

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, 2022**

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, 2022, 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, 2022 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 financial statements should be read in conjunction with the financial statements for the year ended December 31, 2021. 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, 2022 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, 2022. 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

July 26, 2022

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

Interim Condensed Consolidated Financial Statements together with Condensed Consolidated Directors' Report for the six months ended June 30, 2022

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

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

Interim Condensed Consolidated Financial Statements for the six months ended June
30, 2022

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET AT JUNE 30, 2022
(Thousands of Euros)

ASSETS	Notes	06/30/2022 (*)	12/31/2021	EQUITY AND LIABILITIES	Notes	06/30/2022 (*)	12/31/2021
A) NON-CURRENT ASSETS		420,903	399,222	A) EQUITY	9	(527,468)	(511,815)
I. PROPERTY, PLANT AND EQUIPMENT	3	107,565	109,678	I. SHARE CAPITAL		74,065	70,865
II. GOODWILL	4	117,566	109,542	II. OTHER RESERVES AND ACCUMULATED PROFIT FROM PRIOR YEARS		(523,652)	(429,393)
III. INTANGIBLE ASSETS	4	104,588	96,008	III. RESULT FOR THE YEAR ATTRIBUTABLE TO THE PARENT		(13,996)	(106,506)
IV. NON-CURRENT FINANCIAL ASSETS	5	7,254	11,359	IV. TREASURY SHARES		(728)	(1,320)
V. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	6	30,186	27,020	V. TRANSLATION DIFFERENCES		(77,966)	(90,410)
VI. DEFERRED TAX ASSETS	7	53,729	45,601	VI. NON CONTROLLING INTEREST		14,809	44,949
VII. OTHER NON-CURRENT ASSETS		15	14	B) NON-CURRENT LIABILITIES		991,225	1,033,811
B) CURRENT ASSETS		421,996	479,061	I. NON-CURRENT BANK BORROWINGS	10	895,787	934,342
I. INVENTORIES		64,743	39,920	II. NON-CURRENT FINANCIAL LIABILITIES	10	56,278	53,854
II. TRADE AND OTHER RECEIVABLES				III. DEFERRED TAX LIABILITIES	7	19,525	21,335
1. Trade receivables for sales and services		218,061	265,004	IV. LONG-TERM PROVISIONS	11	16,526	21,016
2. Receivable from associates		4,408	4,807	V. OTHER NON-CURRENT LIABILITIES		3,109	3,264
3. Receivable from public authorities		35,275	32,638	C) CURRENT LIABILITIES		379,142	356,287
4. Other receivables		27,663	22,806	I. TRADE PAYABLES		209,920	195,983
5. Allowances	8	(56,627)	(59,518)	II. PAYABLE TO ASSOCIATES		1,423	1,123
		228,780	265,737	III. OTHER NON-TRADE PAYABLES		41,881	43,774
III. CURRENT FINANCIAL ASSETS	5	1,727	2,425	IV. CURRENT BANK BORROWINGS	10	25,554	14,918
IV. CASH AND CASH EQUIVALENTS		125,482	168,672	V. CURRENT FINANCIAL LIABILITIES	10	31,734	15,884
V. ASSETS CLASSIFIED AS HELD FOR SALE		1,264	2,307	VI. PAYABLE TO PUBLIC AUTHORITIES		29,194	34,204
				VII. CURRENT PROVISIONS		6,679	14,087
				VIII. OTHER CURRENT LIABILITIES		32,334	35,218
				IX. LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE		423	1,096
TOTAL ASSETS		842,899	878,283	TOTAL EQUITY AND LIABILITIES		842,899	878,283

(*) Non audited financial statements

The accompanying Notes 1 to 20 are an integral part of the Condensed Consolidated Balance Sheet at June 30, 2022.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2022
(Thousands of Euros)

	Notes	06/30/2022 (*)	06/30/2021 (*)
Revenues		381,690	301,810
Other income		6,481	4,405
OPERATING INCOME	12-14	388,171	306,215
Cost of materials used		(61,550)	(41,115)
Staff costs		(145,543)	(143,848)
Depreciation and amortisation charge	3-4	(34,787)	(30,921)
Outside services	12	(141,652)	(119,975)
Variation in operating allowances		5,319	1,455
Impairment of goodwill		0	0
Other expenses		161	(220)
OPERATING EXPENSES		(378,052)	(334,624)
RESULT FROM OPERATIONS		10,119	(28,409)
Finance income		2,867	9,603
Finance costs		(85,334)	(32,193)
Changes in value of financial instruments		59,424	(7,703)
Exchange differences (net)		603	1,238
FINANCIAL RESULT	13	(22,440)	(29,055)
Result of companies accounted for using the equity method		3,475	(306)
RESULT BEFORE TAX FROM CONTINUING OPERATIONS		(8,846)	(57,770)
Expense tax		(5,524)	(664)
RESULT FROM CONTINUING OPERATIONS		(14,370)	(58,434)
Result after tax from discontinued operations		-	-
CONSOLIDATED RESULT FOR THE PERIOD		(14,370)	(58,434)
Result attributable to non controlling interests		374	2,255
RESULT ATTRIBUTABLE TO THE PARENT	14	(13,996)	(56,179)
BASIC EARNINGS PER SHARE (in euros)		(0.02)	(0.08)
DILUTED EARNINGS PER SHARE (in euros)		(0.02)	(0.08)

(*) Non audited financial statements

The accompanying Notes 1 to 20 are an integral part of the Condensed Consolidated Income Statement for the six months ended June 30, 2022

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS
ENDED JUNE 30, 2022
(Thousands of Euros)

	06/30/2022 (*)	06/30/2021 (*)
CONSOLIDATED PROFIT FOR THE YEAR	(14,370)	(58,434)
Items that may be reclassified subsequently to profit or loss	25,056	3,656
Translation differences	22,404	3,088
Profit/(Loss) for valuation	21,758	3,185
Amounts transferred to the profit and loss account	646	(97)
Other non-current financial assets at fair value	-	-
Profit/(Loss) for valuation	-	-
Tax effect	-	-
Entities accounted for using the equity method	2,652	568
TOTAL RECOGNIZED INCOME AND EXPENSE	10,686	(54,778)
Attributable to the Parent	9,166	(51,874)
Attributable to non-controlling interests	1,520	(2,904)

(*) Non audited financial statements

The accompanying Notes 1 to 20 are an integral part of the Condensed Consolidated Statement of Comprehensive Income for the six months ended June 30, 2022.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2022 (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 DECEMBER 31, 2020	70,865	0	118,146	(634,194)	(1,530)	(92,275)	89,737	(449,251)	46,271	(402,980)
Treasury share transactions										
- Sale of treasury shares					596			596		596
- Purchase of treasury shares					(1,311)			(1,311)		(1,311)
- Reserves for treasury shares			(310)		310			-		-
Distribution of 2020 result										
- Prior year losses			(52,793)	142,530			(89,737)	-		-
Income and expense recognised in equity										
- Translation differences				(7,067)		11,372		4,305	(649)	3,656
- Result for 2021							(56,179)	(56,179)	#;REF!	#;REF!
Other			1,572	334				1,906	1,096	3,002
Changes in non controlling interest										
- Dividends recognized during the Year									(1,295)	(1,295)
- Due to changes in scope of consolidation									157	157
BALANCE AT JUNE 30, 2021 (*)	70,865	0	66,615	(498,397)	(1,935)	(80,903)	(56,179)	(499,934)	#;REF!	#;REF!
BALANCE AT DECEMBER 31, 2021	70,865	0	66,035	(495,428)	(1,320)	(90,410)	(106,506)	(556,764)	44,949	(511,815)
Capital increase (see note 9)	3,200	17,088						20,288		20,288
Treasury share transactions										
- Delivery of treasury shares			(3,082)		2,308			(774)		(774)
- Sale of treasury shares					365			365		365
- Purchase of treasury shares					(458)			(458)		(458)
- Reserves for treasury shares			1,623		(1,623)			-		-
Distribution of 2021 result										
- Reserves			56,546	(163,052)			106,506	-		-
Income and expense recognised in equity										
- Translation differences				4,311		18,851		23,162	1,894	25,056
- Result for 2022							(13,996)	(13,996)	(374)	(14,370)
Other changes			174	(7,867)		(6,407)		(14,100)	(1,516)	(15,616)
Changes in non controlling interest										
- Dividends recognized during the Year									(3,717)	(3,717)
- Due to changes in scope of consolidation									890	890
- Due to changes in percentage of ownership									(27,317)	(27,317)
BALANCE AT JUNE 30, 2022 (*)	74,065	17,088	121,296	(662,036)	(728)	(77,966)	(13,996)	(542,277)	14,809	(527,468)

(*) Non audited financial statements

The accompanying Notes 1 to 20 are an integral part of the Condensed Consolidated Statement of Changes in Equity for the six months ended June 30, 2022.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE SIX MONTHS ENDED JUNE
30, 2022
(Thousands of Euros)

	06/30/2022 (*)	06/30/2021 (*)
RESULT BEFORE TAX FROM CONTINUING OPERATIONS	(8,846)	(57,770)
Depreciation and amortisation charge and provisions	29,292	29,680
Changes in working capital	10,131	3,969
Inventories	(24,823)	(5,479)
Accounts receivable	56,215	40,370
Accounts payable	(21,261)	(30,922)
Income tax recovered (paid)	(9,022)	(8,884)
Other profit adjustments	15,687	37,360
Financial results	22,440	29,055
Gains and losses on disposal of assets	(2,084)	(547)
Other adjustments	(4,669)	8,852
CASH FLOWS FROM OPERATING ACTIVITIES	37,242	4,355
Recurrent investments	(22,324)	(17,421)
Investments in intangible assets	(18,188)	(13,578)
Investments in property, plant and equipment	(4,136)	(3,843)
Investments in non-current financial assets	(1,786)	(10,305)
Proceeds from disposals	1,780	5,693
Investments in non-current financial assets	0	1,608
CASH FLOWS FROM INVESTING ACTIVITIES	(22,330)	(20,425)
Proceeds and payments relating to equity instruments	(30,094)	(715)
Proceeds relating to financial liability instruments	17,028	125,569
Payments relating to financial liability instruments	(3,471)	(96,065)
Dividends and returns on other equity instruments paid	(3,723)	(1,443)
Interest paid	(23,676)	(15,160)
Other cash flow from financing activities	(22,524)	(19,573)
CASH FLOWS FROM FINANCING ACTIVITIES	(66,460)	(7,387)
Effect of foreign exchange rate changes	8,358	2,599
CHANGE IN CASH FLOWS FROM CONTINUING OPERATIONS	(43,190)	(20,858)
CHANGE IN CASH FLOWS IN THE YEAR	(43,190)	(20,858)
Cash and cash equivalents at beginning of year	168,672	221,879
- Cash	132,968	168,712
- Cash equivalents	35,704	53,167
Cash and cash equivalents at end of period	125,482	201,021
- Cash	104,084	195,651
- Cash equivalents	21,398	5,370

(*) Non audited financial statements.

The accompanying Notes 1 to 20 are an integral part of the Condensed Consolidated Cash Flow Statement for the six months ended June 30, 2022.

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

Notes to the Interim Condensed Consolidated Financial Statements for the six months
ended June 30, 2022

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, 2022

(1) BASIS OF PRESENTATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2022

The interim condensed consolidated financial statements of Promotora de Informaciones, S.A. (the Company or PRISA) and subsidiaries (PRISA Group or Group) for the first half of 2022 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, 2022 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 PRISA’s Directors on July 26, 2022.

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 2021. 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 2021.

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 2022 and 2021.

The interim condensed consolidated financial statements for the six months ended June 30, 2022 are subjected to a limited review by the external auditor of the Company.

a) Evolution of the financial structure of the Group

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

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

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

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

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

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

increase PRISA's operating flexibility and soften the financial ratios required by its current contracts. The Lock-Up Agreement has entered into force, having been signed by the Company and by the all creditor entities of the syndicated financing to be refinanced. Likewise, a Term Sheet has been signed with the basic conditions for the modification of the Super Senior debt ("Super Senior Term & Revolving Facilities Agreement") of the Company that, among other terms, supposes an extension of the maturity of the debt to June 2026. On April 19, 2022, the Refinancing entered into force, once the agreements reached with all of its creditors had concluded.

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

In February 2022, the Russian invasion of Ukraine took place, which has led the European Union to adopt a series of individual measures and economic sanctions against Russia. It has also caused great instability in international markets and a rise in the price of certain raw materials and materials, which has had a significant adverse impact on inflation in the countries.

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

Considering the complexity of the markets due to their globalization the consequences for the Company's businesses are uncertain and will depend to a large extent on the remaining impact of the events mentioned above. Therefore, at the date of approval of these condensed consolidated financial statements, we have carried out an assessment and quantification of the impacts that COVID-19 and the invasion of Ukraine had on the Group as of June 30, 2022. There is still a high level of uncertainty about its consequences in the short and medium term.

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

- Liquidity risk: the situation in the markets has caused an increase in liquidity pressures in the economy and a contraction in the credit market. To face this, the Group has in place a Super Senior debt ("*Super Senior Term & Revolving Facilities Agreement*") to meet operational needs for a maximum amount of EUR 240 million, of which EUR 160 million were drawn as of June 30, 2022. Likewise, the rest of subsidiaries of the Group have credit facilities with a limit amount of EUR 23 million that are undrawn as of June 30, 2022 (*see note 10*). Therefore, as of June 30, 2022, the Group had undrawn credit facilities amounting to EUR 103 million, together with cash available of EUR 115,5 million. The Group has also implemented specific plans for the improvement and efficient management of liquidity to address these tensions.

- Operational risk: the changing and unpredictable nature of events could lead to the emergence of a risk of interruption in the provision of services or sales. Therefore, the Group has established contingency plans aimed at monitoring and managing its operations at all times. To date, no notable incidents have been revealed.
- Risk of change in certain financial magnitudes: the factors referred to above could adversely affect in the future to the Group's advertising revenues, the revenues of circulation and sale of education to the extent that there is an increase in costs or an adverse impact on revenues.

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

- Balance sheet assets and liabilities measurement risk: a change in the future estimates of the Group's revenue, production costs, finance costs, credit quality of trade receivables, etc. could have an adverse impact on the carrying amount of certain assets (goodwill, intangible assets, deferred tax assets, trade and other receivables, etc.) and on the need to recognize provisions or other liabilities. The appropriate analyses and calculations have been carried out which have allowed, where appropriate, those assets and liabilities to be re-measured with the information available to date. At June 30, 2022 there have not been significant changes in the estimates at the end of 2021 in the aforementioned magnitudes, that have a negative impact on the consolidated financial statements.
- 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, 2022 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.

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 2021.

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

d) Comparison of the information

In accordance with commercial legislation, in addition to the figures for the first half of 2022, the figures for the previous year or period are presented for comparison purposes with each of the items in the condensed consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement. Comparative information for the previous year or period is also included in the notes to the financial statements, except where an accounting standard specifically states that it is not required. Therefore, the information contained in these interim condensed consolidated financial statements for the previous year and the six months ended June 30, 2021 are presented only for comparison purposes with the information relating to the six months ended June 30, 2022.

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, 2022.

(2) CHANGES IN THE GROUP STRUCTURE

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

Subsidiaries

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

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

In May 2022, is acquired a 51% stake in the company Lacoproductora, S.L. The cash paid for this acquisition has not been significative.

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

Associates

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

In April 2022, the company El Dorado Broadcasting Corporation and its investee company WSUA Broadcasting Corporation were sold for EUR 0.3 million, with no significant impact on the condensed consolidated income statement.

Significant operations

In May 2022, Prisa Media, S.L. acquired the remaining 20% stake of Prisa Radio, S.L. to Grupo Godó for an amount of EUR 45 million. This acquisition has led to a reduction in "Other reserves and accumulated profit from prior years" and "Translation differences" of approximately EUR 17 million because, in accordance with IFRS 10, it corresponds to an equity transaction, due to the transaction is about the acquisition of minority percentages that has not given rise to a change in control. That reduction occurs as a result of deducting on acquisition price the associated non-controlling interest balance amounting to EUR 45 million (see note 9). Of the total purchase price, EUR 15 million have remained pending payment, payable in May 2023, therefore, a liability for this amount has been recorded under the heading "Other current liabilities" in the attached condensed consolidated balance sheet.

(3) PROPERTY, PLANT, AND EQUIPMENT

Additions to the Group's condensed consolidated financial statements under "Property, plant and equipment" during the first half of 2022 totaled EUR 4,136 thousand, corresponding mainly to the investments made for Santillana in digital developments and learning systems (EUR 2,116 thousand) as well as investments in both Media and Santillana in computer for an amount of EUR 964 thousand.

The amount of the net assets subject to IFRS 16 amounts to EUR 63,965 thousand as of June 30, 2022 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 2022 amounts to EUR 17,167 thousand, of which EUR 10,181 thousand corresponding to the amortization of property, plant and equipment held under leases.

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

In addition, the renegotiation of the Miguel Yuste contract entailed a supplementary fee paid in December 2021. This was mainly associated with the early exit of the buildings, and the impact of which has been incorporated into the recalculation of the lease liability and right-of-use asset as of December 31, 2021. Its effect on the consolidated income statement in the first half 2022 has been EUR 1.5 million, recorded under "Depreciation and amortization charge". This impact corresponds to the portion of the fee associated with the building for which the effective exit took place by the end of 2022, with the remainder being charged to the consolidated income statement in the following years, as the associated right-of-use asset is amortised, considering the estimated effective exit of the remaining buildings.

(4) GOODWILL AND INTANGIBLE ASSETS

Goodwill

The increase in "Goodwill" is mainly due to the effect of change in exchange rate in goodwill resulting from investment in Editora Moderna, Ltda. and in Santillana Educação, Ltda.

Impairment tests

The invasion of Ukraine and the global macroeconomic situation have been an indication of deterioration in the recoverable value of goodwill to the extent that these factors have affected market interest rates, which have experienced increases that have an adverse effect at the discount rates used to calculate the present value of the cash flows included in the impairment tests.

Due to the aforementioned, in the first half of 2022 the impairment tests of the Group's goodwill have been updated as of June 30, 2022, solely due to the increase in the aforementioned discount rates. The rest of the variables used in the impairment tests as of December 31, 2021 have been maintained, including the cash flows, to the extent that during the first half of 2022 there have been no significant adverse deviations in the fulfillment of the business plans used in the aforementioned impairment tests for the year 2021.

Therefore, in the first half 2022 the rates used ranged from 7.5% and 36% (7.0% and 34.0% in 2021) depending on the business being analysed. The rates that have been used for the most relevant impairment tests are the following:

- Editora Moderna, Ltda. and Santillana Educação Ltda: between 12% and 13% in June 2022 and between 11.5% and 12.5% in 2021 (between 13% and 14% adjusting the tax rate).
- Grupo Latino de Radiodifusión Chile, Ltda.: between 9.5% and 10.5% in June 2022 and between 9% and 10% in 2021 (between 10.5% and 11.5% adjusting the tax rate).
- Sociedad Española de Radiodifusión, S.L. and Propulsora Montañesa, S.A.): between 8% and 9% in June 2022 and between 7.5% and 8.5% in 2021 (between 8.5% and 9.5% adjusting the tax rate).

Results of the impairment tests-

In accordance with the estimates and projections available to the Company's Directors, the expected future cash flows allocable to the cash-generating units to which goodwill is allocated indicate that the net value of each goodwill allocated as of June 30, 2022 may be recovered.

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

The Group has executed a sensitivity analysis for a 0.5 point increase in the discount rate and a 0.5 point decrease in the growth rate, which is considered reasonable, based on the past experience. Likewise, a sensitivity analysis is included in the face of a 5% decrease in the main revenues of the businesses.

- Editora Moderna, Ltda.

To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would exceed the book value by approximately EUR 61 million. In the event that the expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would exceed the book value by approximately EUR 62million.

Also, assuming a 5% reduction in estimates of growth in earnings from books and training, the recoverable value would exceed the carrying amount at June 20, 2022 by approximately EUR 34 million.

- Santillana Educação, Ltda.

To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would exceed the book value by approximately EUR 120 million. In the event that the expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would exceed the book value by approximately EUR 122 million.

Also, assuming a 5% reduction in estimates of growth in earnings from books and training, the recoverable value would exceed the carrying amount at June 30, 2022 by approximately EUR 93 million.

- Grupo Latino de Radiodifusión Chile, Ltda.

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

Also, assuming a 5% reduction in estimates of growth in earnings from advertising, the recoverable value would be lower the book value by approximately EUR 4 million at June 30, 2022.

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

To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would exceed the book value by approximately EUR 92 million. In the event that

the expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would exceed the book value by approximately EUR 95 million.

Also, assuming a 5% reduction in estimates of growth in earnings from advertising, the recoverable value would exceed the book value by approximately EUR 24 million at June 30, 2022.

Intangible assets

Additions to the Group's condensed consolidated financial statements under "*Intangible assets*" during the first half of 2022 amounted to EUR 18,188 thousand and are derived mainly from prototypes of the education business (EUR 12,903 thousand) and the acquisition of computer software by group entities (EUR 4,862 thousand).

The amount of the net assets subject to IFRS 16 amounts to EUR 9,913 thousand as of June 30, 2022 and corresponds with the contract leases of administrative concessions of Radio.

The amortization expense of intangible assets registered during the first half of 2022 amounts to EUR 17,620 thousand, of which EUR 2,165 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	
	06/30/22	12/31/21	06/30/22	12/31/21	06/30/22	12/31/10
Financial assets at amortized cost						
<i>Loans and receivables</i>	2,616	5,035	1,132	1,800	3,748	6,835
<i>Other financial assets at amortized cost</i>	4,638	6,324	595	625	5,233	6,949
Total	7,254	11,359	1,727	2,425	8,981	13,784

The decrease in "*Loans and receivables*" is mainly due to the reduction of the loans granted to Green Emerald Business, after the sale of the company, for an amount of EUR 2,643 thousand, for which the Group had already established a provision for liabilities and charges for the negative net value of the stake in the company.

The decrease in "*Other financial assets at amortized cost*" is mainly due to the reduction of a financial investment related to the participation of Prisa Radio in the associated companies El Dorado Broadcasting Corporation and WSUA Broadcasting Corporation as a result of their sale for an amount of EUR 1,411 thousand for which the Group had already established a provision for risks and expenses for the negative net value of the stake in the companies.

(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 2022, are mainly due to the results participation in Sistema Radiópolis, S.A. de C.V. for an amount of EUR 389 and by the effect of the exchange rate.

Impairment test

As described in note 4 above, the invasion of Ukraine and the global macroeconomic situation have been an indication of deterioration in the recoverable value of the investment in Sistema Radiópolis, S.A. de C.V. to the extent that these factors have affected market interest rates, which have experienced increases that have an adverse effect at the discount rates used to calculate the present value of the cash flows included in the impairment test.

Due to the aforementioned, in the first half of 2022 the impairment test of Sistemas Radiópolis, S.A. de C.V. has been updated as of June 30, 2022, solely due to the increase in the aforementioned discount rate. Therefore, in the first half 2022 the rate used ranged from 11.75% and 12.25% (11.25% and 11.75% in 2021).

The result of this test has meant there is not an additional impairment in the net investment of Sistema Radiópolis, S.A. de C.V. as of June 30, 2022.

(7) TAX MATTERS

Deferred tax assets and liabilities-

The variation in the caption "*Deferred Tax Assets*" amounting to EUR 8,128 thousand the effect of the accounting recognition of tax credits as a result of the losses generated in certain companies of the Santillana that are in the phase of the campaigns to generate expenses and revenues associated have not yet been accrued and the same reason from radio business in Latin America in the period, from temporary differences recorded at the end of June and from exchange rate fluctuations.

The net change in the caption "*Deferred Tax Liabilities*" amounting to EUR 1,810 thousand mainly reflects the different accounting and tax allocation criteria for certain intangible asset amortization expenses, as well as the recording of institutional sales in Brazil.

Tax inspections-

In the 2021 financial year, the inspection actions related to the Value Added Tax for the 2016-2018 periods, of the VAT Group 105/08, were completed with the signing of (i) a Notice of agreement corresponding to the 2017 and 2018 financial years with no amounts payable and (ii) a Settlement Agreement related to the 2016 financial year for an amount of EUR 147 thousand, which in this financial year has been paid by the Company and against which the corresponding economic-administrative claim has been filed.

At the date of preparation of these explanatory notes, a cassation appeal has been prepared against the partially upholding judgment of the “Audiencia Nacional” referring to Corporation Tax corresponding to the years 2009 to 2011 in the Tax Consolidation Group 2/91, of which Promotora de Informaciones, S.A. is the parent company.

(8) TRADE AND OTHER RECEIVABLES

The movement in the allowances heading of the condensed consolidated balance sheet during the first half of 2022 is as follows:

Thousands of euros					
Balance at 12/31/2021	Translation adjustment	Charge for the year/Excess	Amounts used	Transfers	Balance at 06/30/2022
(59,518)	(3,100)	(451)	5,867	575	(56,627)

(9) EQUITY

Share capital

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

The Refinancing agreements provided for various financing, structuring and underwriting fees, which PRISA may pay, at its discretion, either in cash or in kind and PRISA has chosen to pay the aforementioned fees by means of their conversion into shares and consequent issuance of newly issued shares (*see note 10*). At the General Shareholders' Meeting held on June 28, 2022, it was resolved to increase the share capital by way of a compensation of credits by an amount of EUR 3,200 thousand through the issuance and floating of 32 million of new ordinary shares with a face value EUR 0.10 each, of the same class and series as those currently outstanding. The new shares have been subscribed and disbursed by the creditor entities by setting-off the fees. The Shareholders' Meeting delegated to the Board of Directors the execution of the aforementioned agreement.

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

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

thousand, being the total effective amount of the capital increase of EUR 20,288 thousand (face value plus premium).

The aforementioned agreements related to the capital increase were notarized on June 29, 2022, and the public deed was submitted for registration at the Mercantile Registry on the same day. The public deed has already been registered.

Consequently, as of June 30, 2022, the share capital of PRISA amounts to EUR 74,065 thousand and is represented by 740,650,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros, and have been fully paid up.

Non-controlling interest

The detail, by company, of the non-controlling interest at June 30, 2022 and December 31, 2021 is as follows:

	Thousands of euros	
	06/30/2022	12/31/2021
Caracol, S.A.	3,794	7,219
Diario As, S.L.	6,440	7,337
GLR Chile, Ltda.	0	9,017
Prisa Radio, S.L. and subsidiaries (Spain)	3,699	19,877
Other companies	876	1,499
Total	14,809	44,949

The decrease in the minority interests of Prisa Radio, S.L. and investee subsidiaries (Spain), as well as Caracol, S.A. and GLR Chile, Ltda. is a consequence of the purchase of 20% of Prisa Radio, S.L. described in note 2 of these explanatory notes.

(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	
	06/30/22	12/31/21	06/30/22	12/31/21	06/30/22	12/31/21
Bank borrowings	895,787	934,342	25,554	14,918	921,341	949,260
Financial liabilities by leases	54,287	53,766	16,079	15,555	70,366	69,321
Other financial liabilities	1,991	88	15,655	329	17,646	417
Total	952,065	988,196	57,288	30,802	1,009,353	1,018,998

The increase in “*Other current financial liabilities*” is due to the recognition of the account payable in 2023 for an amount of EUR 15,000 thousand generated in the purchase of 20% of Prisa Radio, S.L. described in note 2 of these explanatory notes.

Bank borrowings

The most significant balance under financial liabilities relates to bank borrowings, the detail of which at June 30, 2022 and December 31, 2021, in thousands of euros is as follows:

	06/30/22		12/31/21	
	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
PRISA's Syndicated Loan	-	-	-	748,152
Junior Syndicated Loan (*)	-	187,228	-	-
Senior Syndicated Loan	-	575,105	-	-
Super Senior debt (**)	-	160,000	-	150,121
Credit facilities, loans, finance leases and other	25,554	12,869	14,918	13,658
Fair value/Present value / Loan arrangement costs	-	(39,415)	-	22,411
Total	25,554	895,787	14,918	934,342

(*) In June 2022, the long-term amount drawn down included capitalized interest (EUR 1,879 thousand)

(**) In December 2021, the long-term amount drawn down included capitalized interest (EUR 5,121 thousand)

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

In accordance with IFRS 13, to determine the calculation of the fair value of the financial debt we use the listed value of the debt on the secondary market as reported by an independent third party (level 1 variable: estimates using prices listed in active markets) has been used. The fair value of the Junior and Senior Syndicated Loan, Super Senior debt and of the accrued interest pending to be paid, according to this calculation, would amount to EUR 847,763 thousand at June 30, 2022 considering a 9% average discount over the real principal payment obligation to the creditor entities.

Refinancing-

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

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

- The amount of the Senior debt is set at EUR 575,105 thousand, including EUR 5,633 thousand of refinancing expenses with the lenders which have been incorporated as an increased financial liability, and the maturity is extended to December 31, 2026.
- The amount of the Junior debt is set at EUR 185,349 thousand, including EUR 3,707 thousand of refinancing expenses with the lenders which have been incorporated as an increased financial liability, and the maturity of is extended to June 30, 2027.
- The cost of the Senior debt is benchmarked at Euribor + 5.25% payable in cash, while the cost of the Junior debt is benchmarked at Euribor + 8%, payable partly in cash and partially capitalised.
- Partial amendment of the package of debt guarantees.
- The flexibilization of the contractual commitments of the current debt that will allow, among other improvements, to increase PRISA's operating flexibility and soften the financial ratios required by its current contracts.
- A refinancing, structuring and insurance commission is agreed, which the Company could pay in cash or by issuing shares. The Company has chosen to pay the aforementioned commission through the issuance of shares, for which it has proceeded to issue 32 million new shares of the Company, which have been granted to the creditor entities and those that have acted as structurers and/or insurers of the Refinancing, and who have the subscription right (*see note 9*). The new shares, which have represented 4.3% of the share capital after the increase, allow the Company's interests to be aligned with those of the new creditors, in turn increasing the liquidity of the value on the Stock Market.

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

Likewise, the Refinancing agreement has entailed a reorganisation of the debt in terms of borrowers, so that the financial debt previously held by Prisa Activos Educativos, S.A.U. has been transferred to PRISA for a nominal amount of EUR 691,590 thousand, thus generating an account payable to the Company for the fair value of said debt amounting to EUR 663,422 thousand. Subsequently, the Company has made a share contribution to Prisa Activos Educativos, S.A.U. for the aforementioned amount, which has been recognized as a higher value of the participation.

Compliance with certain financial ratios is established in the financial agreements for the PRISA Group, which application begins on June 30, 2022. These contracts also include provisions on cross-default, which could cause, if the breach exceeds certain amounts, the

early maturity and resolution of the contract in question. Since the Refinancing come into force no such breaches have occurred, nor are foreseen in the next twelve months.

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

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

Other aspects of debt-

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

Personal guarantees

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

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

Guarantees

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

Part of PRISA's investment in Prisa Radio, S.A. (80% share capital) and the 100% of the investments (100% share capital) in Prisa Activos Educativos, S.A.U. (Sole proprietorship), Prisa Media, S.A.U. (Sole proprietorship), Prisa Gestión Financiera, S.L.U. (Sole proprietorship) and Grupo Santillana Educación Global, S.L.U insuring syndicated debt. Similarly, given its significance in the group, collateral will also be pledged over 100% of the shares of Editora Moderna Ltda. (Brasil) within 120 days since Refinancing has entered into force.

Other aspects of the Refinancing

The Company has carried out an analysis of the terms agreed in the framework of the Refinancing, concluding that they constitute a substantial modification of the previous terms from a qualitative point of view, inter alia, due to the existence of a refinancing, structuring

and underwriting fee that can be paid in shares, the modification of the collateral structure and the flexibility to perform certain sales transactions. This has meant that the original financial liability has been cancelled, and a new liability from the Refinancing has been recognised. The initial recognition of the financial liability has been at fair value, which has led to the recognition of financial income in the amount of EUR 38,285 thousand in the heading "*Value variation of financial instruments*" of the condensed consolidated income statements, for the difference between the nominal value of the debt and its fair value on the date of initial recognition. For this purpose, the listed value of the debt in the secondary market has been used, according to information provided by a third party on the date of the Refinancing agreement going public (level 1 variable, estimates using prices listed in active markets). The fair value of the Refinancing debt at that date and according to this calculation would amount to EUR 722,169 thousand.

In addition, all expenses and fees related to the Refinancing have been recognised in the heading "*Loan arrangement costs*" in the condensed consolidated income statement as, including, among others, the form of upfront discounting ("OID"), consent fees and others fees for an amount of EUR 23,359 thousand. In this sense, the refinancing, structuring and underwriting fee which the Company has chosen to pay through the issue of shares discussed above has been treated from the beginning of the Refinancing as an equity instruments, as the method of settlement is at the discretion of the Company. This has resulted in recording a financial expense in the heading "*Loan arrangement costs*" of EUR 20,288 thousand, with a credit to consolidated equity (see note 9). For this purpose, the 32 million shares to be issued have been valued at the listed price of the PRISA share on the date the Refinancing agreement was made public.

Finally, a positive impact has been accounted under the heading "*Value variation of financial instruments*" of the financial result for an amount of EUR 23,434 thousand, associated with the derecognition of the original financial liability for interest accrued in previous periods (which accrues at effective interest rate ("TIE")) that do not have to be paid (see note 13).

Super senior loan –

In addition to the above Senior and Junior loans, the Company signed on April 8, 2022 a Super Senior Term & Revolving Facilities Agreement for a maximum amount of up to EUR 240,000 thousand. This agreement implies an extension of its maturity until June 30, 2026, with a cost indexed to Euribor + 5% payable in cash. In addition, the amendment of the agreement has led to a change of lender.

Of the total amount of the Super Senior Debt, EUR 80,000 thousand corresponds to a revolving credit line to cover operational needs, which was not drawn down at June 30, 2022. Therefore, the amount drawn down on the Super Senior Debt amounts to EUR 160,000 thousand.

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

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

Financial liabilities for leases

The application of IFRS 16 Leases implies the registered of financial liabilities associated with the leases, amounting at June 30, 2022 to EUR 54,287 thousand in the long term and EUR 16,079 thousand in the short term.

In the first half of 2022, the payment associated with financial liabilities for leases amounts to EUR 12.0 million, included in *"Other cash flow from financing activities"* of the condensed consolidated statement of cash flow (EUR 13.8 million in the first half of 2021).

(11) LONG-TERM PROVISIONS

Long-term provisions include those for taxes, corresponding to the estimated tax liability amount arising from inspections carried out at Group companies (*see note 7*), provisions constituted to record the probable or certain responsibilities arising from workers' compensation to terminate their labor relations and third-party liability provisions for the estimated amount to cover probable claims and litigation against Group companies and other probable future obligations to employees. In addition, this section also includes Group interests in companies accounted for using the equity method, which net value is negative.

The breakdown of "Long-term provisions" at June 30, 2022 and at December 31, 2021, is as follows:

	Thousands of euros	
	06/30/22	12/31/21
For taxes	630	624
For redundancies	7,330	7,111
For third-party liabilities and other	8,566	13,281
Total	16,526	21,016

In 2022, as a result of the sale of the stakes in Green Emerald Business, Inc, WSUA Broadcasting Corporation and El Dorado Broadcasting Corporation described in note 2, the provisions associated with these companies have been derecognized for an amount of EUR 5,337 thousand.

(12) OPERATING INCOME AND EXPENSES
Operating income

The breakdown of income from the Group's main business lines for the six months ended June 30, 2022 and June 30, 2021 is as follows:

	Thousands of euros	
	06/30/22	06/30/21
Advertising sales	141,524	132,958
Education sales	200,071	127,822
Circulation	26,647	25,809
Sales of add-ons and collections	2,808	4,283
Sale of audiovisual rights and programs	1,585	-
Intermediation services	2,869	2,160
Other services	6,186	8,778
Revenue	381,690	301,810
Income from non-current assets	2,133	330
Other income	4,348	4,075
Other income	6,481	4,405
Total operating income	388,171	306,215

The following table shows the breakdown of the Group's incomes at June 30, 2022 and at June 30, 2021 in accordance with the geographical distribution of the entities that generated them (thousands of euros):

	Advertising sales		Education sales		Circulation		Others		Total operating income	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Europe	109,347	107,907	183	367	26,647	25,809	15,602	16,138	151,779	150,221
Spain	109,347	107,907	-	149	26,647	25,809	15,580	16,131	151,574	149,996
Rest of Europe	-	-	183	218	-	-	22	7	205	225
America	32,177	25,051	199,888	127,455	-	-	4,327	3,488	236,392	155,994
Colombia	21,786	14,923	19,256	14,580	-	-	461	447	41,503	29,950
Brazil	-	-	58,802	35,675	-	-	129	233	58,931	35,908
Mexico	260	118	39,874	29,747	-	-	333	316	40,467	30,181
Chile	8,731	8,191	8,178	5,283	-	-	531	963	17,440	14,437
Rest of America	1,400	1,819	73,778	42,170	-	-	2,873	1,529	78,051	45,518
TOTAL	141,524	132,958	200,071	127,822	26,647	25,809	19,929	19,626	388,171	306,215

Staff

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

	06/30/22	06/30/21
Men	3,522	3,485
Women	3,375	3,300
Total	6,897	6,785

Outside services

The detail of "Outside services" for the six months ended June 30, 2022 and June 30, 2021 is as follows:

	Thousands of euros	
	06/30/22	06/30/21
Independent professional services	35,351	36,160
Leases and fees	6,540	5,358
Advertising	14,634	9,363
Intellectual property	11,019	7,420
Transport	11,784	9,628
Other outside services	62,324	52,046
Total outside services	141,652	119,975

(13) FINANCIAL RESULT

The detail of "Financial result" for the group at June 30, 2022 and 2021 is as follows:

	Thousands of euros	
	06/30/22	06/30/21
Income from current financial assets	1,632	369
Other finance income	1,235	9,234
Finance income	2,867	9,603
Interest on debt	(32,385)	(26,361)
Adjustments for inflation	(2,844)	(926)
Loan arrangement costs	(43,647)	-
Other finance costs	(6,458)	(4,906)
Finance costs	(85,334)	(32,193)
Exchange gains	22,034	12,771
Exchange losses	(21,431)	(11,533)
Exchange differences (net)	603	1,238
Value variation of financial instruments	59,424	(7,703)
Financial loss	(22,440)	(29,055)

At June 30, 2021, the heading "Other financial income" included the income derived from the favourable resolution of the TEAC in relation to the inspection of the Value Added Tax from

the period May 2010 to December 2011 for an amount of EUR 7,841 thousand, corresponding mainly to the VAT of invoices associated to loan arrangement costs.

The heading "*Other financial costs*" includes EUR 2,364 thousand for the effect of updating the financial liability associated with the lease agreements (EUR 3,368 thousand as of December 31, 2021). It also includes the expense for the derecognition of a financial investment related to the participation of Prisa Radio in the associated companies El Dorado Broadcasting Corporation and WSUA Broadcasting Corporation, as a result of their sale, amounting to EUR 2,119 thousand (*see note 5*).

As of June 30, 2022 the heading "*Loan arrangement costs*" includes all expenses and fees related to the Refinancing, including the refinancing, structuring and underwriting fee which the Company has chosen to pay through the issue of shares. Additionally, as of June 30, 2022 a positive impact has been accounted under the heading "*Value variation of financial instruments*" of the financial result for an amount of EUR 23,434 thousand, associated with the derecognition of the original financial liability for interests accrued in previous periods (which accrues at effective interest rate ("TIE")) that do not have to be paid (*see note 10*).

At June 30, 2022, the heading "*Value variation of financial instruments*" includes EUR 38,285 thousand for the difference between the nominal value of the debt and its fair value on the date of initial recognition (*see note 10*). From that moment on, the difference between the nominal value of the debt and its initial fair value will be recognized as an expense in the consolidated income statement using the effective interest method.

At June 30, 2021, the heading "*Value variation of financial instruments*" included the financial results accrued due to the transfer to the consolidated income statement of the difference between the amount in the initial registration date of the debt associated to the previous Refinancing and its nominal amount along the duration of the debt and the accrued of loan arrangements costs, using the effective interest method in both.

(14) 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	
	06/30/22	06/30/21
Europe	148,071	148,382
Spain	147,888	148,164
Rest of Europe	183	218
America	233,619	153,428
Colombia	41,211	29,732
Brazil	58,911	35,682
Mexico	40,338	30,130
Chile	17,020	13,570
Rest of America	76,139	44,314
Total	381,690	301,810

At June 30, 2022, PRISA's operations are divided into two main segments each of which has a person in charge:

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

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

Information about these segments for the six months ended June 30, 2022 and June 30, 2021 is presented below (in thousands of euros):

	EDUCATION		MEDIA		OTHERS		ELIMINATIONS AND ADJUSTMENTS		PRISA GROUP	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Operating income	202,510	131,738	186,234	175,155	2,191	3,315	(2,764)	(3,993)	388,171	306,215
- External sales	202,441	131,733	185,207	174,209	110	218	413	55	388,171	306,215
- Advertising	0	0	141,398	132,958	0	0	126	0	141,524	132,958
- Books and training	200,071	127,822	0	0	0	0	0	0	200,071	127,822
- Newspapers and magazines	0	0	26,647	25,809	0	0	0	0	26,647	25,809
- Sale of audiovisual rights and programs	0	0	1,585	0	0	0	0	0	1,585	0
- Other	2,370	3,911	15,577	15,442	110	218	287	55	18,344	19,626
- Intersegment sales	69	5	1,027	946	2,081	3,097	(3,177)	(4,048)	0	0
- Advertising	0	0	210	0	0	0	(210)	0	0	0
- Books and training	0	0	0	0	0	0	0	0	0	0
- Newspapers and magazines	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
- Other	69	5	817	946	2,081	3,097	(2,967)	(4,048)	0	0
Operating expenses	(185,858)	(137,036)	(188,732)	(188,850)	(6,234)	(12,819)	2,772	4,081	(378,052)	(334,624)
- Cost of materials used	(46,549)	(27,475)	(15,005)	(13,650)	0	0	4	10	(61,550)	(41,115)
- Staff costs	(54,856)	(43,648)	(88,473)	(92,332)	(2,215)	(7,868)	1	0	(145,543)	(143,848)
- Depreciations and amortisation charge	(20,328)	(18,137)	(13,737)	(12,339)	(733)	(455)	11	10	(34,787)	(30,921)
- Outside services	(69,146)	(49,646)	(71,711)	(69,907)	(3,553)	(4,484)	2,758	4,062	(141,652)	(119,975)
- Change in operating provisions	4,687	1,952	368	(496)	265	0	(1)	(1)	5,319	1,455
- Changes in valuation allowances to Group companies	0	0	0	0	2	0	(2)	0	0	0
- Impairment of goodwill/assets	334	(82)	(174)	(126)	0	(12)	1	0	161	(220)
Result from operations	16,652	(5,298)	(2,498)	(13,695)	(4,043)	(9,504)	8	88	10,119	(28,409)
Finance income	3,016	1,491	1,035	1,825	4,271	16,440	(5,455)	(10,153)	2,867	9,603
- Interest income	901	455	966	1,713	4,067	8,540	(5,455)	(10,153)	479	555
- Other financial income	2,115	1,036	69	112	204	7,900	0	0	2,388	9,048
Finance costs	(8,925)	(7,433)	(7,233)	(5,722)	(74,631)	(29,191)	5,455	10,153	(85,334)	(32,193)
- Interest expenses	(4,566)	(4,812)	(2,385)	(2,522)	(30,888)	(29,179)	5,454	10,152	(32,385)	(26,361)
- Other financial expenses	(4,359)	(2,621)	(4,848)	(3,200)	(43,743)	(12)	1	1	(52,949)	(5,832)
Change in value of financial instruments	0	0	(2)	(4)	59,426	(7,699)	0	0	59,424	(7,703)
Exchange differences (net)	230	778	189	361	9	98	175	1	603	1,238
Financial result	(5,679)	(5,164)	(6,011)	(3,540)	(10,925)	(20,352)	175	1	(22,440)	(29,055)
Result of companies accounted for using the equity method	0	0	3,574	(317)	7	10	(106)	1	3,475	(306)
Result before tax from continuing operations	10,973	(10,462)	(4,935)	(17,552)	(14,961)	(29,846)	77	90	(8,846)	(57,770)
Expense tax	(4,758)	(685)	(1,829)	44	1,063	(23)	0	0	(5,524)	(664)
Result from continuing operations	6,215	(11,147)	(6,764)	(17,508)	(13,898)	(29,869)	77	90	(14,370)	(58,434)
Result after tax from discontinued operations	0	0	0	0	(28)	0	28	0	0	0
Consolidated result for the year	6,215	(11,147)	(6,764)	(17,508)	(13,926)	(29,869)	105	90	(14,370)	(58,434)
Non-controlling interests	(115)	(67)	580	2,170	0	0	(91)	152	374	2,255
Result attributable to the Parent	6,100	(11,214)	(6,184)	(15,338)	(13,926)	(29,869)	14	242	(13,996)	(56,179)

(15) RELATED PARTY TRANSACTIONS

The transactions performed with related parties in the six months ended June 30, 2022 and in 2021 were as follows (in thousands of euros):

	06/30/2022			06/30/2021		
	Directors and executives	Group employees, companies or entities	Significant shareholders	Directors and executives	Group employees, companies or entities	Significant shareholders
Finance expenses	-	10	-	-	-	398
Services received	14	285	1,180	-	467	2,970
Leases	-	-	-	-	162	629
Purchase of goods	-	-	-	-	-	61
Other expenses	1,472	230	-	8,419	417	116
Total expenses	1,486	525	1,180	8,419	1,046	4,174
Finance income	-	17	-	-	48	-
Provision of services	-	6,071	13,205	-	5,937	1,220
Other revenue	-	32	-	-	82	56
Total revenues	-	6,120	13,205	-	6,067	1,276

All related party transactions have taken place under market conditions.

Transactions with directors and executives

The amount of EUR 1,472 thousand corresponded to the remuneration received by directors and executives as detailed in note 16.

Transactions between Group employees, companies or entities

The aggregate amount of EUR 525 thousand is mainly includes the expense for holding events with Planet Events, S.A. and the advertising commission expense with Wemass Media Audience Safe Solutions, S.L.

Finally, the aggregate amount of EUR 6,120 thousand mainly includes the income received for commercialization of advertising with Wemass Media Audience Safe Solutions, S.L., and the income received by Radio in Spain from provision of technical assistance and advisory services.

Transactions with significant shareholders

The aggregate amount of EUR 1,180 thousand mainly consists of the expense for the purchase of advertising space and the receipt of strategy services, market research, creativity and identification of consumption habits and consumer product niches with Vivendi Group Vivendi. In 2021 the expenditure on telephony and internet with Telefónica, S.A as well as the

financial expense with HSBC Holding, PLC was also included as they were significant shareholders of the Company.

Meanwhile, the aggregate amount of EUR 13,205 thousand mainly consists of income of PRISA Group companies for advertising services with Grupo Vivendi.

The detail of other transactions performed with related parties in the six months ended June 30, 2022 and in 2021 is as follows (in thousands of euros):

	06/30/2022		06/30/2021	
	Group employees, companies or entities	Significant shareholders	Group employees, companies or entities	Significant shareholders
Financing agreements: loans granted	-	-	21	-

The detail of the balances receivable from and payable to associates and related parties as of June 30, 2022 and as of December 31, 2021 is as follows:

	06/30/2022		12/31/2021	
	Group employees, companies or entities	Significant shareholders	Group employees, companies or entities	Significant shareholders
Trade receivables	4,408	11,741	4,807	14,328
Receivables- financial loans	350	-	3,073	-
Total receivables	4,758	11,741	7,880	14,328
Payables- financial loans	1,423	263	1,123	223
Total payables	1,423	263	1,123	223

Balance with Group employees, companies or entities-

The amount of EUR 4,408 thousand includes the amounts pending of collection with associated companies, mainly with Sistema Radiópolis, S.A. of C.V. and with Wemass Media Audience Safe Solutions, S.L. for the provision of technical assistance and advisory services and for the sale of advertising, respectively.

Receivables financial loans at June 30, 2022 mainly include the loans granted by Prisa Media, S.A.U. to Wemass Media Audience Safe Solutions, S.L. The decrease compared to 2021 is due to the cancellation of the loan granted by Sociedad Española de Radiodifusión S.L. to Green Emerald Business Inc as a result of the sale transaction described in note 2 (see note 5).

Balance with significant shareholders-

The aggregate amount of EUR 11,741 thousand includes the amounts pending of collection for advertising services of PRISA Group companies to the Vivendi Group.

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

In the six months ended June 30, 2022 and 2021, the consolidated companies registered the following amounts in respect of remuneration to PRISA's Board members and executives:

	Thousands of euros	
	06/30/2022	06/30/2021
Compensation for belonging to the Board and/ or Board Committees	528	522
Salaries	438	267
Variable compensation in cash	(13)	140
Compensation systems based on shares	-	322
Other	5	2
Total remuneration received by board members	958	1,253
Total remuneration received by executives	514	7,166

General observations concerning of the first half 2022:

- i. 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. and other companies of its Group and consequently corresponds to the accounting provisions registered in the profit and loss account.
- ii. At the beginning of the COVID-19 crisis (first quarter 2020) and in order to mitigate the negative impact of the current situation which has an special effect on the main sources of income generation of all kind of media, the Board of Directors resolved to put in place a contingency plan to adequate the cost structures of the businesses to the foreseeable circumstances which gave rise to a series of measures in 2020 and 2021. Some of these measures will continue to apply to non-executive directors of PRISA in the 2022 financial year:
 - o Fiscal year 2020: In fiscal year 2020 a reduction was applied of 20% in the directors remuneration and around 35% in the annual remuneration of the then Chief Executive Officer and the Senior Management. Also, the then Chief Executive Officer (Mr Manuel Mirat) and senior managers of PRISA voluntarily decided to waive the part of their annual variable remuneration pegged to quantitative objectives for 2020. Subsequently, in January 2021, Mr. Mirat and Mr Pujol (at that time General Secretary and Secretary to the Board of Directors) also waived the portion of the annual variable remuneration for the 2020 fiscal year corresponding to qualitative objectives, thus voluntarily waiving the total annual variable remuneration to which he may be entitled in the 2020 fiscal year.
 - o Fiscal year 2021: With the pandemic still rampant and no return yet foreseen to sufficient revenue levels, at the beginning of fiscal year 2021, new temporary interim measures were adopted to contribute to dealing with this complicated scenario and it was proposed to all employees with annual gross remuneration

of EUR 85 thousand or higher, a temporary salary reduction (of 10% of the fixed remuneration) during 2021, including the then Chief Executive Officer. Likewise it was applied a 20% reduction in the remuneration of the non executive Board members during the same time period (although this would not affect of the remuneration of the non-executive Chairman, whose remuneration has already been cut by 50%, from EUR 400 thousand to EUR 200 thousand in December 2020).

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

Remuneration of the Directors:

Regarding the first half of 2022:

- i. The overall remuneration of the Board of Directors includes that of Mr. Roberto Alcántara Rojas up to the time of his cessation as a director (June 28, 2022).

Likewise and since the Remuneration Policy for directors for the years 2022, 2023 and 2024 has been approved by the PRISA Shareholders' Meeting held on June 28, 2022 and it provides for the remuneration corresponding to the members of the Sustainability Commission (set up in February 2022), the table above also includes the remuneration corresponding to the members of said Commission for June 29 and 30, 2022.

- ii. Within the variable remuneration in cash of the directors, are included the following items:
 - Annual variable compensation (bonus): is the reflection of the amount corresponding to theoretical annual variable compensation of Mr. Francisco Cuadrado and Mr. Carlos Nuñez, both executive directors of the Company, if 2022 management objectives are achieved.

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

established by the Board of Directors. In the first half of 2022, an expense of EUR 238 thousand was recorded for this item.

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

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

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

The beneficiaries will have the right to receive in cash a percentage of the value created for Santillana, understood as the positive difference between the enterprise value of Santillana on the date on which the specific corporate transaction is carried out and the initial date (September 1, 2020), taking into account the amount of the distributed dividends as well as capital flow. Santillana's enterprise value at the completion date will be that resulting from a valuation made by one or more independent experts. The enterprise value of Santillana at the initial date has been set at EUR 1,25 billion.

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

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

○ "PRISA Incentive Plan 2018- 2020":

At the Ordinary Shareholders' Meeting held on April 25, 2018, a Medium Term Incentive Plan was approved for the period falling between 2018 and 2020", consisting of the award of Company shares linked to stock market value and to the performance of certain economic objectives (the "Plan"), (non-exclusive conditions), targeted at the former CEO of Prisa and certain managers, who may receive a certain number of ordinary shares of the Company following a reference period of 3 years, provided that certain predefined requirements are met. The Company assigned a certain number of restricted stock units ("Restricted Stock Units" or "RSUs") to each beneficiary, which would serve as a reference to determine the final number of shares to be delivered.

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

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

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

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

○ "Santillana medium-term incentive Plan 2022-2025":

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

Mr. Cuadrado will be allocated a theoretical number of shares equivalent to EUR 500 thousand gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered. The calculations will be made considering the average stock market value of PRISA shares during the last quarter of 2021. In addition, the incentive may be increased depending on the evolution of PRISA's share price.

In the first half of 2022, no expense has been recorded for this Plan, since it was pending approval by PRISA Shareholders' Meeting (which took place on June 28, 2022) as well as its formal communication to the beneficiary.

o "PRISA Media medium-term incentive Plan 2022-2025":

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

Mr. Nuñez will be allocated a theoretical number of shares equivalent to EUR 500 thousand gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered. The calculations will be made considering the average stock market value of PRISA shares during the last quarter of 2021. In addition, the incentive may be increased depending on the evolution of PRISA's share price.

In the first half of 2022, no expense has been recorded for this Plan, since it was pending approval by PRISA Shareholders' Meeting (which took place on June 28, 2022) as well as its formal communication to the beneficiary.

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

Regarding the first half of 2021:

- i. The overall remuneration of the Board of Directors includes that of Mr. Javier de Jaime Guijarro up to the time of his cessation as a director in February 2021.

- ii. Likewise included is compensation for Messrs. Manuel Mirat and Carlos Nuñez for their executive responsibilities.

For performance of his executive functions in the Company, Mr. Manuel Mirat's (Prisa CEO until June 29, 2021 and Executive Chairman of Santillana from that same date and during July 2021) annual fixed cash compensation was EUR 500 thousand. However, and as previously noted, given the extraordinary circumstances prompted by the COVID-19 crisis, that compensation was reduced by 10% during 2021.

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

- Annual variable compensation (bonus): is the reflection of the amount corresponding to theoretical annual variable compensation of Mr. Manuel Mirat and Mr. Carlos Nuñez, (both executive directors of the Company at that time), if 2021 management objectives are achieved. In the first half of 2021, an expense of EUR 95 thousand was recorded for this item.
- Regularization of 2020 Mr. Manuel Mirat's bonus, taking into consideration the position expressed by Mr. Mirat to waive the annual variable remuneration that may correspond to him in 2020. In the first half of 2021, a minor expense of EUR 60 thousand was recorded for this item.
- Medium-term Incentive Plan 2020-2023, linked to the creation of value of Santillana: the Directors Compensation Policy for 2021, 2022 and 2023 (approved at the Annual Shareholders Meeting held on June 29, 2021) provides for medium-term incentives linked to value creation in Santillana during the term commencing on September 1, 2020 and ending on December 31, 2023, whose beneficiaries included, among others, Mr. Manuel Mirat (then executive director).

In the first half of 2021, an expense of EUR 105 thousand was recorded for this item in relation to Mr. Mirat.

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

- iv. Compensation systems based on shares: In the first half of 2021, an expense of EUR 322 thousand was recorded for the “PRISA Incentive Plan 2018-2020”, in relation to the then CEO of Prisa, Mr. Mirat.
- 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 2021.

Senior management compensation:

The aggregate compensation of the managers is the accounting reflection of the overall compensation of members of senior management who are not executive directors of PRISA. In the first half of 2022 amounts to EUR 514 thousand and in the first half of 2021 amounted to EUR 7,166 thousand.

Regarding the first half of 2022:

- i. The aggregate compensation as of June 30, 2022, is the compensation of the following managers: the Secretary to the Board of Directors (Mr Pablo Jiménez de Parga), the CFO Mr David Mesonero (who has resigned from said position with effect from June 30, 2022), the Chief of Communication and Institutional Relations Mr Jorge Rivera, the Chief Sustainability Officer Ms Rosa Junquera (since joining this position in March 2022), the Head of People and Talent Ms Marta Bretos (since joining the senior management team in March 2022) and the PRISA’s Director of Internal Audits Ms Virginia Fernández.
- ii. The remuneration of the senior management includes, inter alia:
 - o Annual variable compensation (bonus): reflection of the amount corresponding to theoretical annual variable compensation of the executives if 2022 management objectives are achieved. However, since this compensation is subject to achievement of the management objectives at the end of the year 2022, the accounting figure in no way constitutes acknowledgment that that variable compensation has accrued, which will occur, if at all, once the year is closed and the 2022 annual accounts of the Group are prepared, based on the level of achievement of the established objectives.
 - o Recalculation of the 2021 bonus paid in 2022.
 - o “PRISA 2018-2020 Incentives Plan”: in the first half of 2022 no expenses were registered for the settlement of this plan in 2022.
 - o “Medium-term Incentive Plan 2020-2025, linked to the creation of value in Santillana through the implementation of a corporate transaction”: In the first half of 2022, the provision registered for this Plan in relation to Mr. Mesonero has been reversed, as a result of its modification.

- “PRISA 2022-2025 Incentive Plan”:

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

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

The Plan also envisioned an increment if refinancing was achieved in the terms set forth in the Plan. Refinancing was implemented in April 2022, an expense of EUR 193 thousand was recorded.

- “2022-2025 Incentive Plan for PRISA Media and Santillana executives”:

At its meeting held on April 26, 2022, PRISA’s Board of Directors approved a medium-term incentive plan benefiting some PRISA Media and Santillana executives, which is contingent upon achieving certain quantitative objectives contained in the budgets of PRISA Media (linked to EBITDA, cash flow and digital revenue) and Santillana (linked to EBIT and cash flow), for managers of those respective business units during 2022, 2023, 2024 and 2025, and which will be payable in shares.

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

Still to be determined are the beneficiaries of this Plan in PRISA (as well as the corresponding objectives linked to the Plan for that group). In any case, theoretical shares equivalent to a maximum of EUR 125 thousand gross could be distributed among the members of the group each year in which the Plan is in effect, which would serve to determine the final number of shares to be awarded.

In the first half of 2022 no expenses were registered for this plan since it had not been communicated to its beneficiaries and, therefore, it has not been formalized in said period.

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

Regarding the first half of 2021:

i) As of June 30, 2021, the managers were the following: the then General Secretary and Secretary to the Board of Directors Mr. Xavier Pujol, the then CFO Mr. Guillermo de Juanes, the then Chief of Communication and Institutional Relations Mr. Jorge, the then Chief of Risk Control and Management Control Mr Jorge Bujía, the then Head of HR Ms. Marta Bretos and the Prisa's Director of Internal Audits Ms. Virginia Fernández.

Likewise it was included the compensation for Messrs. Augusto Delkader, Miguel Angel Cayuela, Pedro García-Guillén and Alejandro Martínez Peón until they ceased in their functions respectively as Editorial Director, CEO of Santillana, CEO of Prisa Radio and CEO of Prisa Noticias.

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

- Annual variable compensation (bonus): is the reflection of the amount corresponding to theoretical annual variable compensation of members of senior management if 2021 management objectives were achieved.
- Recalculation of the 2020 bonus paid in 2021, taking into account that: i) in April 2020 the Managers voluntary waived the part of their 2020 annual variable compensation based on achievement of their quantitative objectives and ii) in January 2021 Mr. Pujol likewise waived the part of his annual variable compensation for achieving his qualitative objectives.
- The first half of 2021 figures include a EUR 744 thousand expense entry for the "2018-2020 Incentives Plan" with regard to the Managers.
- The first half of 2021 figures include a EUR 4,644 thousand expense entry for the severance of certain managers' contracts.

(17) GUARANTEE COMMITMENTS TO THIRD PARTIES

At June 30, 2022, PRISA had furnished personal guarantees (including counter-guarantees) amounting to EUR 7,803 thousand.

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

(18) ONGOING LITIGATIONS AND CLAIMS**A) Corporativo Coral**

On July 17, 2019, the company Corporativo Coral, S.A. de C.V. (hereinafter "Coral") entered into a shares purchase agreement with a third party of a 50% stake in Sistema Radiópolis, S.A. de C.V. (hereinafter "Radiópolis"). On such day, Coral entered into a shareholders' agreement

with Sociedad Española de Radiodifusión, S.L.U., owner of the other 50% of the capital of Radiópolis. The acquisition of the stake by Coral was completed in July 2020.

Once the stake was acquired, Coral refused to execute the agreements within the shareholders' agreement, incurring in several breaches thereof. Consequently, Sociedad Española de Radiodifusión, S.L.U. ("SER") has initiated several processes, before both the judges of Mexico City and the Court of Arbitration of the International Chamber of Commerce of Paris, to claim the compliance of the shareholders agreement by Coral and defend its position as a shareholder of Radiópolis.

On April 26, 2022, Coral and SER signed a transaction agreement, together with the Crédito Real financial group, which puts an end to the litigation, with SER maintaining all its rights as a shareholder and as a foreign investor in Mexico. At the date of preparation of these consolidated financial statements, the transaction agreement is subject to a suspensive condition consisting of the Federal Telecommunications Institute approving Crédito Real's status as shareholder in Radiópolis. This condition precedent does not affect or condition the historical contractual or statutory rights of SER.

B) CNMC

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

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

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

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

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

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

The process is currently pending voting and decision.

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

C) Other litigations

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

(19) EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred since June 30, 2022 until the date of approval of these interim condensed consolidated financial statements.

(20) 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, 2022

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

**CONDENSED CONSOLIDATED DIRECTORS' REPORT FOR THE SIX MONTHS
ENDED JUNE 30, 2022**

1. BUSINESS PERFORMANCE

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

By the end of the first half of 2022, the Education business reaches 2.5 million subscriptions in its education systems. In the Media business, there is an average of 240 million monthly unique browsers, an average of 47 million monthly audio content downloads and 79 million of total listening hours. Regarding El País, accounts for 220,000 total subscribers.

Prisa's social mission, as a business group focused on two essential sectors such as Education and Media, takes full meaning with the events that are taking place in recent years (the COVID-19 pandemic, the war in Ukraine, etc). Reliable and accurate information and access to better education play a more significant role than ever before. Therefore, in these crisis situations, the Group has given the highest priority to the continuity of its activities, reaffirming its social commitment. In support of Spanish and Latin American society, Prisa continues to guarantee access to: comprehensive, accurate and truthful information; quality entertainment; and, of course, a wide range of educational services.

In the first half of 2022, the start of the war in Ukraine has contributed to a gradual worsening of the macro-economic conditions, with higher inflation rates, interests and lower growth expectations for the global economy. In this environment, the summary of the Group's results, compared to the first half of 2021, is as follows:

- Operating income amounted to EUR 388.2 million (+26.8% vs 2021; +22.4% in local currency). The Education business shows a significant improvement, mainly driven by the private business due to the expansion of the subscription models based on educational systems, the extraordinary institutional sale in Argentina and the recovery of traditional didactic sales after 2021 was still affected by the pandemic. The public business also grows due to the higher sales in Mexico (temporary advance in sales) and higher sales in Brazil. The Media business shows an improvement in advertising revenues and growth in the digital paywall subscription model.
- Operating expenses (excluding depreciation and amortization charge, goodwill impairment and impairment and losses on fixed assets) amounted to EUR 343.4 million (+13.2% vs. 2021; +8.5% in local currency), in line with the increase in the operating income. Excluding the effect of lower severance payments, expenses

grew +17.4% (+12.6% in local currency), mainly due to higher variable expenses (in line with the increase in revenues), the impact of inflation and the raise in the cost of goods sold, energy resources and distribution linked to the macro-economic circumstances, previously mentioned. The efficiency measures that the Group continues to apply, partially offset the impact of the increase in expenses, allowing the Group to increase margins.

- EBITDA increased significantly compared to 2021, reaching EUR 44.7 million (EUR +42.0 million vs 2021; EUR +42.8 million in local currency). Excluding severance payments, EBITDA grew +176.5% in relation to 2021 (+179.7% in constant currency). The Group uses EBITDA as a benchmark to monitor the performance of its businesses and to set its operational and strategic targets, therefore, this “alternative performance measure” is important for the Group and is used by other companies in the sector. EBITDA is defined as profit from operations plus assets depreciation and amortization charge, impairment of goodwill and impairment of assets.

The following tables detail the reconciliation between EBITDA and the Group's result from operations for each of the segments of the first half of 2022 and 2021 (in millions of euros):

	06.30.2022			
	Education	Media	Others	PRISA Group
PROFIT FROM OPERATIONS	16.7	(2.5)	(4.0)	10.1
Depreciations and amortization charge	20.3	13.7	0.7	34.8
Impairment of assets	(0.3)	0.2	0.0	(0.2)
EBITDA	36.6	11.4	(3.3)	44.7

	06.30.2021			
	Education	Media	Others	PRISA Group
PROFIT FROM OPERATIONS	(5.3)	(13.7)	(9.4)	(28.4)
Depreciations and amortization charge	18.1	12.4	0.4	30.9
Impairment of assets	0.1	0.1	-	0.2
EBITDA	12.9	(1.2)	(9.0)	2.7

Exchange rates have had an impact on the performance of the Group's results, mainly due to currency appreciation in Brazil, Mexico and Argentina: +EUR 13.4 million in income and - EUR 0.8 million in EBITDA. In this sense, Prisa defines the impact of exchange rates as the difference between the financial figure converted at the exchange rate of the current year and the same financial figure converted at the exchange rate of the previous year. The Group monitors both operating income and profit from operations excluding the aforementioned exchange rate effect for comparability purposes and to measure management by isolating the effect of currency fluctuations in the various countries. This “alternative performance measure” is therefore important in order to be able to measure and compare the Group's

performance in isolation of the exchange rate effect, which distorts comparability between years.

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

	2022	Exchange rate effect	2022 excluding exchange rate effect	2021	Var. excluding Exchange rate effect	Var. (%) excluding exchange rate effect
Education (*)						
Operating income	202.5	12.9	189.6	131.7	57.9	44.0
EBITDA	36.6	(0.9)	37.5	12.9	24.6	190.6
Media						
Operating income	186.2	0.6	185.6	175.2	10.4	6.0
EBITDA	11.4	0.1	11.3	(1.2)	12.5	---
PRISA Group						
Operating income	388.2	13.4	374.8	306.2	68.6	22.4
EBITDA	44.7	(0.8)	45.5	2.7	42.8	---

(*) Excluding the exchange rate effect of Venezuela.

Education business continues to develop with a focus on expansion of subscription models based on education systems. In the first half of 2022 the number of subscriptions rose by 33% to 2,495 thousand subscriptions, and learning systems sales grew in line (+47.9%). Private didactic sales also grew significantly compared to 2021 (+65.7%), both due to the impact of the pandemic at the beginning of 2021 in southern countries, and also due to the extraordinary institutional sale in Argentina. Regarding public sales, growth is also remarkable due to Brazil and the increase in public sales in Mexico (Conaliteg was mainly billed in July in 2021).

- Operating revenues stood at EUR 202.5 million in the first half 2022, a growth of 53.7% compared to 2021 (+44.0% rise in local currency). Growth is driven by private sales (+54.5% due to the expansion of learning systems and the recovery of didactic sales, as well as the, already mentioned, significant institutional sale in Argentina) and also by public sales (+64.0% due to Brazil and the temporary advance in Mexico's Conaliteg public sale).
- Turning to operating expenses (excluding depreciation and amortization charges, goodwill impairment and impairment and losses on fixed assets), these amounted to EUR 165.9 million in the first half 2022, above 2021 (+39.6% in euros, and +28.0% in local currency). The increase is both due to the increase in variable costs (in line with higher revenues) and the raise in the cost of goods sold, distribution and inflation. Efficiency measures partially offset the increase in expenses.
- EBITDA stood at EUR 36.6 million in the first half 2022, with a growth of +183.6% compared to 2021 (+190.6% in local currency).
- The impact of exchange rates was EUR +12.9 million in operating income and EUR -0.9 million in EBITDA.

Media business continues to focus on brand leadership in the Spanish-speaking market, on digital transformation and growth of subscribers in El País. In the first half of 2022, audio downloads saw an average of 47 million (up by +51%) and hours of streaming listening (TLH) stood at 79 million (an increase of +19%). Prisa Media achieves 240 million monthly average unique browsers. On the other hand, El País digital subscription model accounts for 180,000 exclusively digital subscribers in June 2022. Regarding the operating income, the first half of 2022 shows growth driven by the recovery in radio advertising and the development in El País subscription model.

- Operating revenues stood at EUR 186.2 million in the first half 2022, a growth of 6.3% compared to 2021 due to the recovery of advertising revenues, which grew by +7%. Also, growth is driven by El País' digital subscription model raise (+33% in revenues).
- Turning to operating expenses (excluding depreciation and amortization charges, goodwill impairment and impairment and losses on fixed assets), these amounted to EUR 174.8 million in the first half 2022, with a fall of -0.9% compared to 2021 (+3.1% excluding severance expenses). The descend in severance expenses (linked to the restructuring plan of 2021) and the efficiency measures offset the increase in variable costs (in line with higher revenues), the impact of inflation and the increase in costs related to the macro-economic circumstances.
- EBITDA stood at EUR 11.4 million in the first half 2022, compared to EUR -1.2 million in 2021, an improvement of EUR +12.6 million compared to 2021, mainly due to the market advertising recovery and cost savings. Excluding severance expenses, EBITDA accounts for EUR 14.3 million, a +69.4% improvement compared to 2021.

The Group's net bank debt increased by EUR 77.5 million during the first half of 2022 and amounted to EUR 833.6 million at June 30, 2022, due to the Group's cash needs during the first half of the year, including the acquisition of 20% stake of Prisa Radio for EUR 30 million. This debt indicator is an "alternative measure of performance" and includes non-current and current bank borrowings, excluding present value in financial instruments/loan arrangements costs, diminished by current financial assets, cash and cash equivalents and is important for the analysis of the Group's financial position.

The following table shows the composition of this indicator at June 30, 2022 and at December 31, 2021:

	Million of euros	
	06/30/22	12/31/21
Non-current bank borrowings	895.8	934.3
Current bank borrowings	25.6	14.9
Present value (*)	39.4	(22.4)
Current financial assets (**)	(1.7)	(2.0)
Cash and cash equivalents	(125.5)	(168.7)
NET BANK DEBT	833.6	756.1

(*) See note 10 of the attached explanatory notes

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

The Group has taken steps to maximize its liquidity, with an available cash at the end of June amounting to EUR 115.5 million and EUR 103.0 million of available unused credit facilities.

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.
- Strategic and operational risks.
- Non- financial risks.
- Reputational risks.

2.1. Risks relating to the financial and equity situation

Financing risk-

The Group's financial obligations are set out in note 11b "*Financial liabilities*" in the consolidated financial statements for 2021.

As of June 30, 2022, the Group's net bank debt level stood at EUR 833.6 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.

In February 2022 the Board of Directors of PRISA has approved, by unanimity, the signing of a lock-up agreement (the "Lock-Up Agreement") that incorporates a term sheet with the basic conditions for the amendment of the Group's syndicated financial debt (the "Refinancing"). On April 19, 2022, the Refinancing entered into force, once the agreements reached with all of its creditors had concluded. The basic terms of the agreed Refinancing consist, among other aspects, in the extension of the maturity of the financial debt to 2026 and 2027 and division of the syndicated loan into two differentiated tranches (one of senior debt and one of junior debt) and the flexibilization of the contractual commitments of the current debt that will allow, among other improvements, to increase PRISA's operating flexibility and soften the financial ratios required by its current contracts. The agreed Refinancing will thus make the Group's financial debt more flexible and will provide a financial structure allowing the Group to comply with its financial commitments, ensuring the Group's stability in the short and medium term.

In addition, the contracts governing PRISA's Group debt terms stipulate requirements and commitments for compliance with specific leverage and financial ratios (*covenants*). The new financial contracts establish compliance with certain financial ratios for the PRISA Group, the application of which begins on June 30, 2022. These contracts also include provisions on cross-default, which could cause, if the breach exceeds certain amounts, the early maturity and resolution of the aforementioned contracts.

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. In the first half of 2022, advertising revenue represented 36.5% 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 consolidated explanatory notes, the invasion in Ukraine and the COVID-19 (Coronavirus) have led that the situation of the markets causing a general increase in liquidity pressures in the economy and a contraction in the credit market. In this respect, the Group has a Super Senior debt ("*Super Senior Term & Revolving Facilities Agreement*") to meet operational needs for a maximum amount of up to EUR 240 million, of which EUR 160 million, were drawn as of June 30, 2022. Likewise, the rest of subsidiaries of the Group have credit facilities with a limit amount of EUR 23.0 million as of June 30, 2022, that are undrawn as of June 30, 2022 (*see note 10 of the explanatory notes*). Therefore, as of June 30, 2022, the Group had undrawn credit facilities amounting to EUR 103.0 million, together with cash available of EUR 115.5 million. The Group has also implemented specific plans for the improvement and efficient management of liquidity to address these tensions.

Exposure to interest rate hedges-

The Group is exposed to changes in interest rates as around 97.55% 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, 2022, PRISA Group had active tax credits amounting to EUR 53.7 million, and they mainly correspond to temporary differences.

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

Intangible assets and goodwill-

As of June 30, 2022, the company had intangible assets recorded on its consolidated balance sheet amounting to EUR 104.6 million and goodwill of EUR 117.6 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 2022, 61% of Group operating income came from international markets. Nevertheless, Spain continues to be the Group's main geographical market (representing 39% of Group operating income).

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

Decline in the advertising market-

An important part of PRISA's operating income comes from the advertising market, mainly in its Media businesses. During the first half 2022, advertising revenue represented 36.5% 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-

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

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

Competition risk-

PRISA's businesses operate in highly competitive sectors.

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

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

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

Country risk-

PRISA operations and investments may be affected by different risks that are typical to investments in countries with emerging economies or with unstable backdrops, such as currency devaluation, capital controls, inflation, expropriations or nationalizations, tax changes or changes in policies and regulations.

Regulatory risk-

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

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

Furthermore, PRISA businesses are subject to many regulations in terms of fair competition, control of economic mergers or anti-monopolistic legislation at a global or local level.

Risk of concentration of customers in the public sector-

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

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

Digital transformation process-

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

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

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 implies 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.

2.3. Non financial risks

See section 5 of the Consolidated Directors' Report of 2021.

2.4. Reputational risks

See section 5 of the Consolidated Directors' Report of 2021.

3. OUTLOOK. BUSINESS DEVELOPMENT PROSPECTS: KEY FACTORS AND TRENDS

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

Recent years have been marked by a general climate of almost constant volatility, uncertainty, complexity and ambiguity. This makes it difficult to predict future business performance, especially in the medium and long term. This environment of complexity has been greatly aggravated as a result of different events that are having a great impact at a global level: COVID-19 pandemic, war in Ukraine, disruptions in the supply chain, significant increase in inflation rates, increase in the price of energy resources, or rise in interest rates, to name some of the most relevant.

The World's Bank "Global Economic prospects" report, describes a certain deceleration in global economy, that could transform into short growth and high rates of inflation (stagflation)

In general, both the Education business and the Media business tend to develop in a way that is very much subject to the macroeconomic environment, 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.

On this matter, the war in Ukraine with its macro-economic impact is lowering growth in the economies, delaying the effects of recovery from the COVID-19 pandemic. According to the IMF for the year 2022 (figures from the April 2022 report), GDP expected growth for advanced economies will be +3.3% (vs +5.2% in 2021). For Spain, the IMF expects a +4.8% growth (+5.1% in 2021); while according to Spain's Central Bank June's figures, growth will be even lower: +4.1%. The main countries in which Prisa operates in Latin America will also experience a slowdown in its 2022 growth according to IMF: Brazil will grow +0.8% (+4.6% in 2021), Mexico +2.0% (+4.8% in 2021), Colombia +5.8% (+10.6% in 2021), Chile +1.5% (+11.7% in 2021), Peru +3.0% (+13.3% in 2021) and Argentina +4.0% (+10.2% in 2021). For the whole of Latin America, it is expected a +2.5% growth for 2022 (+6.8% in 2021).

In line with the development of economic indicators in Latin America, the Group's results have also been affected by exchange rate volatility. In 2022, most of the currencies of Latin American countries have appreciated.

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

Another factor that affects the future development of Prisa's business is the advertising cycle. 36.5% of the Group's operating income in the first half of 2022 will come from advertising. The Media businesses, which are largely dependent on advertising revenues, have a high percentage of fixed costs, so that significant variations in advertising revenues have a significant impact on results, leading to an improvement or worsening of margins and the Group's cash position.

In this regard, during 2021 the advertising market partially recovered from the drastic drop of advertising investment in 2020 due to the COVID-19 pandemic, and recovery continues in 2022, although somehow affected by the macro-economic consequences of the war in Ukraine, especially in Europe. However, the Group's advertising revenues continue to grow +6.4% compared to the previous year.

i2P's June 2022 report indicates that the total advertising market in Spain grows by +2.3% in the first half of 2022, whereas the market in which is Prisa's media is present grows by +2.7%. The Group's advertising revenues in Spain have grown +0.3%.

In Latin America, the advertising market also recovered throughout 2021 from the impact of the pandemic. The incidence of the war in Ukraine is not affecting so significantly to date the advertising evolution in the countries in which the Group operates in Latin America. Thus, so far in 2022, the following growths are estimated: +37% in Colombia and +17% in Chile, according to Asomédios, May figures (Colombia) and Asociación de Agencias de Medios, April figures (Chile). Prisa's growth in both countries is as follows: +48% in Colombia and +10% in Chile (gross advertising data, in local currency).

According to the strategic roadmap on which the Group has been working in recent years, Media businesses will continue to develop and reduce their dependence on the performance of the offline advertising market and traditional formats. It will place more and more focus not only on the traditional advertiser, but also on the content consumer and new digital formats. It is worth mentioning the commitment to digital transformation and the development of subscription models. Significant events such as the launch of El País's digital subscription paywall model, that already reaches 180 thousand digital subscribers, or the development of the value proposition around the concept of audio, highlight the importance of this trend.

In addition, Prisa has the Education business, not so dependent on the economic cycle, which in the first half of 2022 represents 51.5% of the Group's operating income. Although the Education business has so far proven to be more resilient to crisis, the COVID-19 pandemic had a negative impact, especially on the development of traditional educational sales campaigns. Nevertheless, the pandemic has also implied an opportunity to accelerate the digital transformation towards the subscription models due to the increase of use of educational online platforms, that have thrust its usage precisely during this stage when a face-to-face teaching model was not possible.

During 2022, the reopening of schools has allowed a more efficient commercial campaign and with increasing demand for digital models, which implied a recovery in Santillana's income. The subscription models (educational systems) based on a hybrid teaching methodology (online and offline, face-to-face and distance, paper and digital, school and home, etc.), continue to grow in the first half of 2022, which confirms the importance of the digital transformation strategy at Santillana. On the other hand, the macro-economic situation is affecting the cost of goods sold and the distribution expenses, which is partially offset with cost control measures mainly in non-commercial expenses.

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

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

Digital audiences of the Group's Media continue to show significant figures. Media reached a total of 240 million unique browsers on average per year, almost 7 million registered users (+14% compared to 2021), 47 million audio downloads (+51% compared to 2021) and 180 thousand digital subscribers in El País; while Santillana's educational digital ecosystem continues its expansion and enriching its offer, adapting to the reopening of schools, maintaining levels of usage above the ones before the pandemic. In this regard, the pandemic has contributed to intensifying the use of technologies for the consumption of information, education or entertainment, favoring the growth of the Group's digital audiences.

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

ANNEX I

GENERAL

1ST

STATISTICAL INFORMATION REPORT FOR YEAR

2022

CLOSING DATE OF PERIOD

06/30/2022

I. IDENTIFICATION DATA

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

Registered address:

GRAN VÍA, 32

Tax ID no. (CIF)

A28297059

II. SUPPLEMENTARY INFORMATION TO PREVIOUSLY RELEASED PERIODIC INFORMATION

Anexar

Información

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)

III. DECLARACIÓN/(ES) DE LOS RESPONSABLES DE LA INFORMACIÓN

Hasta donde alcanza nuestro conocimiento, las cuentas anuales resumidas que se presentan, elaboradas con arreglo a los principios de contabilidad aplicables, ofrecen la imagen fiel del patrimonio, de la situación financiera y de los resultados del emisor, o de las empresas comprendidas en la consolidación tomadas en su conjunto, y el informe de gestión intermedio incluye un análisis fiel de la información exigida.

Observaciones a la declaración/(es) anterior/(es):

D. Khalid Thani Abdullah Al Thani has not signed this financial report as he was absent.

Persona/(s) que asume/(n) la responsabilidad de esta información:

De conformidad con el poder delegado por el Consejo de Administración, el secretario del Consejo certifica que el informe financiero semestral ha sido firmado por los administradores

Nombre/Denominación social	Cargo
D. JOSEPH MARIE OUGHOURLIAN	PRESIDENTE
D. ROSAURO VARO RODRIGUEZ	VICEPRESIDENTE
D ^a . BÉATRICE DE CLERMONT-TONNERRE	CONSEJERA COORDINADORA
AMBER CAPITAL UK LLP (representado por D. MIGUEL BARROSO AYATS)	VOCAL
D ^a . MARÍA TERESA BALLESTER FORNÉS	VOCAL
D ^a . CARMEN FERNÁNDEZ DE ALARCÓN ROCA	VOCAL
D ^a . MARIA JOSÉ MARÍN REY-STOLLE	VOCAL
D. MANUEL POLANCO MORENO	VOCAL
D. CARLOS NUÑEZ MURIAS	VOCAL
D ^a . MARIA TERESA QUIRÓS ÁLVAREZ	VOCAL
D. JAVIER SANTISO GUIMARAS	VOCAL
D. FRANCISCO ANTONIO CUADRADO PEREZ	VOCAL

Fecha de firma de este informe financiero semestral por el órgano de administración correspondiente:

07/26/2022

IV. SELECTED FINANCIAL INFORMATION

1. INDIVIDUAL BALANCE SHEET (PREPARED USING THE PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousands of euros

ASSETS		PRESENT PER. 06/30/2022	PREVIOUS PER. 12/31/2021
A) NON-CURRENT ASSETS	0040	1,249,135	585,408
1. Intangible assets:	0030	63	86
a) Goodwill	0031		
b) Other intangible assets	0032	63	86
2. Property, plant and equipment	0033	695	1,153
3. Investment properties	0034		
4. Long-term investments in group companies and associates	0035	1,248,106	584,021
5. Long-term financial investments	0036	155	9
6. Deferred tax assets	0037	116	139
7. Other non-current assets	0038		
B) CURRENT ASSETS	0085	27,903	21,407
1. Non-current assets held for sale	0050	250	278
2. Inventories	0055		
3. Trade and other receivables:	0060	582	1,664
a) Trade receivables for sales and services	0061	477	263
b) Other receivables	0062	85	645
c) Current tax assets	0063	20	756
4. Short-term investments in group companies and associates	0064	16,766	8,478
5. Short-term financial investments	0070	0	0
6. Current accrual accounts	0071	115	223
7. Cash and cash equivalents	0072	10,190	10,764
TOTAL ASSETS (A+B)	0100	1,277,038	606,815

Comentarios

EQUITY AND LIABILITIES

		PRESENT PER. 06/30/2022	PREVIOUS PER. 12/31/2021
A) EQUITY (A.1+ A.2+ A.3)	0195	316,462	353,260
A.1) CAPITAL AND RESERVES	0180	316,462	353,260
1. Share Capital:	0171	74,065	70,865
a) Authorized capital	0161	74,065	70,865
b) Less: Uncalled capital	0162		
2. Share premium	0172	17,088	
3. Reserves	0173	282,428	277,266
4. Less: Treasury stock	0174	(728)	(1,320)
5. Profit/loss brought forward	0178	0	(49,144)
6. Other shareholder contributions	0179		
7. Net income for the year	0175	(56,391)	55,593
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	884,980	203,026
1. Long-term provisions	0115	2,062	2,719
2. Long-term debts	0116	882,918	200,307
a) Bank borrowings and bonds and other negotiable securities	0131	882,918	200,307
b) Other non-current financial liabilities	0132		
3. Long-term payable to group and associates companies	0117		
4. Deferred tax liabilities	0118		
5. Other non-current liabilities	0135		
6. Long-term accrual accounts	0119		
B) CURRENT LIABILITIES	0130	75,596	50,529
1. Non-current liabilities held for sale	0121		
2. Short-term provisions	0122	3,324	3,622
2. Short-term payables	0123	19,636	11,279
a) Bank borrowings and bonds and other negotiable securities	0133	9,278	1,279
b) Other financial liabilities	0134	10,358	10,000
4. Current payables to group and associates companies	0129	42,783	31,474
5. Trade and other payables	0124	9,853	4,154
a) Suppliers	0125	47	42
b) Other accounts payable	0126	9,806	4,112
c) Current tax liabilities	0127		
6. Other current liabilities	0136		
7. Current accrual accounts	0128		
TOTAL EQUITY AND LIABILITIES (A+B+C)	0200	1,277,038	606,815

Comments

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

Units: Thousands of euros

		CURRENT CUMULATIVE 06/30/2022 Amount	PREVIOUS CUMULATIVE 06/30/2021 Amount
(+) Revenues	0205	2,077	104,312
(+/-) Variation in inventories of finished products and products in process	0206		
(+) Own work capitalized	0207		
(-) Suppliers	0208		
(+) Other operating revenues	0209	98	169
(-) Staff costs	0217	(2,214)	(7,595)
(-) Other operating expenses	0210	(3,565)	(4,735)
(-) Depreciation and amortization charge	0211	(480)	(176)
(+) Allocation of grants for non-financial assets and others	0212		
(+) Overprovision	0213		
(+/-) Impairment and results on fixed asset disposals	0214		
(+/-) Other income	0215	0	
= RESULT FROM OPERATIONS	0245	(4,084)	91,975
(+) Finance income	0250	4	8,285
(-) Finance expenses	0251	(59,199)	(9,566)
(+/-) Change in value of financial instruments	0252	(255)	(2,261)
(+/-) Exchange differences (net)	0254	9	1
(+/-) Impairment and results on disposals of financial instrument	0255	1,695	(15,300)
= NET FINANCIAL RESULT	0256	(57,746)	(18,841)
= PROFIT (LOSS) BEFORE TAX	0265	(61,830)	73,134
(+/-) Income tax	0270	5,467	(23)
= PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	0280	(56,363)	73,111
(+/-) Net income for the year from discontinued operations net of tax	0285	(28)	(138)
= PROFIT (LOSS) FOR THE YEAR	0300	(56,391)	72,973
EARNINGS PER SHARE		Amount (X.XX euros)	Amount (X.XX euros)
Basic	0290	(0.08)	0.10
Diluted	0295	(0.08)	0.10

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 06/30/2022	PREVIOUS PERIOD 06/30/2021
A) PROFIT (LOSS) FOR THE YEAR (from the income statement)	0305	(56,391)	72,973
B) INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY:	0310	0	0
1. From measurement of financial instruments:	0320	0	0
a) Financial assets held for sale	0321		
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		
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	(56,391)	72,973

Comments

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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 STANDARDS)

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 01/01/2022	3010	70,865	228,122	(1,320)	55,593	0	0	0	353,260
Adjustment for changes in accounting policy	3011								0
Adjustment for errors	3012								0
Adjusted opening balance	3015	70,865	228,122	(1,320)	55,593	0	0	0	353,260
I. Total recognised income/ (expense) the period	3020		0		(56,391)		0		(56,391)
II. Transactions with shareholders or owners	3025	3,200	15,629	592	0	0	0	0	19,421
1. Capital increases/ (reductions)	3026	3,200	17,088						20,288
2. Conversion of financial liabilities into equity	3027								0
3. Distribution of dividends	3028								0
4. Trading with own shares (net)	3029		(1,459)	592					(867)
5. Increases/ (reductions) for business combinations	3030								0
6. Other transactions with shareholders or owners	3032								0
III. Other changes in equity	3035	0	55,765	0	(55,593)	0	0	0	172
1. Share based payments	3036								0
2. Transfers between equity accounts	3037		55,593		(55,593)				0
3. Other variations	3038		172						172
Closing balance at 06/30/2022	3040	74,065	299,516	(728)	(56,391)	0	0	0	316,462

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					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 01/01/2021 (comparative period)	3050	70,865	276,583	(1,530)	(49,144)	0	0	0	296,774
Adjustment for changes in accounting policy	3051								0
Adjustment for errors	3052								0
Adjusted opening balance (comparative period)	3055	70,865	276,583	(1,530)	(49,144)	0	0	0	296,774
I. Total recognised income/ (expense) the period	3060		0		72,973		0		72,973
II. Transactions with shareholders or owners	3065	0	(310)	(405)	0	0	0	0	(715)
1. Capital increases/ (reductions)	3066								0
2. Conversion of financial liabilities into equity	3067								0
3. Distribution of dividends	3068								0
4. Trading with own shares (net)	3069		(310)	(405)					(715)
5. Increases/ (reductions) for business combinations	3070								0
6. Other transactions with shareholders or owners	3072								0
III. Other changes in equity	3075	0	(47,571)	0	49,144	0	0	0	1,573
1. Share based payments	3076								0
2. Transfers between equity accounts	3077		(49,144)		49,144				0
3. Other variations	3078		1,573						1,573
Closing balance at 06/30/2021 (comparative period)	3080	70,865	228,702	(1,935)	72,973	0	0	0	370,605

Comments

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

Units: Thousands of euros

		PRESENT PERIOD 06/30/2022	PREVIOUS PERIOD 06/30/2021
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+ 2+ 3+ 4)	0435	(18,146)	7,310
1. Profit (loss) before tax	0405	(61,830)	73,134
2. Adjustments to profit (loss):	0410	57,670	(81,953)
(+) Depreciation and amortization charge	0411	480	176
(+/-) Other adjustments to income (nets)	0412	57,190	(82,129)
3. Changes in working capital	0415	(150)	3,929
4. Other cash flows from operating activities:	0420	(13,836)	12,200
(-) Interest paid	0421	(4,079)	(6,169)
(+) Dividends received	0422		11,125
(+) Interest received	0423		245
(+/-) Income tax recovered/(paid)	0430	315	201
(+/-) Other sums received/(paid) from operating activities	0425	(10,072)	6,798
B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2)	0460	(82)	(101,554)
1. Payments for investments:	0440	(624)	(101,574)
(-) Group companies, associates and business units	0441	(624)	(101,520)
(-) Property, plant and equipment, intangible assets and investment properties	0442		(54)
(-) 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	542	20
(+) Group companies, associates and business units	0451	542	
(+) Property, plant and equipment, intangible assets and investment properties	0452		20
(+) 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	17,654	94,506
1. Sums received /(paid) in respect of equity instruments:	0470	(94)	(715)
(+) Issues	0471		
(-) Amortization	0472		
(-) Acquisition	0473	(94)	(715)
(+) Disposal	0474		
(+) Grants, donations and gifts received	0475		
2. Sums received /(paid) for financial liability instruments:	0480	17,748	95,221
(+) Issues	0481	17,748	175,221
(-) Repayment and redemption	0482		(80,000)
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	(574)	262
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	0499	10,764	10,409
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+ F)	0500	10,190	10,671
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		PRESENT PERIOD 06/30/2022	PRESENT PERIOD 06/30/2021
(+) Cash and banks	0550	10,190	10,671
(+) Other financial assets	0552		
(-) <i>Less: Bank overdrafts repayable on demand</i>	0553		
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	0600	10,190	10,671

Comments

IV. SELECTED FINANCIAL INFORMATION			
5. STATEMENT OF CONSOLIDATED FINANCIAL SITUATION (IFRS ADOPTED)			
Units: Thousands of euros			
ASSETS		PRESENT PER. 06/30/2022	PREVIOUS PER. 12/31/2021
A) NON-CURRENT ASSETS	1040	420,903	399,222
1. Intangible assets:	1030	222,154	205,550
a) Goodwill	1031	117,566	109,542
b) Other intangible assets	1032	104,588	96,008
2. Property, plant and equipment	1033	107,565	109,678
3. Investment properties	1034	15	14
4. Investments accounted for using the equity method	1035	30,186	27,020
5. Non-current financial assets	1036	7,254	11,359
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	7,254	11,359
6. Non-current derivatives	1039	0	0
a) Coverage	1045	0	0
b) Other	1046		
7. Deferred tax assets	1037	53,729	45,601
8. Other non-current assets	1038	0	0
B) CURRENT ASSETS	1085	421,996	479,061
1. Non-current assets held for sale	1050	1,264	2,307
2. Inventories	1055	64,743	39,920
3. Trade and other receivables:	1060	228,780	265,737
a) Trade receivables for sales and services	1061	161,434	205,486
b) Other receivables	1062	67,346	60,251
c) Current tax assets	1063		
4. Current financial assets	1070	1,727	2,425
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	1,727	2,425
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	125,482	168,672
TOTAL ASSETS (A + B)	1100	842,899	878,283
Comments			

EQUITY AND LIABILITIES		PRESENT PER. 06/30/2022	PREVIOUS PER. 12/31/2021
A) EQUITY (A.1+ A.2+ A.3)	1195	(527,468)	(511,815)
A.1) CAPITAL AND RESERVES	1180	(464,311)	(466,354)
1. Share Capital	1171	74,065	70,865
a) Authorized capital	1161	74,065	70,865
b) Less: <i>Uncalled capital</i>	1162		
2. Share premium	1172	17,088	0
3. Reserves	1173	124,945	118,829
4. Less: <i>Treasury stock</i>	1174	(728)	(1,320)
5. Profit/loss brought forward	1178	(665,685)	(548,222)
6. Other shareholder contributions	1179		
7. Profit (loss) for year attributable to parent company	1175	(13,996)	(106,506)
8. Less: <i>Interim dividend</i>	1176	0	
9. Other equity instruments	1177	0	0
A.2) OTHER ACCUMULATED INTEGRAL RESULT	1188	(77,966)	(90,410)
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	(77,966)	(90,410)
a) Hedging	1182		
b) Translation differences	1184	(77,966)	(90,410)
c) Participation in other comprehensive income for investments in joint ventures a	1192		
d) Debt instruments at fair value with changes in other comprehensive income	1191		
e) Other	1183	0	0
EQUITY ATTRIBUTABLE TO THE CONTROLLING COMPANY (A.1+ A.2)	1189	(542,277)	(556,764)
A.3) NON-CONTROLLING PARTICIPATIONS	1193	14,809	44,949
B) NON-CURRENT LIABILITIES	1120	991,225	1,033,811
1. Grants	1117	242	419
2. Non-current provisions	1115	16,526	21,016
3. Non-current financial liabilities:	1116	952,065	988,196
a) Bank borrowings and bonds and other negotiable securities	1131	895,787	934,342
b) Other non-current financial liabilities	1132	56,278	53,854
4. Deferred tax liabilities	1118	19,525	21,335
5. Non-current derivatives	1140	0	0
a) Coverage	1141		
b) Other	1142		
6. Other non-current liabilities	1135	2,867	2,845
C) CURRENT LIABILITIES	1130	379,142	356,287
1. Non-current liabilities held for sale	1121	423	1,096
2. Current provisions	1122	6,679	14,087
3. Current financial liabilities:	1123	57,288	30,802
a) Bank borrowings and bonds and other negotiable securities	1133	25,554	14,918
b) Other financial liabilities	1134	31,734	15,884
4. Trade and other payables:	1124	282,418	275,084
a) Suppliers	1125	209,920	195,983
b) Other accounts payable	1126	72,498	79,101
c) Current tax liabilities	1127		
5. Current derivatives	1145	0	0
a) Coverage	1146		
b) Other	1147		
6. Other current liabilities	1136	32,334	35,218
TOTAL EQUITY AND LIABILITIES (A + B + C)	1200	842,899	878,283
Comments			

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

Units: Thousands of euros

		CURRENT CUMULATIVE 06/30/2022	PREVIOUS CUMULATIVE 06/30/2021
(+) Revenues	1205	381,690	301,810
(+/-) Variation in inventories of finished products and products in process	1206		
(+) Own work capitalized	1207	334	420
(-) Suppliers	1208	(61,550)	(41,115)
(+) Other operating revenues	1209	4,014	3,655
(-) Staff costs	1217	(145,543)	(143,848)
(-) Other operating expenses	1210	(136,333)	(118,520)
(-) Depreciation and amortization charge	1211	(34,787)	(30,921)
(+) Allocation of grants for non-financial assets and others	1212		
(+/-) Impairment on fixed asset	1214	176	(214)
(+/-) Results on fixed asset disposals	1216	2,118	324
(+/-) Other income	1215		
= RESULT FROM OPERATIONS	1245	10,119	(28,409)
(+) Finance income	1250	2,867	9,603
a) Interest income calculated according to the effective interest rate method	1262		
b) Other	1263	2,867	9,603
(-) Finance costs	1251	(85,334)	(32,193)
(+/-) Change in value of financial instruments	1252	59,424	(7,703)
(+/-) 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	603	1,238
(+/-) 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	(22,440)	(29,055)
(+/-) Profit (loss) from companies recorded by the equity method	1253	3,475	(306)
= PROFIT (LOSS) BEFORE TAX	1265	(8,846)	(57,770)
(+/-) Income tax	1270	(5,524)	(664)
= PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	1280	(14,370)	(58,434)
(+/-) Net income for the year from discontinued operations net of tax	1285	0	0
= CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	1288	(14,370)	(58,434)
a) Profit (loss) for year attributable to controlling company	1300	(13,996)	(56,179)
b) Profit (loss) for attributable to the non-controlling participations	1289	(374)	(2,255)
EARNINGS PER SHARE		Amount (X.XX euros)	Amount (X.XX euros)
Basic	1290	(0.02)	(0.08)
Diluted	1295	(0.02)	(0.08)

Comments

IV. SELECTED FINANCIAL INFORMATION

7. OTHER CONSOLIDATED INTEGRAL RESULT (IFRS ADOPTED)

Units: Thousands of euros

		PRESENT PERIOD 06/30/2022	PREVIOUS PERIOD 06/30/2021
A) CONSOLIDATED NET INCOME FOR THE PERIOD (from income statement)	1305	(14,370)	(58,434)
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	25,056	3,656
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	22,404	3,088
a) Profit/(Loss) for valuation	1366	21,758	3,185
b) Amounts transferred to the profit and loss account	1367	646	(97)
c) Other reclassifications	1368		
3. Participation in other comprehensive income recognized for the investments in joint ventures and associates:	1370	2,652	568
a) Profit/(Loss) for valuation	1371	2,652	568
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	0
a) Profit/(Loss) for valuation	1376		
b) Amounts transferred to the profit and loss account	1377		
c) Other reclassifications	1378		
6. Tax effect	1380		
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A+ B+ C)	1400	10,686	(54,778)
a) Attributable to the controlling company	1398	9,166	(51,874)
b) Attributable to non-controlling participations	1399	1,520	(2,904)

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 controlling entity					Non-controlling participations	Total Equity	
		Equity							
		Share Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for period attributable to the controlling entity	Other equity instruments			Adjustments for changes in value
Opening balance at 01/01/2022	3110	70,865	(429,393)	(1,320)	(106,506)	0	(90,410)	44,949	(511,815)
Adjustment for changes in accounting policy	3111								0
Adjustment for errors	3112								0
Adjusted opening balance	3115	70,865	(429,393)	(1,320)	(106,506)	0	(90,410)	44,949	(511,815)
I. Integral Result Total for the period	3120		4,311		(13,996)		18,851	1,520	10,686
II. Transactions with shareholders or owners	3125	3,200	4,325	592	0	0	(6,407)	(30,144)	(28,434)
1. Capital increases/ (reductions)	3126	3,200	17,088						20,288
2. Conversion of financial liabilities into equity	3127								0
3. Distribution of dividends	3128							(3,717)	(3,717)
4. Trading with own shares (net)	3129		(1,459)	592					(867)
5. Increases/ (reductions) for business combinations	3130		(11,304)				(6,407)	(26,427)	(44,138)
6. Other transactions with shareholders or owners	3132								0
III. Other changes in equity	3135	0	(102,895)	0	106,506	0	0	(1,516)	2,095
1. Share based payments	3136								0
2. Transfers between equity accounts	3137		(106,506)		106,506				0
3. Other variations	3138		3,611					(1,516)	2,095
Closing balance at 06/30/2022	3140	74,065	(523,652)	(728)	(13,996)	0	(77,966)	14,809	(527,468)

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 controlling entity					Adjustments for changes in value	Non-controlling participations	Total Equity
		Equity							
		Share Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for period attributable to the controlling entity	Other equity instruments			
Opening balance at 01/01/2021 (comparative period)	3150	70,865	(516,048)	(1,530)	89,737	0	(92,275)	46,271	(402,980)
Adjustment for changes in accounting policy	3151								0
Adjustment for errors	3152								0
Adjusted opening balance (comparative period)	3155	70,865	(516,048)	(1,530)	89,737	0	(92,275)	46,271	(402,980)
I. Integral Result Total for the period	3160		(7,067)		(56,179)		11,372	(2,904)	(54,778)
II. Transactions with shareholders or owners	3165	0	(310)	(405)	0	0	0	(1,138)	(1,853)
1. Capital increases/ (reductions)	3166								0
2. Conversion of financial liabilities into equity	3167								0
3. Distribution of dividends	3168							(1,295)	(1,295)
4. Trading with own shares (net)	3169		(310)	(405)					(715)
5. Increases/ (reductions) for business combinations	3170							157	157
6. Other transactions with shareholders or owners	3172								0
III. Other changes in equity	3175	0	91,643	0	(89,737)	0	0	1,096	3,002
1. Share based payments	3176								0
2. Transfers between equity accounts	3177		89,737		(89,737)				0
3. Other variations	3178		1,906					1,096	3,002
Closing balance at 06/30/2021 (comparative period)	3180	70,865	(431,782)	(1,935)	(56,179)	0	(80,903)	43,325	(456,609)

Comments

IV. SELECTED FINANCIAL INFORMATION
9.A. CONSOLIDATED CASH FLOW STATEMENT (INDIRECT METHOD) (IFRS ADOPTED)

Units: Thousands of euros

		PRESENT PERIOD 06/30/2022	PREVIOUS PERIOD 06/30/2021
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+ 2+ 3+ 4)		1435	37,242
1. Profit (loss) before tax		1405	(8,846)
2. Adjustments to profit (loss):		1410	50,343
(+) Depreciation and amortization charge		1411	34,787
(+/-) Other adjustments to income (nets)		1412	15,556
3. Changes in working capital		1415	4,812
4. Other cash flows from operating activities:		1420	(9,067)
(-) Interest paid		1421	
(-) Payments of dividends and remuneration on other equity instruments		1430	
(+) Dividends received		1422	
(+) Interest received		1423	
(+/-) Income tax recovered/(paid)		1424	(9,022)
(+/-) Other sums received/(paid) from operating activities		1425	(45)
B) CASH FLOWS FROM INVESTING ACTIVITIES (1+ 2+ 3)		1460	(22,330)
1. Payments for investments:		1440	(24,110)
(-) Group companies, associates and business units		1441	(1,595)
(-) Property, plant and equipment, intangible assets and investment properties		1442	(22,324)
(-) Other financial assets		1443	(191)
(-) Non-current assets and liabilities that have been classified as held for sale		1459	
(-) Other assets		1444	
2. Proceeds from disposals:		1450	1,780
(+) Group companies, associates and business units		1451	
(+) Property, plant and equipment, intangible assets and investment properties		1452	234
(+) Other financial assets		1453	1,260
(+) Non-current assets and liabilities that have been classified as held for sale		1461	
(+) Other assets		1454	520
3. Other cash flows from investing activities:		1455	0
(+) Dividends received		1456	1,608
(+) Interest received		1457	
(+/-) Other sums received/(paid) from investing activities		1458	
C) CASH FLOWS FROM FINANCING ACTIVITIES (1+2+ 3+ 4)		1490	(66,460)
1. Sums received /(paid) in respect of equity instruments:		1470	(30,094)
(+) Issues		1471	
(-) Amortization		1472	
(-) Acquisition		1473	(30,094)
(+) Disposal		1474	
2. Sums received /(paid) for financial liability instruments:		1480	13,557
(+) Issues		1481	17,028
(-) Repayment and redemption		1482	(3,471)
3. Payments of dividends and remuneration on other equity instruments		1485	(3,723)
4. Other cash flow from financing activities		1486	(46,200)
(-) Interest paid		1487	(23,676)
(+/-) Other sums received/(paid) from financing activities		1488	(22,524)
D) EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES		1492	8,358
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+ B+ C+ D)		1495	(43,190)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		1499	168,672
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+ F)		1500	125,482
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		PRESENT PERIOD 06/30/2022	PREVIOUS PERIOD 06/30/2021
(+) Cash and banks		1550	104,084
(+) Other financial assets		1552	21,398
(-) Less: Bank overdrafts repayable on demand		1553	
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD		1600	125,482
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	2,077	104,312	147,888	148,164
International market:	2215			233,802	153,646
a) European Union	2216			183	218
a.1) Euro zone	2217			183	218
a.1) Non-Euro area	2218				
b) Other	2219			233,619	153,428
TOTAL	2220	2,077	104,312	381,690	301,810

Comments

SEGMENTS		CONSOLIDATED			
		Revenue from ordinary activities		Profit (loss)	
		PRESENT PERIOD	PREVIOUS PERIOD	PRESENT PERIOD	PREVIOUS PERIOD
EDUCATION	2221	202,510	131,738	6,100	(11,214)
MEDIA	2222	186,234	175,155	(6,184)	(15,338)
OTHERS	2223	2,191	3,315	(13,926)	(29,869)
Adjustments and eliminations	2225	(2,764)	(3,993)	14	242
	2226				
	2227				
	2228				
	2229				
	2230				
TOTAL of the segments to be reported	2235	388,171	306,215	(13,996)	(56,179)

Comments

IV. SELECTED FINANCIAL INFORMATION
12. AVERAGE WORKFORCE

		INDIVIDUAL		CONSOLIDATED	
		PRESENT PERIOD	PREVIOUS PERIOD	PRESENT PERIOD	PREVIOUS PERIOD
AVERAGE WORKFORCE	2295	44	78	6,897	6,785
Men	2296	17	33	3,522	3,485
Women	2297	27	45	3,375	3,300

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	528	522
Salaries	2311	438	267
Variable cash remuneration	2312	-13	140
Share-based compensation systems	2313		322
Compensation	2314		
Long-term savings systems	2315		
Other concepts	2316	5	2
TOTAL	2320	958	1,253

EXECUTIVES:	Total remuneration received by executives	Amount (€ 000s)	
		PRESENT PERIOD	PREVIOUS PERIOD
	2325	514	7,166

Comments

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

Units: Thousands of euros

		PRESENT PERIOD				
		Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
EXPENSES AND REVENUES:						
1) Finance expenses	2340			10		10
2) Leases	2343					0
3) Services received	2344	1,180	14	285		1,479
4) Purchase of stocks	2345					0
5) Other expenses	2348		1,472	230		1,702
TOTAL EXPENSES (1+ 2+ 3+ 4+ 5)	2350	1,180	1,486	525		3,191
6) Finance income	2351			17		17
7) Dividends received	2354					0
8) Services provided	2356	13,205		6,071		19,276
9) Sale of stocks	2357					0
10) Other revenues	2359			32		32
TOTAL REVENUES (6+ 7+ 8+ 9+ 10)	2360	13,205	0	6,120	0	19,325

		PRESENT PERIOD				
		Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
OTHER TRANSACTIONS:						
Financing agreements: credit facilities and contributions of capital (lender)	2372					0
Financing agreements:loans and contributions of capital (borrower)	2375					0
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

		PRESENT PERIOD				
		Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
BALANCES AT CLOSURE OF THE PERIOD:						
1) Customers and Trade Debtors	2341	11,741		4,408		16,149
1) Loans and credits granted	2342			350		350
1) Other collection rights	2346					0
TOTAL DEBT BALANCES (1+ 2+ 3)	2347	11,741	0	4,758	0	16,499
1) Suppliers and commercial creditors	2352	263		1,423		1,686
1) Loans and credits received	2353					0
1) Other payment obligations	2355					0
TOTAL CREDITORS BALANCES (4+ 5+ 6)	2358	263	0	1,423	0	1,686

Comments

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

Units: Thousands of euros

		PREVIOUS PERIOD				
		Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
EXPENSES AND REVENUES:						
1) Finance expenses	6340	398				398
2) Leases	6343	629		162		791
3) Services received	6344	2,970		467		3,437
4) Purchase of stocks	6345	61				61
5) Other expenses	6348	116	8,419	417		8,952
TOTAL EXPENSES (1+ 2+ 3+ 4+ 5)	6350	4,174	8,419	1,046		13,639
6) Finance income	6351			48		48
7) Dividends received	6354					0
8) Services provided	6356	1,220		5,937		7,157
9) Sale of stocks	6357					0
10) Other revenues	6359	56		82		138
TOTAL REVENUES (6+ 7+ 8+ 9+ 10)	6360	1,276	0	6,067	0	7,343

		PRESENT PERIOD				
		Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
OTHER TRANSACTIONS:						
Financing agreements: credit facilities and contributions of capital (lender)	6372			21		21
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 profits distributed	6386					0
Other operations	6385					0

		PREVIOUS PERIOD				
		Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
BALANCES AT CLOSURE OF THE PERIOD:						
1) Customers and Trade Debtors	6341	14,328		4,807		19,135
1) Loans and credits granted	6342			3,073		3,073
1) Other collection rights	6346					0
TOTAL DEBT BALANCES (1+ 2+ 3)	6347	14,328	0	7,880	0	22,208
1) Suppliers and commercial creditors	6352	223		1,123		1,346
1) Loans and credits received	6353					0
1) Other payment obligations	6355					0
TOTAL CREDITORS BALANCES (4+ 5+ 6)	6358	223	0	1,123	0	1,346

Comments

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VI. SPECIAL AUDITOR'S REPORT



Empty rectangular box for the Special Auditor's Report content.