company will take legal or judicial action to enable it to take effect generally. In view of the law applicable to this debt, an English-law scheme of arrangement is foreseen as the possible procedure for this.

On October 19, 2020, Prisa, through its subsidiary Grupo Santillana Educación Global, S.L.U. ("Santillana"), has signed an agreement with the Sanoma Corporation, a European learning and Finnish media company, for the sale of the Spanish educational business of Santillana addressed at pre K12 and K-12 segments. 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.

The price of the transaction has been set at an amount of EUR 465 million and will be fully paid in cash on the closing date of the transaction, once the net debt of the business subject of the transaction at June 30, 2020 has been discounted, estimated at EUR 53 million. Such closing is subject to (i) obtaining the required authorization from the Spanish competition authoritity (or confirmation that such authorization is not required); (ii) obtaining the necessary consents from the Company's creditors with the majority of whom an agreement of principles has been reached (Term Sheet) on the date hereof; and (iii) the mandatory approval at Prisa's General Shareholders Meeting pursuant to article 160.(f) of the Spanish Companies' Act.

The preliminary impact of this transaction on the consolidated income statement would be a capital gain of approximately EUR 385 million.

(22) EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

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

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

Consolidated Directors' Report for the six months ended June 30, 2020

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

AND SUBSIDIARIES

CONDENSED CONSOLIDATED DIRECTOR'S REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2020

1. BUSINESS PERFORMANCE

The Group's businesses continue to progress with its strategic roadmap focusing on digital transformation, making progress with subscription models and developing new digital formats. It has been concentrating resources on higher value-added businesses under ongoing efficiency plans and maintaining a sustainable debt structure.

By the end of the first half of the year, the Education business had over 1.7 million students in its subscription models, while the digital subscription payment model of the News business, launched in early May 2020, had over 50,000 subscribers. Every month, the Radio business has around 23 million downloads of audio content on demand and 58 million hours of listening via *streaming*.

Since mid-March, the Group has worked to deal with the impact of the pandemic caused by the coronavirus (COVID-19). The world is experiencing an extraordinary and unprecedented social and economic emergency. The health system has never faced such a crisis, the number of infections is counted in their millions, and the number of deaths has reached unbearable numbers. In short, this pandemic has placed everything and everyone in a critical, urgent situation.

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 families, teachers and students in Spain and Latin America, Prisa has continued to guarantee access to: comprehensive, accurate and truthful information; quality entertainment; and, of course, a wide range of educational services.

In this environment, with the severe impact of the COVID-19 pandemic in the second quarter of the year, the summary of the Group's results during the first half of 2020, compared to the results of the first half of 2019, is as follows:

- Operating income amounted to EUR 392.8 million (-19.1% vs 2019; -13% in local currency). While the Education business currently appears to be more resilient against the impact of the pandemic despite the drop in sales in some Southern Campaigns, the media business is seriously suffering from the collapse of advertising investment and circulation.

- Operating expenses (excluding depreciation and amortisation charge, impairment of goodwill and assets impairments) have dropped to EUR 360.6 million (-9.8% vs 2019; -3.8% in local currency eliminating the Mediapro effect in 2019 of 51.0 EUR million in costs), reflecting part of the impact of the contingency plan designed by the Group to deal with the impact of the COVID-19 pandemic on the performance of its businesses. The Group estimates that the contingency plan, with scope for all business units across all lines of expenditure, will have an impact of more than EUR 40 million in the period of March-December 2020.

- EBITDA falls to EUR 32.2 million (-62.4% vs 2019; -57.1% in local currency eliminating the Mediapro effect in 2019 of EUR 51.0 million on EBITDA). The Group uses EBITDA to monitor the performance of its businesses and establish operational and strategic objectives for Group companies. EBITDA is defined as profit from operations plus assets depreciation expenses and impairment of fixed assets, a benchmark used by the Group to monitor the progress of its business and establish its operational and strategic objectives. EBITDA is defined as profit from operations plus assets depreciation expense, impairment of goodwill and impairment of assets and is uses by the Group and is a benchmark used by the Group to follow the evolution of its business and establish its operational and strategic objectives.

  The following tables detail the reconciliation between EBITDA and the Group's profit from operations for each of the segments of the first half of 2020 and 2019 (in millions of euros):

	30/06/2020				
	Education	Radio	Press	Others	Prisa Group
PROFIT FROM OPERATIONS	**30.4**	**(33.8)**	**(20.2)**	**(4.2)**	**(27.8)**
Depreciations and amortisation charge	24.3	9.1	4.9	0.8	39.1
Impairment of goodwill	-	16.7	-	(0.1)	16.6
Impairment of assets	(0.2)	2.8	1.7	(0.1)	4.2
EBITDA	**54.5**	**(5.2)**	**(13.6)**	**(3.6)**	**32.1**

	30/06/2019				
	Education	Radio	Press	Others	Prisa Group
PROFIT FROM OPERATIONS	**34.5**	**19.0**	**(3.2)**	**(57.6)**	**(7.3)**
Depreciations and amortisation charge	26.1	9.1	4.8	0.7	40.7
Impairment of assets	1.3	0	0	0	1.3
EBITDA	**61.9**	**28.1**	**1.6**	**(56.9)**	**34.7**

- The Group's net bank debt increased by EUR 69.4 million during the first half of 2020 and amounted to EUR 1,130.5 million at June 30, 2020, due to the Group's cash needs during the first half of the year. In October 2020, the Group agreed with the financial creditors of the *Override Agreement* and the Super Senior Credit Policy, among other things, to abide by the financial ratios (covenants) to which it is subject, for a period that extends until June 2021. This debt indicator includes non-current and current bank borrowings, excluding fair value in financial instruments, diminished by current financial assets, cash and cash equivalents.

The following table shows the composition of this indicator at June 30, 2020 and at December 31, 2019:

	Million of euros	
	06/30/20	12/31/19
Non-current bank borrowings	1,168.3	1,164.9
Current bank borrowings	143.1	50.2
Fair value	14.5	17.4
Current financial assets	(6.5)	(4.8)
Cash and cash equivalents	(188.9)	(166.6)
NET BANK DEBT	**1,130.5**	**1,061.1**

The Group has taken steps to maximise its liquidity, with a cash available at the end of June amounting to EUR 179 million.

- Exchange rates have had a negative impact on the Group's development, mainly due to currency depreciation in Brazil, Mexico and Argentina: -EUR 28.6 million in income and -EUR 4.6 million in EBITDA. In this sense, Prisa defines the impact of exchange rates as the difference between the financial figure converted at the exchange rate of the current year and the same financial figure converted at the exchange rate of the previous year.

The following table shows the exchange rate effect on operating income and EBITDA for the Education and Radio business and for the Prisa Group (in millions of euros):

	2020	**Exchange rate effect**	**2020 excluding exchange rate effect**	**2019**	**Change excluding exchange rate effect**	**Change (%) excluding exchange rate effect**
Education (*)						
Operating income	244.5	(25.2)	269.7	256.0	(4.5)	5.4
EBITDA	54.5	(5.6)	60.1	61.9	(11.8)	(2.8)
Radio						
Operating income	81.4	(3.4)	84.8	134.5	(39.5)	(37.0)
EBITDA	(5.2)	1.0	(6.2)	28.1	n.a.	n.a
Prisa Group						
Operating income	**392.8**	**(28.6)**	**421.4**	**485.7**	**(19.1)**	**(13.2)**
EBITDA	**32.2**	**(4.6)**	**36.8**	**85.7**	**(62.4)**	**(57.1)**

(*) Excluding the exchange rate effect of Venezuela.

In the Education business, plans to respond to the COVID-19 pandemic that have been implemented in most countries where Santillana operates, generally based on strict population lockdown measures, have resulted in the closure of schools and the disruption (partial or total) of marketing activities and distribution. However, at least during the first half of the year, the business has been resilient: the difficulties in ceasing some Southern Campaigns (Chile, Ecuador and Peru, mainly) and the impact of the uncertainty of the beginning of the school year in the Northern Campaigns (mainly Mexico and Spain) have been mitigated by the good performance of subscription models (student growth of 24% vs 2019). This has been especially true in countries such as Brazil or Colombia, with the recording of Brazil's institutional sale of the PNLD 2019 in 2020, and the impact of the measures implemented (under the aforementioned contingency plan) in response to the pandemic. In any case, the timetable for return to school activity and its impact on the different Campaigns, will be crucial for the performance of the Education business in the coming months.

- Operating revenues reached EUR 244.5 million in the first half of the year, with a drop of -4.5% compared to 2019 (+5.4% growth in local currency). The fall experienced in didactic sales (-35% in euros, and -27% in local currency) has been offset by the improvement in subscription models that grow in revenues by 22% in local currency (+9% in euros) linked to a 24% increase in students to a total of over 1,714,000. Public sales have also grown (+157% in euros, +174% in local currency) due to Brazil's 2019 PNLD sales recorded in 2020 as well as Mexico's highest sales.

- In terms of operating expenses, in the first half of the year they amounted to EUR 190.0 million, with a drop of 2.1% compared to 2019 (+8.0% growth in local currency). Although staff costs and outside services decrease, there are increases in the cost of sales of subscription and public sales models, as well as higher provisions of returns.

- EBITDA amounted to EUR 54.5 million in the first half, experiencing a drop of -11.8% compared to 2019 (-2.8% in local currency).

- The impact of exchange rates represents EUR -25.2 million in operating income and EUR -5.6 million in EBITDA.

With the Radio business, according to the latest market reports, the Group maintains its leading position in Spain, Colombia and Chile. The pandemic has allowed the Group to achieve record levels of consumption, especially digital with unique visitor figures at June 2020 of 62.2 million on average (+30% compared to 2019) and a total podcast downloads of 21.2 million on average (+58% over 2019). However, the pandemic in turn has led to the drastic fall in advertising investment as a result of the impact on the economy. Prisa Radio's advertising investment fell by -39.5% globally. By country, there were also significant falls compared to the first half of 2019: Spain fell by -37.3%, Colombia by -46.0% and Chile by -45.1%. These falls have occurred against the backdrop of global declines in GDP. The IMF has forecast (June 2020 data) a fall in GDP of -12.8% in Spain, -7.8% in Colombia and -7.5% in Chile. For the rest of the year, the performance of the advertising market will be key, especially considering possible new COVID-19 outbreaks.

- Operating revenues amounted to EUR 81.4 million in the first half of the year, with a decrease of -39.5% compared to 2019 (-37.0% in local currency), linked to the aforementioned advertising performance.

- In terms of operating expenses, in the first half of the year they stood at EUR 86.6 million, a drop of -18.6% compared to 2019 (-14.5% in local currency). Savings occur in all items mainly in chain benefits, commissions, advertising and personnel.

- EBITDA amounts to EUR -5.2 million in the first half of the year versus EUR +28.1 million in 2019.

- The impact of exchange rates represents EUR -3.4 million in operating income and EUR +1.0 million in EBITDA.

The Press business has not only suffered the drastic fall in advertising investment, but also a fall in circulation. However, we have also recorded consumption in the digital field. Therefore, for example, El País averaged 112 million unique visitors, with +32% over 2019 and Diario As reached 89 million unique visitors, an 88% increase over the previous year's figure. In addition, and in line with the planned strategic route, the digital subscription payment business was launched at the beginning of May, reaching 50,000 subscribers at the end of June. For the rest of the year, the performance of the advertising market will be crucial, especially considering the possibility of new COVID-19 outbreaks, as well as the performance of the subscription model.

- Operating revenues amounted to EUR 75.6 million in the first half of the year, a fall of -27.7% compared to 2019. The fall in revenues is linked to the fall in advertising (-31.7%) for both physical (-52.2%) and digital formats (-15.1%).

- In terms of operating expenses, in the first half of the year they amounted to EUR 89.2 million, a drop of -13.3% compared to 2019. There have been reductions for all expenditure items, mainly paper, printing, professional services, transportation and distribution and staff.

- EBITDA amounted to EUR -13.6 million in the first half of the year, versus EUR +1.6 million in the first half of 2019.

Regarding the audiovisual business in Portugal (Media Capital), which is presented as a discontinued operation, in May a 30.22% stake was sold to Plural Investments, S.A., as a first step towards completing the divestment of a non-strategic asset for the Group.

2. PRINCIPAL RISKS ASSOCIATED WITH THE BUSINESS

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

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

2.1. Risks relating to the financial and equity situation

Financing risk-

The Group's financial obligations are set out in note 12b "*Financial liabilities*" in 2019 Prisa consolidated financial statements.

As of June 30, 2020, the Group's net bank debt level stood at EUR 1,130.5 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 consolidated financial statement for the year 2019, the Company reached in 2018 an agreement with the creditors of the *Override Agreement* (agreement to refinance the Group's debt signed in December 2013) to refinance and modify the terms of Prisa's current financial debt. This agreement came into force on June 29, 2018. The Refinancing agreement extended the debt maturity to the year 2022, being the first obligation of amortization in December 2020 (EUR 15 million).

In this sense and as described in notes 1a and 21 of the accompanying explanatory notes, on October 15, 2020 Prisa has entered into a Lock-up Agreement which contains a term sheet that sets out, among other aspects, the essential terms on which the group’s syndicated financial debt will be restructured, that will be totally restructured in the coming months. The Lock-up Agreement came into effect in respect of the banks that signed or acceded to it, which represent 79.7% of the syndicated indebtedness to be restructured. Following this, the Company will seek support for the Lock-up Agreement from the rest of the creditors (including the senior-ranking debt), or at least the minimum number needed to ensure that the arrangement can be implemented in terms that are binding for all creditors. Likewise, the Restructuring is conditional on successfully completing the selling of certain Santillana K-12 and pre K-12 business assets in Spain, and also needs to be binding on all creditors owed the financial debt to be restructured.

The basic terms of the Restructuring consist in: (i) partial repayment of the debt to be restructured in an amount of EUR 400 million; (ii) a significant time extension for the maturity of the remaining financial debt, until 2025; and (iii) adaptation of the financial conditions of the debt to the Group’s new position in terms of generating cash. On top of these essential terms, the agreed Restructuring allows Prisa to incur further senior-ranking debt to strengthen its liquidity position in the future, and to complete certain actions of business reorganisation. Finally, the basic terms include a relaxation of certain financial covenants and Prisa’s commitment to achieving a leverage cap in September 2023 (4.25x Net Debt/EBITDA). The agreed Restructuring will therefore make the Group’s financial indebtedness more flexible.

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 June 30, 2020, advertising revenue represented 28.0% 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 explanatory notes, the appearance of COVID-19 (Coronavirus) has lead 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 credit facility to meet operational needs for a maximum amount of up to EUR 80 million, which is fully drawn on as of June 30, 2020 (*see note 10 of the explanatory notes*). Likewise, Santillana and its subsidiaries have credit facilities with a limit amount of EUR 18.5 million as of June 30, 2020, of which, EUR 13.8 million were drawn on that date. Therefore, as of June 30, 2020, the Group had undrawn credit facilities amounting to EUR 4.7 million, together with cash available of EUR 179 million. The Group has also implemented specific plans for the improvement and efficient management of liquidity to address these tensions.

Likewise, on October 15, 2020 Prisa has entered into a Lock-up Agreement which contains a term sheet that sets out, among other aspects, the essential terms on which the group's syndicated financial debt will be restructured, and that will be totally restructured in the coming months. This restructuring will allow, among other aspects, to incur further senior-ranking debt to strengthen its liquidity position in the future.

Exposure to interest rate hedges-

The Group is exposed to changes in interest rates as around 97.81% 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 June 30, 2020, the consolidated Group had active tax credits amounting to EUR 39.4 million.

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 arising from the negative tax bases from previous financial years, from limiting the deductible nature of financial expenses and amortizations, as well as from tax deductions.

Intangible assets and goodwill-

As of June 30, 2020, the company had intangible assets recorded on its consolidated balance sheet amounting to EUR 115.5 million and goodwill of EUR 112.3 million. The analysis of the value of these assets and goodwill used estimates made to date, based on the best available information. It is possible that events which could occur in the future make it necessary to modify these estimates down. In this event, the impact of these new estimates in valuing intangible assets and goodwill will be registered on the future consolidated income statement.

2.2. Strategic and operational risks

Macroeconomic risks-

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

During the first half of 2020, 57.8% of Group operating income came from international markets. Nevertheless, Spain continues to be the Group's main geographical market (representing 42.2% 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 Press and Radio businesses (excluding Media Capital). As of June 30, 2020, advertising revenue represented 28.0% 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 Press and Radio 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 Press and Radio 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. OUTLOOK. BUSINESS DEVELOPMENT PROSPECTS: KEY FACTORS AND TRENDS

The Group's development perspective is to continue working on its strategic roadmap, with a priority focus on generating added value and maximizing future business results and strengthening the balance sheet structure, focusing on cash generation and debt reduction.

However, recent years, even the last decades, are 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. A climate where the levels of complexity have been further 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 developments.

In general, both the Education business and the media business (Radio and News) 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 COVID-19 pandemic will have an unprecedented impact on the global economy. According to the IMF (June 2020 data), estimates of global GDP decline in 2020 are projected at -4.9%. This forecast may change due to the state of uncertainty in which we find ourselves. The consequences for the economies of the countries in which the Group operates will depend largely on the development and extent of the pandemic, on measures implemented by Governments and on cooperation between countries.

According to IMF projections for 2020, GDP growth rates in advanced economies will be negative, falling by -8%. For Spain, a drop of -12.8% is expected. Meanwhile, the main countries in which Prisa is present in Latin America will also suffer significant falls: Brazil will decrease by 9.1%, Mexico by -10.5%, Colombia by -7.8%, Chile by -7.5%, Peru by -13.9% and Argentina by -9.9%. Latin America as a whole will fall by -9.4%.

In line with this predicted development of economic indicators in Latin America, the Group's results may also be influenced by exchange rate volatility. By 2020, most of the currencies of Latin American countries are expected to continue to depreciate.

The IMF warns that these forecasts of economic performance may be severely affected if new waves of infections occur that may lead to new population lockdown measures.

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. Although the Group's exposure to the performance of the advertising market is limited as a result of income diversification (advertising revenues represent 28.0% of the total in the first half of 2020, 36.3% of total in 2019), media businesses, mainly dependent on advertising revenues, have a high percentage of fixed costs. This means that significant variations in advertising revenues have a significant impact on earnings, resulting in an improvement or deterioration of the Group's margins and cash position.

In this regard, the COVID-19 pandemic has led to a drastic decrease in advertising investment, impacting the Group's advertising revenues, which have decreased by -38% compared to the same period last year (excluding Media Capital). Even digital advertising that grew prior to the pandemic has fallen by -17%. In the press business, digital advertising accounts for 69% of advertising revenue (57% in 2019).

According to the i2P report of July 2020, in Spain, the total advertising market fell by -34% during the first half of 2020. The Group's advertising revenues in Spain decreased by -35%, almost in line with the market. For the second half of 2020, the Group's advertising revenues in Spain are expected to continue to fall, as the market is expected to continue to do so, although not as sharply as in the first half of the year: -11% according to the aforementioned i2P report.

In Latin America, the advertising market has also suffered from the impact of the pandemic. In Colombia, according to data from ASOMedios+Andiarios/IBOPE from June 2020, the radio market fell by -53.3% in the first half of the year. In 2020, the radio market in Colombia and Chile is estimated to experience a decline of around -30%, according to domestic sources. Prisa in Latin America suffered a drop in advertising revenues of -37% (in local currency) in the first half of the year. For the second half of the year, it is expected to progress in line with the market.

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 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 led by the Radio business, highlight the importance of this trend.

Prisa has other businesses that are not so dependent on the economic cycle (or advertising) but still show scope for growth, especially in Latin America. One example is the Education business, which in the first half of the year contributed 62.3% of the Group's total revenue. In Latin America, Santillana's revenue has grown, at a constant rate, +9.5% for the same period (-2.5% in constant currency), essentially due to the growth of subscription models, both in regard to students and revenue (Brazil and Colombia standing out) and greater institutional sales in Brazil.

Although the Education business has so far been more resilient than the media business regarding the effects of the COVID-19 pandemic, it has also negatively affected the development of some campaigns, ranging from delays in sales to cancellations of public tenders, as a result of school closures caused by strict population lockdown measures adopted in many countries. How things develop in 2020 will depend on how the pandemic progresses and the timetable for returning to school activity in each country.

In any of the development scenarios, the strategic roadmap of the Education business will focus on maintaining leadership positioning and maximizing leveraged growth in subscription models, committing to increasingly blended formats (face-to-face and distance, printed and digital, school and home, etc.), with increasing emphasis on the digital component.

An important part of the Group's strategy and its business is based on digital development: from continuously developing the value proposition (increasingly digital) to business models more focused on monetization in the digital sphere (subscription models, 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 show significant growth (239 million unique media users in the first half of 2020, representing a 49% growth over the same period last year) and Santillana's educational platform has had record levels of consumption. In this regard, the pandemic has contributed to increased use of technologies for information consumption, education or entertainment, leading to the growth of the Group's digital audiences.

The Group's strategy for 2020 and the coming years will therefore continue to be committed to digital development in all its business units.

ANNEX I

GENERAL

1ST	**STATISTICAL INFORMATION REPORT FOR YEAR**	2020

CLOSING DATE OF PERIOD 06/30/2020

I. IDENTIFICATION DATA

Registered Company name:	PROMOTORA DE INFORMACIONES, S.A.

Registered address:	**Tax ID no. (CIF)**
GRAN VÍA, 32	A28297059

II. SUPPLEMENTARY INFORMATION TO PREVIOUSLY RELEASED PERIODIC INFORMATION

Anexar Información complementaria

Explanation of the main modifications with respect to the previously released periodic information:

(complete only in the situations indicated in section B) of the instructions)

Since September 2019, as a consequence of the contract signed with Cofina for the sale of Vertix, which is the owner of Media Capital, the results of Media Capital were reclassified as a discontinued operation under "Result after tax from discontinued operations”.

In accordance with IFRS 5 and for the purpose of comparison, the consolidated income statement and the consolidated cash flow statement for the first half of 2019 and their disclosures in the notes have been modified to present Media Capital as a discontinued operation.

Also, with Media Capital representing a segment of the Group, and being presented as a discontinued operation, this segment was eliminated in the 2019 financial year and the information of 2019 has been modified for comparison purposes.

III. DECLARATION/(S) BY THE PERSONS RESONSIBLE FOR THE INFORMATION

Until where achive our knowledge, the summary annual accounts that are presented, has been prepared in accordance with the applicable accounting principles, offer a faithful of the equity, the financial situation and the results of the issuer, or of the companies included in the consolidation taken as a whole, and the intermediate management report image includes a faithful analysis of the information required.

Observations on the above statement/(s):

Person/(s) assuming responsibility for this information:

Pursuant to the authority delegated by the Board of Directors, the Board secretary certifies that the half-yearly financial report has been signed by the directors

Individual/Corporate name	**Office**
D. JAVIER MONZÓN DE CÁCERES	CHAIRMAN
D. MANUEL MIRAT SANTIAGO	CHIEF EXECUTIVE OFFICER
D. JOSEPH MARIE OUGHOURLIAN	DEPUTY CHAIRMAN
D. ROBERTO LÁZARO ALCÁNTARA ROJAS	DIRECTOR
AMBER CAPITAL UK LLP (represented by D. FERNANDO MARTÍNEZ ALBACETE)	DIRECTOR
Dª. BÉATRICE DE CLERMONT-TONNERRE	DIRECTOR
D. DOMINIQUE MARIE PHILIPPE D´HINNIN	DIRECTOR
D. FRANCISCO JAVIER DE JAIME GUIJARRO	DIRECTOR
Dª. SONIA DULÁ	DIRECTOR
Dª. MARÍA TERESA BALLESTER FORNÉS	DIRECTOR
D. MANUEL POLANCO MORENO	VOCAL
D. KHALID THANI A T AL THANI	VOCAL

Date this half-yearly financial report is signed by the competet governing body:	27/10/2020

IV. SELECTED FINANCIAL INFORMATION
1. INDIVIDUAL BALANCE SHEET (PREPARED USING THE PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousands of euros

ASSETS		PRESENT PER. 06/30/2020	PREVIOUS PER. 12/31/2019
A) NON-CURRENT ASSETS	**0040**	**893,386**	**935,074**
1. Intangible assets:	**0030**	300	207
a) Goodwill	**0031**		
b) Other intangible assets	**0032**	300	207
2. Property, plant and equipment	**0033**	1,197	1,034
3. Investment properties	**0034**		
4. Long-term investmenst in group companies and associates	**0035**	889,219	883,451
5. Long-term financial investments	**0036**	9	9
6. Deferred tax assets	**0037**	2,661	50,373
7. Other non-current assets	**0038**		
B) CURRENT ASSETS	**0085**	**75,213**	**174,324**
1. Non-current assets held for sale	**0050**	36,000	110,445
2. Inventories	**0055**		
3. Trade and other receivables:	**0060**	3,013	4,194
a) Trade receivables for sales and services	**0061**	1,015	552
b) Other receivables	**0062**	1,968	2,860
c) Current tax assets	**0063**	30	782
4. Short-term investments in group companies and associates	**0064**	25,773	49,010
5. Short-term financial investments	**0070**	0	
6. Current accrual accounts	**0071**	79	266
7. Cash and cash equivalents	**0072**	10,348	10,409
TOTAL ASSETS (A+B)	**0100**	**968,599**	**1,109,398**

Comentarios

EQUITY AND LIABILITIES		PRESENT PER. 06/30/2020	PREVIOUS PER. 12/31/2019
A) EQUITY (A.1+ A.2+ A.3)	**0195**	**210,646**	**345,369**
A.1) CAPITAL AND RESERVES	**0180**	**210,646**	**345,369**
1. Share Capital:	**0171**	70,865	666,131
a) Authorized capital	**0161**	70,865	666,131
b) Less: Uncalled capital	**0162**		
2. Share premium	**0172**		254,180
3. Reserves	**0173**	274,013	132,743
4. Less: Treasury stock	**0174**	(914)	(2,591)
5. Profit/loss brought forward	**0178**		(495,537)
6. Other shareholder contributions	**0179**		
7. Net income for the year	**0175**	(133,318)	(209,557)
8. Less: Interim dividend	**0176**		
9. Other equity instruments	**0177**		
A.2) VALUATION ADJUSTMENTS	**0188**	**0**	**0**
1. Available for sale financial assets	**0181**		
2. Hedging transactions	**0182**		
3. Other	**0183**		
A.3) GRANTS, DONATIONS AND GIFTS RECEIVED	**0194**		
B) NON-CURRENT LIABILITIES	**0120**	**635,208**	**641,681**
1. Long-term provisions	**0115**	5,091	4,016
2. Long-term debts	**0116**	468,595	470,235
a) Bank borrowings and bonds and other negotiable securities	**0131**	468,595	470,235
b) Other non-current financial liabilities	**0132**		
3. Long-term payable to group and associates companies	**0117**	161,522	167,430
4. Deferred tax liabilities	**0118**		
5. Other non-current liabilities	**0135**		
6. Long- term acrual accounts	**0119**		
B) CURRENT LIABILITIES	**0130**	**122,745**	**122,348**
1. Non-current liabilities held for sale	**0121**		
2. Short-term provisions	**0122**		
2. Short-term payables	**0123**	100,505	16,303
a) Bank borrowings and bonds and other negotiable securities	**0133**	90,505	6,303
b) Other financial liabilities	**0134**	10,000	10,000
4. Current payables to group and associates companies	**0129**	12,812	100,017
5. Trade and other payables	**0124**	9,428	6,028
a) Suppliers	**0125**	42	42
b) Other accounts payable	**0126**	9,386	5,986
c) Current tax liabilities	**0127**		
6. Other current liabilities	**0136**		
7. Current accrual accounts	**0128**		
TOTAL EQUITY AND LIABILITIES (A+B+C)	**0200**	**968,599**	**1,109,398**

Comments

IV. SELECTED FINANCIAL INFORMATION
2. INDIVIDUAL INCOME STATEMENT
(PREPARED USING THE PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousands of euros

			CURRENT CUMULATIVE 06/30/2020 Amount	PREVIOUS CUMULATIVE 06/30/2019 Amount
(+)	Revenues	0205	3,288	3,466
(+/-)	Variation in inventories of finished products and products in process	0206		
(+)	Own work capitalized	0207		
(-)	Suppliers	0208		
(+)	Other operating revenues	0209	34	
(-)	Staff costs	0217	(2,658)	(3,939)
(-)	Other operating expenses	0210	(4,018)	(6,243)
(-)	Depreciation and amortization charge	0211	(110)	(39)
(+)	Allocation of grants for non-financial assets and others	0212		
(+)	Overprovision	0213		
(+/-)	Impairment and results on fixed asset disposals	0214	(130)	
(+/-)	Other income	0215		
=	**RESULT FROM OPERATIONS**	**0245**	**(3,594)**	**(6,755)**
(+)	Finance income	0250	3	1,526
(-)	Finance expenses	0251	(14,806)	(13,098)
(+/-)	Change in value of financial instruments	0252	(1,120)	(1,023)
(+/-)	Exchange differences (net)	0254	(1)	(7)
(+/-)	Impairment and results on disposals of financial instrument	0255	(725)	(42,368)
=	**NET FINANCIAL RESULT**	**0256**	**(16,649)**	**(54,970)**
=	**PROFIT (LOSS) BEFORE TAX**	**0265**	**(20,243)**	**(61,725)**
(+/-)	Income tax	0270	(39,854)	4,622
=	**PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS**	**0280**	**(60,097)**	**(57,103)**
(+/-)	Net income for the year from discontinued operations net of tax	0285	(73,221)	733
=	**PROFIT (LOSS) FOR THE YEAR**	**0300**	**(133,318)**	**(56,370)**

EARNINGS PER SHARE		Amount (X.XX euros)	Amount (X.XX euros)
Basic	0290	(0.19)	(0.09)
Diluted	0295	(0.19)	(0.09)

Comments

IV. SELECTED FINANCIAL INFORMATION
3. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY
A. INDIVIDUAL STATEMENT OF RECOGNISED INCOME AND EXPENSE (PREPARED USING THE PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousands of euros

		PRESENT PERIOD 06/30/2020	PREVIOUS PERIOD 06/30/2019
A) PROFIT (LOSS) FOR THE YEAR (from the income statement)	0305	(133,318)	(56,370)
B) INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY:	0310	0	75
1. From measurement of financial instruments:	0320	0	100
a) Financial assets held for sale	0321		100
a) Other revenues/(expenses)	0323		
2. From cash flow hedges	0330		
3. Grants, donations and gifts received	0340		
4. From actuarial gains and losses and other adjustments	0344		
5. Other income and expense recognised directly in equity	0343		
6. Tax effect	0345		(25)
C) TRANSFERS TO INCOME STATEMENT:	0350	0	0
1. From measurement of financial instruments:	0355	0	0
a) Financial assets held for sale	0356		
a) Other revenues/(expenses)	0358		
2. From cash flow hedges	0360		
3. Grants, donations and gifts received	0366		
4. Other income and expense recognised directly in equity	0365		
5. Tax effect	0370		
TOTAL RECOGNISED INCOME/(EXPENSE) (A+ B+ C)	0400	(133,318)	(56,295)

Comments

IV. SELECTED FINANCIAL INFORMATION
3. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY (1/2)
B. INDIVIDUAL STATEMENT OF TOTAL CHANGES IN EQUITY
(PREPARED USING THE PREVAILING NATIONAL ACCOUNTING STANDARS)

Units: Thousands of euros

PRESENT PERIOD		Equity					Adjustments for changes in value	Grants, donations and gifts received	Total Equity
		Share Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for the period	Other equity instruments			
Opening balance at 01/01/2020	**3010**	**666,131**	**(108,614)**	**(2,591)**	**(209,557)**	**0**	**0**	**0**	**345,369**
Adjustment for changes in accounting policy	**3011**								**0**
Adjustment for errors	**3012**								**0**
Adjusted opening balance	**3015**	**666,131**	**(108,614)**	**(2,591)**	**(209,557)**	**0**	**0**	**0**	**345,369**
I. Total recognised income/ (expense) the period	**3020**		0		(133,318)		0		**(133,318)**
II. Transactions with shareholders or owners	**3025**	**(595,266)**	**593,596**	**1,677**	**0**	**0**	**0**	**0**	**7**
1. Capital increases/ (reductions)	**3026**	(595,266)	595,266						**0**
2. Conversion of financial liabiities into equity	**3027**								**0**
3. Distribution of dividends	**3028**								**0**
4. Trading with own shares (net)	**3029**		(1,670)	1,677					**7**
5. Increases/ (reductions) for business combinations	**3030**								**0**
6. Other transactions with shareholders or owners	**3032**								**0**
III. Other changes in equity	**3035**	**0**	**(210,969)**	**0**	**209,557**	**0**	**0**	**0**	**(1,412)**
1. Share based payments	**3036**								**0**
2. Transfers between equity accounts	**3037**		(209,557)						**(209,557)**
3. Other variations	**3038**		(1,412)		209,557				**208,145**
Closing balance at 06/30/2020	**3040**	**70,865**	**274,013**	**(914)**	**(133,318)**	**0**	**0**	**0**	**210,646**

Comments

IV. SELECTED FINANCIAL INFORMATION
3. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY (2/2)
B. INDIVIDUAL STATEMENT OF TOTAL CHANGES IN EQUITY (PREPARED USING THE PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousands of euros

PREVIOUS PERIOD		Equity							
		Share Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for the period	Other equity instruments	Adjustments for changes in value	Grants, donations and gifts received	Total Equity
Opening balance at 01/01/2019 (comparative period)	3050	**524,902**	**(275,861)**	**(2,856)**	**110,201**		**(224)**	**0**	**356,162**
Adjustment for changes in accounting policy	3051								**0**
Adjustment for errors	3052								**0**
Adjusted opening balance (comparative period)	3055	**524,902**	**(275,861)**	**(2,856)**	**110,201**	**0**	**(224)**	**0**	**356,162**
I. Total recognised income/ (expense) the period	3060		0		(56,370)		75		**(56,295)**
II. Transactions with shareholders or owners	3065	**141,229**	**50,486**	**519**	**0**	**0**	**0**	**0**	**192,234**
1. Capital increases/ (reductions)	3066	141,229	51,005						**192,234**
2. Conversion of financial liabilities into equity	3067								**0**
3. Distribution of dividends	3068								**0**
4. Trading with own shares (net)	3069		(519)	519					**0**
5. Increases/ (reductions) for business combinations	3070								**0**
6. Other transactions with shareholders or owners	3072								**0**
III. Other changes in equity	3075	**0**	**121,577**	**0**	**(110,201)**	**0**	**0**	**0**	**11,376**
1. Share based payments	3076								**0**
2. Transfers between equity accounts	3077		110,201		(110,201)				**0**
3. Other variations	3078		11,376						**11,376**
Closing balance at 06/30/2019 (comparative period)	3080	**666,131**	**(103,798)**	**(2,337)**	**(56,370)**	**0**	**(149)**	**0**	**503,477**

Comments

IV. SELECTED FINANCIAL INFORMATION
4. INDIVIDUAL STATEMENT OF CASH FLOWS
2.(PREPARED USING THE PREVAILING NATIONAL ACCOUNTING STANDARS)

Units: Thousands of euros

			PRESENT PERIOD 06/30/2020	PREVIOUS PERIOD 06/30/2019
A)	**CASH FLOWS FROM OPERATING ACTIVITIES (1+ 2+ 3+ 4)**	**0435**	**9,544**	**(13,179)**
1.	**Profit (loss) before tax**	**0405**	**(20,243)**	**(61,725)**
2.	**Adjustments to profit (loss):**	**0410**	**16,289**	**56,104**
(+)	Depreciation and amortization charge	**0411**	110	39
(+/-)	Other adjustments to income (nets)	**0412**	16,179	56,065
3.	**Changes in working capital**	**0415**	**(1,940)**	**1,855**
4.	**Other cash flows from operating activities:**	**0420**	**15,438**	**(9,413)**
(-)	Interest paid	**0421**	(9,654)	(8,897)
(+)	Dividends received	**0422**	8,500	33
(+)	Interest received	**0423**	5	1,461
(+/-)	Income tax recovered/(paid)	**0430**	17,676	865
(+/-)	Other sums received/(paid) from operating activities	**0425**	(1,089)	(2,875)
B)	**CASH FLOWS FROM INVESTING ACTIVITIES (1+2)**	**0460**	**7,947**	**(332,500)**
1.	**Payments for investments:**	**0440**	**(610)**	**(332,500)**
(-)	Group companies, associates and business units	**0441**		(332,500)
(-)	Property, plant and equipment, intangible assets and investment properties	**0442**	(610)	
(-)	Other financial assets	**0443**		
(-)	Non-current assets and liabilities that have been classified as held for sale	**0459**		
(-)	Other assets	**0444**		
2.	**Proceeds from disposals:**	**0450**	**8,557**	**0**
(+)	Group companies, associates and business units	**0451**	7,804	
(+)	Property, plant and equipment, intangible assets and investment properties	**0452**	753	
(+)	Other financial assets	**0453**		
(-)	Non-current assets and liabilities that have been classified as held for sale	**0461**		
(+)	Other assets	**0454**		
C)	**CASH FLOWS FROM FINANCING ACTIVITIES (1+2+ 3)**	**0490**	**(17,552)**	**344,718**
1.	**Sums received /(paid) in respect of equity instruments:**	**0470**	**(51)**	**199,471**
(+)	Issues	**0471**		199,471
(-)	Amortization	**0472**		
(-)	Acquisition	**0473**	(51)	
(+)	Disposal	**0474**		
(+)	Grants, donations and gifts received	**0475**		
2.	**Sums received /(paid) for financial liability instruments**:	**0480**	**(17,501)**	**145,247**
(+)	Issues	**0481**	80,000	145,676
(-)	Repayment and redemption	**0482**	(97,501)	(430)
3.	**Payments of dividends and remuneration on other equity instruments**	**0485**		
D)	**EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES**	**0492**		
E)	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+ B+ C+ D)**	**0495**	**(61)**	**(962)**
F)	**CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD**	**0499**	**10,409**	**1,191**
G)	**CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+ F)**	**0500**	**10,348**	**229**

	COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		PRESENT PERIOD 06/30/2020	PREVIOUS PERIOD 06/30/2019
(+)	Cash and banks	**0550**	10,348	229
(+)	Other financial assets	**0552**		
(-)	*Less: Bank overdrafts repayable on demand*	**0553**		
	TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	**0600**	**10,348**	**229**

Comments

IV. SELECTED FINANCIAL INFORMATION

5. STATEMENT OF CONSOLIDATED FINANCIAL SITUATION (IFRS ADOPTED)

Units: Thousands of euros

ASSETS		PRESENT PER. 06/30/2020	PREVIOUS PER. 12/31/2019
A) NON-CURRENT ASSETS	**1040**	**495,681**	**652,461**
1. Intangible assets:	**1030**	227,793	276,081
a) Goodwill	**1031**	112,278	151,073
b) Other intangible assets	**1032**	115,515	125,008
2. Property, plant and equipment	**1033**	173,939	190,728
3. Investment properties	**1034**	17	26
4. Investments accounted for using the equity method	**1035**	38,319	48,711
5. Non-current financial assets	**1036**	16,231	20,665
b) At fair value with changes in results	**1047**	0	0
Of which 'Designated in the initial moment'	**1041**		
b) At fair value with changes in other comprehensive income	**1042**	0	0
Of which 'Designated in the initial moment'	**1043**		
c) At amortized cost	**1044**	16,231	20,665
6. Non-current derivatives	**1039**	0	0
a) Coverage	**1045**	0	0
b) Other	**1046**		
7. Deferred tax assets	**1037**	39,382	116,250
8. Other non-current assets	**1038**	0	0
B) CURRENT ASSETS	**1085**	**766,154**	**919,703**
1. Non-current assets held for sale	**1050**	227,204	280,606
2. Inventories	**1055**	75,078	84,423
3. Trade and other receivables:	**1060**	268,470	383,354
a) Trade receivables for sales and services	**1061**	203,510	311,975
b) Other receivables	**1062**	64,960	71,379
c) Current tax assets	**1063**		
4. Current financial assets	**1070**	6,553	4,740
b) At fair value with changes in results	**1080**	0	0
Of which 'Designated in the initial moment'	**1081**		
b) At fair value with changes in other comprehensive income	**1082**		
Of which 'Designated in the initial moment'	**1083**		
c) At amortized cost	**1084**	6,553	4,740
5. Current derivatives	**1076**	0	0
a) Coverage	**1077**	0	0
b) Other	**1078**		
6. Other current assets	**1075**	0	0
7. Cash and cash equivalents	**1072**	188,849	166,580
TOTAL ASSETS (A + B)	**1100**	**1,261,835**	**1,572,164**

Comments

EQUITY AND LIABILITIES		PRESENT PER. 06/30/2020	PREVIOUS PER. 12/31/2019
A) EQUITY (A.1+ A.2+ A.3)	**1195**	**(675,000)**	**(411,604)**
A.1) CAPITAL AND RESERVES	**1180**	**(648,823)**	**(431,967)**
1. Share Capital	**1171**	70,865	666,131
a) Authorized capital	**1161**	70,865	666,131
b) Less: Uncalled capital	**1162**		
2. Share premium	**1172**	0	254,180
3. Reserves	**1173**	115,575	(7,242)
4. Less: Treasury stock	**1174**	(914)	(2,591)
5. Profit/loss brought forward	**1178**	(622,299)	(1,160,147)
6. Other shareholder contributions	**1179**		
7. Profit (loss) for year attributable to parent company	**1175**	(212,050)	(182,298)
8. Less: Interim dividend	**1176**	0	
9. Other equity instruments	**1177**	0	0
A.2) OTHER ACCUMULATED INTEGRAL RESULT	**1188**	**(103,457)**	**(49,393)**
1. Items that are not reclassified to result the period	**1186**	0	0
a) Equity instruments with changes in other comprehensive income	**1185**		
b) Other	**1190**		
2. Items that may be subsequently classified to result for the period	**1187**	(103,457)	(49,393)
a) Hedging	**1182**		
b) Translation differences	**1184**	(103,457)	(49,393)
c) Participation in other comprehensive income for investments in joint ventures an	**1192**		
d) Debt instruments at fair value with changes in other comprehensive income	**1191**		
e) Other	**1183**	0	0
EQUITY ATTRIBUTABLE TO THE CONTROLING COMPANY (A.1+ A.2)	**1189**	**(752,280)**	**(481,360)**
A.3) NON-CONTROLLING PARTICIPATIONS	**1193**	77,280	69,756
B) NON-CURRENT LIABILITIES	**1120**	**1,322,468**	**1,331,843**
1. Grants	**1117**	654	530
2. Non-current provisions	**1115**	19,314	22,139
3. Non-current financial liabilities:	**1116**	1,282,581	1,282,076
a) Bank borrowings and bonds and other negotiable securities	**1131**	1,168,320	1,164,869
b) Other non-current financial liabilities	**1132**	114,261	117,207
4. Deferred tax liabilities	**1118**	17,812	24,993
5. Non-current derivatives	**1140**	0	0
a) Coverage	**1141**		
b) Other	**1142**		
6. Other non-current liabilities	**1135**	2,107	2,105
C) CURRENT LIABILITIES	**1130**	**614,367**	**651,925**
1. Non-current liabilities held for sale	**1121**	163,793	164,282
2. Current provisions	**1122**	10,670	11,799
3. Current financial liabilities:	**1123**	163,450	73,933
a) Bank borrowings and bonds and other negotiable securities	**1133**	143,068	50,188
b) Other financial liabilities	**1134**	20,382	23,745
4. Trade and other payables:	**1124**	250,243	366,144
a) Suppliers	**1125**	181,463	270,523
b) Other accounts payable	**1126**	68,780	95,621
c) Current tax liabilities	**1127**		
5. Current derivatives	**1145**	0	0
a) Coverage	**1146**		
b) Other	**1147**		
6. Other current liabilities	**1136**	26,211	35,767
TOTAL EQUITY AND LIABILITIES (A + B + C)	**1200**	**1,261,835**	**1,572,164**

Comments

IV. SELECTED FINANCIAL INFORMATION
6. CONSOLIDATED INCOME STATEMENT (IFRS ADOPTED)

Units: Thousands of euros

			CURRENT CUMULATIVE 06/30/2020	PREVIOUS CUMULATIVE 06/30/2019
(+)	Revenues	1205	388,190	478,960
(+/-)	Variation in inventories of finished products and products in process	1206		
(+)	Own work capitalized	1207	588	0
(-)	Suppliers	1208	(63,593)	(64,716)
(+)	Other operating revenues	1209	2,528	4,819
(-)	Staff costs	1217	(153,506)	(171,360)
(-)	Other operating expenses	1210	(143,463)	(214,923)
(-)	Depreciation and amortization charge	1211	(39,132)	(40,702)
(+)	Allocation of grants for non-financial assets and others	1212		
(+/-)	Impairment on fixed asset	1214	(20,793)	(1,289)
(+/-)	Results on fixed asset disposals	1216	1,361	1,874
(+/-)	Other income	1215		
=	**RESULT FROM OPERATIONS**	**1245**	**(27,820)**	**(7,337)**
(+)	Finance income	1250	1,370	1,419
	a) Interest income calculated according to the effective interest rate method	1262		
	b) Other	1263	1,370	1,419
(-)	Finance costs	1251	(36,576)	(35,305)
(+/-)	Change in value of financial instruments	1252	(2,917)	(2,667)
(+/-)	Result from the reclassification of financial assets at amortized cost to financial assets at fair value	1258		
(+/-)	Result derived from the reclassification of financial assets at fair value with changes in other comprehensive income to financial assets at fair value	1259		
(+/-)	Exchange differences (net)	1254	376	(2,905)
(+/-)	Loss / Reversal due to deterioration of financial instruments	1255		
(+/-)	Result from disposal of financial instruments	1257	0	0
	a) Financial instruments at amortized cost	1260		
	b) Rest of financial instruments	1261		
=	**NET FINANCIAL RESULT**	**1256**	**(37,747)**	**(39,458)**
(+/-)	Profit (loss) from companies recorded by the equity method	1253	(6,941)	596
=	**PROFIT (LOSS) BEFORE TAX**	**1265**	**(72,508)**	**(46,199)**
(+/-)	Income tax	1270	(75,978)	(13,117)
=	**PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS**	**1280**	**(148,486)**	**(59,316)**
(+/-)	Net income for the year from discontinued operations net of tax	1285	(75,143)	7,011
=	**CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD**	**1288**	**(223,629)**	**(52,305)**
	a) Profit (loss) for year attributable to controling company	1300	(212,050)	(51,547)
	b) Profit (loss) for attributable to the non-controlling participations	1289	(11,579)	(758)

	EARNINGS PER SHARE		**Amount (X.XX euros)**	**Amount (X.XX euros)**
	Basic	1290	(0.30)	(0.08)
	Diluted	1295	(0.30)	(0.08)

Comments

IV. SELECTED FINANCIAL INFORMATION
7. OTHER CONSOLIDATED INTEGRAL RESULT (IFRS ADOPTED)

Units: Thousands of euros

		PRESENT PERIOD 06/30/2020	PREVIOUS PERIOD 06/30/2019
A) CONSOLIDATED NET INCOME FOR THE PERIOD (from income statement)	1305	(223,629)	(52,305)
B) OTHER INTEGRAL RESULT- ITEMS THAT ARE NOT RECLASSIFIED TO RESULT OF THE PERIOD:	1310	0	0
1. From revaluation/(reversal of revaluation) of tangible assets and intangible assets	1311		
2. From actuarial gains and losses	1344		
3. Participation in other comprehensive income recognized for investments in joint ventures and associates	1342		
4. Equity instruments with changes in other comprehensive income	1346		
5. Other income and expenses that are not reclassified to result of the period	1343		
6. Tax effect	1345		
C) OTHER INTEGRAL RESULT- ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO THE RESULT OF THE PERIOD:	1350	(61,993)	6,497
1. Hedging:	1360	0	0
a) Profit/(Loss) for valuation	1361		
b) Amounts transferred to the profit and loss account	1362		
c) Amounts transferred to initial value of hedged	1363		
d) Other reclassifications	1364		
2. Translation differences:	1365	(53,455)	5,172
a) Profit/(Loss) for valuation	1366	(53,903)	5,172
b) Amounts transferred to the profit and loss account	1367	448	
c) Other reclassifications	1368		
3. Participation in other comprehensive income recognized for the investments in joint ventures and associates:	1370	(8,538)	1,250
a) Profit/(Loss) for valuation	1371	(8,538)	1,250
b) Amounts transferred to the profit and loss account	1372		
c) Other reclassifications	1373		
4. Debt instruments at fair value with changes in other comprehensive income:	1381	0	0
a) Profit/(Loss) for valuation	1382		
b) Amounts transferred to the profit and loss account	1383		
c) Other reclassifications	1384		
5. Other income and expenses that may subsequently reclassified to profit or loss:	1375	0	100
a) Profit/(Loss) for valuation	1376		100
b) Amounts transferred to the profit and loss account	1377		
c) Other reclassifications	1378		
6. Tax effect	1380		(25)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A+ B+ C)	1400	(285,622)	(45,808)
a) Attributable to the controling company	1398	(270,325)	(45,934)
b) Attributable to non-controling participations	1399	(15,297)	126

IV. SELECTED FINANCIAL INFORMATION
8. CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY (IFRS ADOPTED) (1/2)

Units: Thousands of euros

PRESENT PERIOD		Net equity attributable to the controling entity							
		Equity							
		Share Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for period attributable to the controling entity	Other equity instruments	Adjustments for changes in value	Non-controling participations	Total Equity
Opening balance at 01/01/2020	3110	**666,131**	**(913,209)**	**(2,591)**	**(182,298)**	**0**	**(49,393)**	**69,756**	**(411,604)**
Adjustment for changes in accounting policy	3111								0
Adjustment for errors	3112								0
Adjusted opening balance	3115	**666,131**	**(913,209)**	**(2,591)**	**(182,298)**	**0**	**(49,393)**	**69,756**	**(411,604)**
I. Integral Result Total for the period	3120		(4,211)		(212,050)		(54,064)	(15,297)	(285,622)
II. Transactions with shareholders or owners	3125	**(595,266)**	**593,596**	**1,677**	**0**	**0**	**0**	**23,059**	**23,066**
1. Capital increases/ (reductions)	3126	(595,266)	595,266						0
2. Conversion of financial liabiities into equity	3127								0
3. Distribution of dividends	3128							(550)	(550)
4. Trading with own shares (net)	3129		(1,670)	1,677					7
5. Increases/ (reductions) for business combinations	3130							23,609	23,609
6. Other transactions with shareholders or owners	3132								0
III. Other changes in equity	3135	**0**	**(182,900)**	**0**	**182,298**	**0**	**0**	**(238)**	**(840)**
1. Share based payments	3136								0
2. Transfers between equity accounts	3137		(182,298)		182,298				0
3. Other variations	3138		(602)					(238)	(840)
Closing balance at 06/30/2020	3140	**70,865**	**(506,724)**	**(914)**	**(212,050)**	**0**	**(103,457)**	**77,280**	**(675,000)**

Comments

IV. SELECTED FINANCIAL INFORMATION
8. CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY (IFRS ADOPTED) (2/2)

Units: Thousands of euros

PREVIOUS PERIOD		Net equity attributable to the controling entity						Non-controling participations	Total Equity
		Equity					Adjustments for changes in value		
		Share Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for period attributable to the controling entity	Other equity instruments			
Opening balance at 01/01/2019 (comparative period)	**3150**	**524,902**	**(521,941)**	**(2,856)**	**(269,347)**	**0**	**(41,216)**	**74,649**	**(235,809)**
Adjustment for changes in accounting policy	**3151**								0
Adjustment for errors	**3152**								0
Adjusted opening balance (comparative period)	**3155**	**524,902**	**(521,941)**	**(2,856)**	**(269,347)**	**0**	**(41,216)**	**74,649**	**(235,809)**
I. Integral Result Total for the period	**3160**		(2,833)		(51,547)		8,446	126	(45,808)
II. Transactions with shareholders or owners	**3165**	**141,229**	**50,486**	**519**	**0**	**0**	**0**	**(12,828)**	**179,406**
1. Capital increases/ (reductions)	**3166**	141,229	51,005						192,234
2. Conversion of financial liabiities into equity	**3167**								0
3. Distribution of dividends	**3168**							(9,642)	(9,642)
4. Trading with own shares (net)	**3169**		(519)	519					0
5. Increases/ (reductions) for business combinations	**3170**							(3,186)	(3,186)
6. Other transactions with shareholders or owners	**3172**								0
III. Other changes in equity	**3175**	**0**	**(440,745)**	**0**	**269,347**	**0**	**(7,830)**	**24**	**(179,204)**
1. Share based payments	**3176**								0
2. Transfers between equity accounts	**3177**		(269,347)		269,347				0
3. Other variations	**3178**		(171,398)				(7,830)	24	(179,204)
Closing balance at 06/30/2019 (comparative period)	**3180**	**666,131**	**(915,033)**	**(2,337)**	**(51,547)**	**0**	**(40,600)**	**61,971**	**(281,415)**

Comments

IV. SELECTED FINANCIAL INFORMATION

9.A. CONSOLIDATED CASH FLOW STATEMENT (INDIRECT METHOD) (IFRS ADOPTED)

Units: Thousands of euros

			PRESENT PERIOD 06/30/2020	PREVIOUS PERIOD 06/30/2019
A)	**CASH FLOWS FROM OPERATING ACTIVITIES (1+ 2+ 3+ 4)**	**1435**	**(4,515)**	**12,804**
1.	**Profit (loss) before tax**	**1405**	**(72,508)**	**(46,199)**
2.	**Adjustments to profit (loss):**	**1410**	**100,793**	**83,655**
(+)	Depreciation and amortization charge	**1411**	39,132	40,702
(+/-)	Other adjustments to income (nets)	**1412**	61,661	42,953
3.	**Changes in working capital**	**1415**	**(17,534)**	**(18,408)**
4.	**Other cash flows from operating activities:**	**1420**	**(15,266)**	**(6,244)**
(-)	Interest paid	**1421**		
(-)	Payments of dividends and remuneration on other equity instruments	**1430**		
(+)	Dividends received	**1422**		
(+)	Interest received	**1423**		
(+/-)	Income tax recovered/(paid)	**1424**	(11,759)	(18,986)
(+/-)	Other sums received/(paid) from operating activities	**1425**	(3,507)	12,742
B)	**CASH FLOWS FROM INVESTING ACTIVITIES (1+ 2+ 3)**	**1460**	**(20,000)**	**(378,588)**
1.	**Payments for investments:**	**1440**	**(29,292)**	**(380,740)**
(-)	Group companies, associates and business units	**1441**		(349,402)
(-)	Property, plant and equipment, intangible assets and investment properties	**1442**	(28,708)	(31,236)
(-)	Other financial assets	**1443**	(584)	(102)
(-)	Non-current assets and liabilities that have been classified as held for sale	**1459**		
(-)	Other assets	**1444**		
2.	**Proceeds from disposals:**	**1450**	**15,221**	**4,551**
(+)	Group companies, associates and business units	**1451**	8,854	2,480
(+)	Property, plant and equipment, intangible assets and investment properties	**1452**	998	373
(+)	Other financial assets	**1453**	5,369	1,698
(+)	Non-current assets and liabilities that have been classified as held for sale	**1461**		
(+)	Other assets	**1454**		
3.	**Other cash flows from investing activities:**	**1455**	**(5,929)**	**(2,399)**
(+)	Dividends received	**1456**		34
(+)	Interest received	**1457**		
(+/-)	Other sums received/(paid) from investing activities	**1458**	(5,929)	(2,433)
C)	**CASH FLOWS FROM FINANCING ACTIVITIES (1+2+ 3+ 4)**	**1490**	**58,821**	**169,441**
1.	**Sums received /(paid) in respect of equity instruments:**	**1470**	**(51)**	**199,471**
(+)	Issues	**1471**		199,471
(-)	Amortization	**1472**		
(-)	Acquisition	**1473**	(51)	
(+)	Disposal	**1474**		
2.	**Sums received /(paid) for financial liability instruments:**	**1480**	**87,839**	**53,392**
(+)	Issues	**1481**	106,397	66,311
(-)	Repayment and redemption	**1482**	(18,558)	(12,919)
3.	**Payments of dividends and remuneration on other equity instruments**	**1485**	**(1,096)**	**(33,372)**
4.	**Other cash flow from financing activities**	**1486**	**(27,871)**	**(50,050)**
(-)	Interest paid	**1487**	(20,753)	(18,976)
(+/-)	Other sums received/(paid) from financing activities	**1488**	(7,118)	(31,074)
D)	**EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES**	**1492**	**(12,037)**	**1,486**
E)	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+ B+ C+ D)**	**1495**	**22,269**	**(194,857)**
F)	**CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD**	**1499**	**166,580**	**295,093**
G)	**CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+ F)**	**1500**	**188,849**	**100,236**

	COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		PRESENT PERIOD 06/30/2020	PREVIOUS PERIOD 06/30/2019
(+)	Cash and banks	**1550**	157,285	79,602
(+)	Other financial assets	**1552**	31,564	20,634
(-)	*Less: Bank overdrafts repayable on demand*	**1553**		
	TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1600**	**188,849**	**100,236**

Comments

IV. SELECTED FINANCIAL INFORMATION
10. DIVIDENDS PAID

		PRESENT PERIOD			PREVIOUS PERIOD		
		€ / share (X.XX)	Amount (€ 000s)	No. of shares to be delivered	€ / share (X.XX)	Amount (€ 000s)	No. of shares to be delivered
Ordinary shares	2158						
Rest of shares (non-voting, redeemable,etc.)	2159						
Total dividends paid	2160						
a) Interim dividends	2155						
b) Dividends with a charge to reserves or share premium	2156						
c) Non-cash dividends	2157						
d) Flexible payment	2154						

Comments

IV. SELECTED FINANCIAL INFORMATION
11. SEGMENT REPORTING

Units: Thousands of euros

GEOGRAPHICAL AREA		Distribution of net turnover by geographical area			
		INDIVIDUAL		CONSOLIDATED	
		PRESENT PERIOD	PREVIOUS PERIOD	PRESENT PERIOD	PREVIOUS PERIOD
National market	2210	3,288	3,466	163,722	230,427
International market:	2215			224,468	248,533
a) European Union	2216			784	209
a.1) Euro zone	2217			784	209
a.1) Non-Euro area	2218				
b) Other	2219			223,684	248,324
TOTAL	**2220**	**3,288**	**3,466**	**388,190**	**478,960**

Comments

SEGMENTS		CONSOLIDATED			
		Revenue from ordinary activities		Profit (loss)	
		PRESENT PERIOD	PREVIOUS PERIOD	PRESENT PERIOD	PREVIOUS PERIOD
EDUCATION	2221	244,545	255,980	6,160	11,473
RADIO	2222	81,409	134,500	(41,726)	9,618
PRESS	2223	75,580	104,531	(27,609)	(6,824)
OTHERS	2225	4,404	7,115	(151,604)	(65,370)
Adjustments and eliminations	2226	(13,143)	(16,458)	2,729	(444)
	2227				
	2228				
	2229				
	2230				
TOTAL of the segments to be reported	**2235**	**392,795**	**485,668**	**(212,050)**	**(51,547)**

Comments

IV. SELECTED FINANCIAL INFORMATION
12. AVERAGE WORKFORCE

		INDIVIDUAL		CONSOLIDATED	
		PRESENT PERIOD	PREVIOUS PERIOD	PRESENT PERIOD	PREVIOUS PERIOD
AVERAGE WORKFORCE	**2295**	**69**	**38**	**8,806**	**8,619**
Men	**2296**	28	11	4,648	4,620
Women	**2297**	41	27	4,158	3,999

Comments

IV. SELECTED FINANCIAL INFORMATION
13. REMUNERATION ACCRUED BY DIRECTORS AND DIRECTORS

DIRECTORS:

Remuneration component:

		Amount (€ 000s)	
		PRESENT PERIOD	PREVIOUS PERIOD
Remuneration for belonging to the Board and / or Board Committees	**2310**	695	734
Salaries	**2311**	237	250
Variable cash remuneration	**2312**	-253	122
Share-based compensation systems	**2313**	-300	588
Compensation	**2314**		
Long-term savings systems	**2315**		
Other concepts	**2316**	2	2
TOTAL	**2320**	**381**	**1,696**

EXECUTIVES:

		Amount (€ 000s)	
		PRESENT PERIOD	PREVIOUS PERIOD
Total remuneration received by executives	**2325**	1,117	3,497

Comments

IV. SELECTED FINANCIAL INFORMATION
14. RELATED PARTIES TRANSACTIONS AND BALANCES (1/2)

Units: Thousands of euros

EXPENSES AND REVENUES:		PRESENT PERIOD Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
1) Finance expenses	2340	9,396		10		9,406
2) Leases	2343	976		184		1,160
3) Services received	2344	3,436		319		3,755
4) Purchase of stocks	2345	19				19
5) Other expenses	2348	125	1,498	68		1,691
TOTAL EXPENSES (1+ 2+ 3+ 4+ 5)	**2350**	**13,952**	**1,498**	**581**		**16,031**
6) Finance income	2351			3,018		3,018
7) Dividends received	2354					0
8) Services provided	2356	1,297		3,230		4,527
9) Sale of stocks	2357					0
10) Other revenues	2359	140		16		156
TOTAL REVENUES (6+ 7+ 8+ 9+ 10)	**2360**	**1,437**	**0**	**6,264**	**0**	**7,701**

OTHER TRANSACTIONS:		PRESENT PERIOD Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
Financing agreements: credit facilities and contributions of capital (lender)	2372			599		599
Financing agreements:loans and contributions of capital (borrower)	2375	18,000				18,000
Guarantees and deposits established	2381					0
Guarantees and deposits received	2382					0
Commitments acquired	2383					0
Dividends and other porfits distributed	2386					0
Other operations	2385					0

BALANCES AT CLOSURE OF THE PERIOD:		PRESENT PERIOD Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
1) Customers and Trade Debtors	2341	754		2,795		3,549
1) Loans and credits granted	2342			3,928		3,928
1) Other collection rights	2346					0
TOTAL DEBT BALANCES (1+ 2+ 3)	**2347**	**754**	**0**	**6,723**	**0**	**7,477**
1) Suppliers and commercial creditors	2352	3,390		1,017		4,407
1) Loans and credits received	2353	407,068		3		407,071
1) Other payment obligations	2355					0
TOTAL CREDITORS BALANCES (4+ 5+ 6)	**2358**	**410,458**	**0**	**1,020**	**0**	**411,478**

Comments

IV. SELECTED FINANCIAL INFORMATION

14. RELATED PARTIES TRANSACTIONS AND BALANCES (2/2)

Units: Thousands of euros

		PREVIOUS PERIOD				
EXPENSES AND REVENUES:		Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
1) Finance expenses	6340	7,924		50		7,974
2) Leases	6343	1,145		121		1,266
3) Services received	6344	3,961		250		4,211
4) Purchase of stocks	6345	48				48
5) Other expenses	6348	438	5,193	91		5,722
TOTAL EXPENSES (1+ 2+ 3+ 4+ 5)	**6350**	**13,516**	**5,193**	**512**		**19,221**
6) Finance income	6351			102		102
7) Dividends received	6354					0
8) Services provided	6356	1,545		1,007		2,552
9) Sale of stocks	6357					0
10) Other revenues	6359	1,004				1,004
TOTAL REVENUES (6+ 7+ 8+ 9+ 10)	**6360**	**2,549**	**0**	**1,109**	**0**	**3,658**

		PREVIOUS PERIOD				
OTHER TRANSACTIONS:		Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
Financing agreements: credit facilities and contributions of capital (lender)	6372			315		315
Financing agreements:loans and contributions of capital (borrower)	6375					0
Guarantees and deposits established	6381					0
Guarantees and deposits received	6382					0
Commitments acquired	6383					0
Dividends and other porfits distributed	6386					0
Other operations	6385	5,400				5,400

		PREVIOUS PERIOD				
BALANCES AT CLOSURE OF THE PERIOD:		Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
1) Customers and Trade Debtors	6341	1,433		4,149		5,582
1) Loans and credits granted	6342			10,057		10,057
1) Other collection rights	6346					0
TOTAL DEBT BALANCES (1+ 2+ 3)	**6347**	**1,433**	**0**	**14,206**	**0**	**15,639**
1) Suppliers and commercial creditors	6352	5,267		1,531		6,798
1) Loans and credits received	6353	414,517		2		414,519
1) Other payment obligations	6355					0
TOTAL CREDITORS BALANCES (4+ 5+ 6)	**6358**	**419,784**	**0**	**1,533**	**0**	**421,317**

Comments

VI. SPECIAL AUDITOR'S REPORT

Anexar
Informe especial del auditor