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, 2023

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, 2023, 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, 2023 have not been prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34, “Interim Financial Reporting”, as adopted by the European Union in conformity with article 12 of Royal Decree 1362/2007 for the preparation of interim financial statements.

Emphasis paragraph

We draw attention to the matter described in accompanying explanatory note 1, which indicates that the abovementioned interim financial statements do not include all the information that would be required for complete financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union and therefore, the accompanying interim d financial statements should be read in conjunction with the financial statements for the year ended December 31, 2022. 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, 2023 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, 2023. 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 to the publication of the semi-annual financial report required by article 100 of Securities Market Law and Financial Services Law 06/2023, of March 17th.

ERNST & YOUNG, S.L.

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Ana María Prieto González

July 25, 2023

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, 2023

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

Interim Condensed Consolidated Financial Statements for the six months ended June 30, 2023

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET AT JUNE 30, 2023

(Thousands of Euros)

ASSETS	Notes	06/30/2023 (*)	12/31/2022
A) NON-CURRENT ASSETS		**453,602**	**425,934**
I. PROPERTY, PLANT AND EQUIPMENT	3	100,483	103,294
II. GOODWILL	4	121,589	117,220
III. INTANGIBLE ASSETS	4	107,104	104,943
IV. NON-CURRENT FINANCIAL ASSETS	5	17,686	12,363
V. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	6	35,173	33,123
VI. DEFERRED TAX ASSETS	7	71,553	54,979
VII. OTHER NON-CURRENT ASSETS		14	12
B) CURRENT ASSETS		**474,212**	**556,739**
I. INVENTORIES	8	71,215	74,693
II. TRADE AND OTHER RECEIVABLES			
1. Trade receivables for sales and services		239,062	285,536
2. Receivable from associates		4,137	4,027
3. Receivable from public authorities		42,074	35,108
4. Other receivables		27,060	25,000
5. Allowances	8	(56,114)	(59,490)
		256,219	290,181
III. CURRENT FINANCIAL ASSETS	5	3,535	1,528
IV. CASH AND CASH EQUIVALENTS	8	142,540	189,496
V. ASSETS CLASSIFIED AS HELD FOR SALE		703	841
TOTAL ASSETS		**927,814**	**982,673**

EQUITY AND LIABILITIES	Notes	06/30/2023 (*)	12/31/2022
A) EQUITY	**9**	**(421,862)**	**(532,160)**
I. SHARE CAPITAL		100,817	74,065
II. OTHER RESERVES AND ACCUMULATED PROFIT FROM PRIOR YEARS		(456,788)	(519,367)
III. RESULT FOR THE YEAR ATTRIBUTABLE TO THE PARENT		(36,253)	(12,949)
IV. OTHER EQUITY INSTRUMENTS		30,063	0
V. TREASURY SHARES		(1,120)	(401)
VI. TRANSLATION DIFFERENCES		(72,257)	(87,583)
VII. NON CONTROLLING INTEREST		13,676	14,075
B) NON-CURRENT LIABILITIES		**970,820**	**1,073,345**
I. NON-CURRENT BANK BORROWINGS	10	881,058	980,848
II. NON-CURRENT FINANCIAL LIABILITIES	10	50,525	53,935
III. DEFERRED TAX LIABILITIES	7	20,027	19,894
IV. LONG-TERM PROVISIONS	11	16,195	15,308
V. OTHER NON-CURRENT LIABILITIES		3,015	3,360
C) CURRENT LIABILITIES		**378,856**	**441,488**
I. TRADE PAYABLES		204,353	254,800
II. PAYABLE TO ASSOCIATES		927	571
III. OTHER NON-TRADE PAYABLES		39,810	44,082
IV. CURRENT BANK BORROWINGS	10	38,356	30,824
V. CURRENT FINANCIAL LIABILITIES	10	17,499	32,832
VI. PAYABLE TO PUBLIC AUTHORITIES		38,129	30,286
VII. CURRENT PROVISIONS		5,178	6,166
VIII. OTHER CURRENT LIABILITIES		34,142	41,503
IX. LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE		462	424
TOTAL EQUITY AND LIABILITIES		**927,814**	**982,673**

(*) Non audited financial statements

The accompanying Notes 1 to 20 are an integral part of the Condensed Consolidated Balance Sheet at June 30, 2023.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2023

(Thousands of Euros)

	Notes	06/30/2023 (*)	06/30/2022 (*)
Revenues		431,884	381,690
Other income		8,822	6,481
OPERATING INCOME	12-14	440,706	388,171
Cost of materials used		(71,347)	(61,550)
Staff costs		(159,380)	(145,543)
Depreciation and amortisation charge	3-4	(33,267)	(34,787)
Outside services	12	(142,954)	(141,652)
Variation in operating allowances		1,318	5,319
Impairment of goodwill		0	0
Other expenses		(194)	161
OPERATING EXPENSES		(405,824)	(378,052)
RESULT FROM OPERATIONS		34,882	10,119
Finance income		5,581	2,867
Finance costs		(61,846)	(85,334)
Changes in value of financial instruments		(6,054)	59,424
Exchange differences (net)		(3,146)	603
FINANCIAL RESULT	13	(65,465)	(22,440)
Result of companies accounted for using the equity method		376	3,475
RESULT BEFORE TAX FROM CONTINUING OPERATIONS		(30,207)	(8,846)
Expense tax		(5,844)	(5,524)
RESULT FROM CONTINUING OPERATIONS		(36,051)	(14,370)
Result after tax from discontinued operations		(350)	-
CONSOLIDATED RESULT FOR THE PERIOD		(36,401)	(14,370)
Result attributable to non controlling interests		148	374
RESULT ATTRIBUTABLE TO THE PARENT	14	**(36,253)**	**(13,996)**

BASIC EARNINGS PER SHARE (in euros)		(0.05)	(0.02)
DILUTED EARNINGS PER SHARE (in euros)		(0.05)	(0.02)

(*) 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, 2023

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2023

(Thousands of Euros)

	06/30/2023 (*)	06/30/2022 (*)
CONSOLIDATED PROFIT FOR THE YEAR	**(36,401)**	**(14,370)**
Items that are not reclassified to result of the period	**(45)**	**-**
From actuarial gains and losses	**(45)**	**-**
Items that may be reclassified subsequently to profit or loss	**16,148**	**25,056**
Translation differences	**12,138**	**22,404**
Profit/(Loss) for valuation	11,843	21,758
Amounts transferred to the profit and loss account	295	646
Entities accounted for using the equity method	**4,010**	**2,652**
TOTAL RECOGNIZED INCOME AND EXPENSE	**(20,298)**	**10,686**
Attributable to the Parent	(20,615)	9,166
Attributable to non-controlling interests	317	1,520

(*) 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, 2023.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2023
(Thousands of Euros)

	Share Capital	Share Premium	Reserves	Prior Years' Accumulated Profit	Other equity instruments	Treasury Shares	Translation Differences	Accumulated Profit for the Year	Equity Attributable to the Parent	Non Controlling Interests	Total Equity
BALANCE AT DECEMBER 31, 2021	**70,865**	**0**	**66,035**	**(495,428)**	**0**	**(1,320)**	**(90,410)**	**(106,506)**	**(556,764)**	**44,949**	**(511,815)**
Capital increase	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)**	**0**	**(728)**	**(77,966)**	**(13,996)**	**(542,277)**	**14,809**	**(527,468)**
BALANCE AT DECEMBER 31, 2022	**74,065**	**17,088**	**121,619**	**(658,074)**	**0**	**(401)**	**(87,583)**	**(12,949)**	**(546,235)**	**14,075**	**(532,160)**
Capital increase *(see note 9)*									0		0
Conversion of financial liabiities into equity *(see note 9)*			(257)		3,043				2,786		2,786
Issuance of equity instruments *(see note 9)*					126,003				126,003		126,003
Conversion of financial instruments into equity *(see note 9)*	26,752	72,231			(98,983)				0		0
Treasury share transactions											
- Delivery of treasury shares			(1,518)			1,518			0		0
- Sale of treasury shares						162			162		162
- Purchase of treasury shares						(1,010)			(1,010)		(1,010)
- Reserves for treasury shares			1,389			(1,389)			-		-
Distribution of 2022 result											
- Reserves			(88,553)	75,604				12,949	-		-
Income and expense recognised in equity											
- Translation differences				357			15,326		15,683	465	16,148
- Result for 2023								(36,253)	(36,253)	(148)	(36,401)
- Other income and expense recognised in equity				(45)					(45)		(45)
Other changes			(1,485)	4,856					3,371	(106)	3,265
Changes in non controlling interest											
- Dividends recognized during the Year										(610)	(610)
BALANCE AT JUNE 30, 2023 (*)	**100,817**	**89,319**	**31,195**	**(577,302)**	**30,063**	**(1,120)**	**(72,257)**	**(36,253)**	**(435,538)**	**13,676**	**(421,862)**

(*) 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, 2023.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2023

(Thousands of Euros)

	06/30/2023 (*)	06/30/2022 (*)
RESULT BEFORE TAX FROM CONTINUING OPERATIONS	**(30,207)**	**(8,846)**
Depreciation and amortisation charge and provisions	32,143	29,292
Changes in working capital	**(42,295)**	**10,131**
Inventories	3,478	(24,823)
Accounts receivable	34,974	56,215
Accounts payable	(80,747)	(21,261)
Income tax recovered (paid)	**(8,574)**	**(9,022)**
Other profit adjustments	**66,885**	**15,687**
Financial results	65,465	22,440
Gains and losses on disposal of assets	(1,766)	(2,084)
Other adjustments	3,186	(4,669)
CASH FLOWS FROM OPERATING ACTIVITIES	**17,952**	**37,242**
Recurrent investments	**(20,757)**	**(22,324)**
Investments in intangible assets	(15,168)	(18,188)
Investments in property, plant and equipment	(5,589)	(4,136)
Investments in non-current financial assets	(1,597)	(1,786)
Proceeds from disposals	3,622	1,780
Investments in non-current financial assets	5,148	0
CASH FLOWS FROM INVESTING ACTIVITIES	**(13,584)**	**(22,330)**
Proceeds and payments relating to equity instruments	111,511	(30,094)
Proceeds relating to financial liability instruments	9,967	17,028
Payments relating to financial liability instruments	(117,912)	(3,471)
Dividends and returns on other equity instruments paid	(860)	(3,723)
Interest paid	(37,816)	(23,676)
Other cash flow from financing activities	(17,109)	(22,524)
CASH FLOWS FROM FINANCING ACTIVITIES	**(52,219)**	**(66,460)**
Effect of foreign exchange rate changes	**895**	**8,358**
CHANGE IN CASH FLOWS FROM CONTINUING OPERATIONS	**(46,956)**	**(43,190)**
CHANGE IN CASH FLOWS IN THE YEAR	**(46,956)**	**(43,190)**
Cash and cash equivalents at beginning of year	**189,496**	**168,672**
- Cash	109,982	132,968
- Cash equivalents	79,514	35,704
Cash and cash equivalents at end of period	**142,540**	**125,482**
- Cash	70,149	104,084
- Cash equivalents	72,391	21,398

(*) 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, 2023.

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

Notes to the Interim Condensed Consolidated Financial Statements for the six months ended June 30, 2023

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

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2023

(1) BASIS OF PRESENTATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2023

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 2023 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, 2023 and the notes have been prepared by the Group's directors in accordance with the International Accounting Standard (IAS) 34 *Interim Financial Reporting,* with the purpose of 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 25, 2023.

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 annual accounts of the Group, 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 annual accounts for 2022. 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 annual accounts of the Group for 2022.

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 2023 and 2022.

The interim condensed consolidated financial statements for the six months ended June 30, 2023 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 and in the present 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 or issuance of bonds mandatorily convertible into shares and refinancing of its debt.

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

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

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

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

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

In January 2023, the Board of Directors of PRISA unanimously agreed to issue subordinated bonds (with pre-emptive subscription rights for PRISA shareholders) mandatorily convertible into newly issued ordinary shares of the Company. This issue took place through a public offer for subscription of up to a total of EUR 130 million, by issuing and putting into circulation up to a total of 351,350 convertible bonds. The maturity date of these convertible bonds and conversion into new shares will be on the fifth anniversary of the issue date, with a conversion price of EUR 0.37 per new share having been set. The convertible bonds will bear interest at a fixed annual rate (coupons) of 1.00% (which cannot be capitalised) and payable upon conversion into ordinary shares. In February 2023, convertible bonds amounting to a total of EUR 130 million were subscribed, i.e. the full amount of the offer. The issue of this bond mandatorily convertible into shares has been treated as a compound financial instrument, registered in its mainly as an equity component *(see section c) and note 9)*.

In May 2023, and in accordance with the conversion schedule established in the issuance of the aforementioned subordinated bonds (which established semi-annual early conversion windows at the discretion of the holders of said bonds), 267,521 subordinated bonds were converted, which has led to the issuance of 267,521,000 newly issued ordinary shares of the Company, according to the conversion price established *(see note 9).*

The aforementioned issuance was configured as an instrument to reduce PRISA´s syndicated financial debt, which is linked to a variable interest rate and which was refinanced in April 2022. This has enabled the Company to raise the funds necessary to partially pay off early the tranche of the PRISA's syndicated financial debt that constitutes its largest interest financial expense, i.e. the Junior debt tranche, which is benchmarked at Euribor+8% (including cash and capitalisable cost), which as at December 31, 2022 totalled EUR 192,013 thousand *(see note 10)*. So, in February, 2023 the Group had cancelled EUR 110 million of Junior debt.

Developments and impacts of the war in Ukraine

In recent years, the Group has undertaken its activities in the following areas in a general climate of almost constant volatility, uncertainty, complexity and ambiguity. This makes it difficult to predict future business performance, especially in the medium and long term. This complex environment has been greatly exacerbated as a consequence of different events that have great global repercussions, such as the COVID-19 pandemic and currently the war in Ukraine.

In February 2022, the Russian invasion of Ukraine took place, which led the European Union to adopt a series of individual measures and economic sanctions against Russia. It has also caused great instability in international markets. At present, the armed conflict, far from ending, continues in force in the affected region.

In particular, the latter development has led to a significant increase in inflation rates and higher energy prices since 2022. In addition, as a result of inflationary pressures, Central Banks have been raising interest rates during last quarters, which has led to an increase in the cost of financing for economic agents. All of the above has led to a slowdown in the global economy in 2022, which continues in 2023, with the prospects for economic recovery still uncertain, depending on the duration of the war in Ukraine, the normalisation of commodity supplies and the future behaviour of inflation and its return to normal rates. This slowdown in the global economy could turn into a prolonged period of low growth and high inflation (stagflation). During the first half of 2023, global growth is slowing as a result of the above developments, and although inflation is coming down (as a result of interest rate hikes by Central Banks), as are food and energy prices, core inflation is not falling at the same pace.

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

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

Considering the complexity of the markets due to their globalization the consequences for the Group's businesses are uncertain and will depend to a large extent on the remaining impact of the events mentioned above. Therefore, at the date of approval of these interim condensed consolidated financial statements we have carried out an assessment of the impacts that the invasion of Ukraine and its associated adverse macroeconomic impacts have mainly had on the Group as of June 30, 2023. There is still a high level of uncertainty about its consequences in the short and medium term.

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

- Liquidity risk: the situation in the markets has caused an increase in liquidity pressures in the economy and a contraction in the credit market. To face this, the Group has in place a Super Senior debt ("Super Senior Term & Revolving Facilities Agreement") to meet operational needs for a maximum amount of EUR 240 million, that were fully drawn as of June 30, 2023. Likewise, the rest of subsidiaries of the Group have undrawn credit facilities and other lines of credit amounting to EUR 29.2 million at June 30, 2023. Additionally, the Group had a cash available of EUR 132.5 million to said date. The foregoing, together with the implemented specific plans for the improvement and efficient management of liquidity, will make it possible to deal with these tensions.

- Risk of 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, as well to the associated margins, to the extent that there is an increase in costs or an adverse impact on revenues due to the current macroeconomic scenario, even though the Group has no trade relations with Ukraine or Russia. However, it is not possible at this stage to reliably quantify the impact of the above factors and events on future financial statements, given the constraints and limitations already indicated.

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

- Balance sheet assets and liabilities measurement risk: a change in the future estimates of the Group's revenue, production costs, finance costs, credit quality of trade receivables, etc. could have an adverse impact on the carrying amount of certain assets (goodwill, intangible assets, deferred tax assets, trade and other receivables, etc.) and on the need to recognize provisions or other liabilities. At June 30, 2023 there have not been significant changes in the estimates at the end of 2022 in the aforementioned magnitudes, that have a negative impact on the condensed consolidated financial statements. In this regard, as of June 30, 2023, no signs of impairment have been identified that affect the recoverable amount of said assets, therefore the impairment tests carried out as of December 31, 2022 are still valid.

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

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) Accounting policies and estimates made

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 annual accounts for 2022. As a consequence of the issuance in 2023 of the mandatorily convertible bonds mentioned in the previous note 1a, the valuation standard corresponding to their accounting record is set forth below:

The issue of this mandatorily bond convertible into shares has been treated and recorded in 2023 as a compound financial instrument, because it is includes both liability and equity components. The Group recognises, measures and presents the liability and equity components created by a single financial instrument separately on its consolidated balance sheet (*see notes 9 and 10*).

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

a. The liability component is recognised by measuring the fair value of a similar liability that does not have an associated equity component.

b. The equity component is measured at the difference between the initial amount of the instrument and the amount assigned to the liability component.

c. The transaction costs are distributed in the same proportion.

In the interim condensed consolidated financial statements for the first half, 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 2023 or future reporting periods. The effects of changes in accounting estimates are applied prospectively in consolidated profit and loss in the periods affected by the change.

In the six months ended June 30, 2023, there were no adverse significant changes in the estimates made at the end of 2022.

d) Comparison of the information

In accordance with commercial legislation, in addition to the figures for the first half of 2023, 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 when it is considered necessary and relevant for the understanding of the information of the current period. Therefore, the information contained in these interim condensed consolidated financial statements for the previous year and the six months ended June 30, 2022 are presented only for comparison purposes with the information relating to the six months ended June 30, 2023.

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, 2023.

(2) CHANGES IN THE GROUP STRUCTURE

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

Subsidiaries

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

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

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

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

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

(3) PROPERTY, PLANT, AND EQUIPMENT

Additions to the Group's interim condensed consolidated financial statements under "*Property, plant and equipment*" during the first half of 2023 totaled EUR 5,589 thousand, corresponding mainly to the investments made for Santillana in digital developments and learning systems (EUR 3,318 thousand) as well as investments in both Media and Santillana in computer for an amount of EUR 1,200 thousand.

The amount of the net assets subject to IFRS 16 amounts to EUR 60,566 thousand as of June 30, 2023 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 2023 amounts to EUR 15,076 thousand, of which EUR 8,779 thousand corresponding to the amortization of property, plant and equipment held under leases.

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

(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., in Santillana Educaçao, Ltda. and in GLR Chile, Ltda.

As of June 30, 2023, no indications of impairment affecting the recoverable amount of goodwill have been identified, therefore the impairment tests carried out as of December 31, 2022 on said assets are still valid. In this regard, during the first half of 2023 there are no significant adverse deviations in compliance with the business plans used in the aforementioned impairment tests, nor have the discount rates used increased significantly.

Intangible assets

Additions to the Group's condensed consolidated financial statements under "*Intangible assets*" during the first half of 2023 amounted to EUR 15,168 thousand and are derived mainly from prototypes of the education business (EUR 10,077 thousand) and the acquisition of computer software by group entities (EUR 4,756 thousand).

The amount of the net assets subject to IFRS 16 amounts to EUR 9,124 thousand as of June 30, 2023 and corresponds with the contract leases of administrative concessions of Radio.

The amortization expense of intangible assets registered during the first half of 2023 amounts to EUR 18,191 thousand, of which EUR 1,942 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	
	06/30/23	12/31/22	06/30/23	12/31/22	06/30/23	12/31/22
Financial investments at fair value with changes in results	**10,352**	**3,977**	**-**	**-**	**10,352**	**3,977**
Financial assets at amortized cost	**7,334**	**8,386**	**3,535**	**1,528**	**10,869**	**9,914**
Loans and receivables	2,127	3,310	2,563	1,112	4,690	4,422
Other financial assets at amortized cost	5,207	5,076	972	416	6,179	5,492
Total	**17,686**	**12,363**	**3,535**	**1,528**	**21,221**	**13,891**

The increase in "*Financial investments at fair value with changes in results*" is mainly due to the recording of two interest rate hedges contracted by PRISA, the first, in January 2023, on a nominal amount of EUR 150 million which limits the impact of any rise in the three-month Euribor ("cap") above 2.5% and the second, in March 2023, on a nominal amount of EUR 100 million limiting Euribor increases to three months above 3% and up to a maximum of 5%. In accordance with applicable accounting regulations, and based on the Company's analysis, it is considered that the products contracted do not meet the requirements to be considered effective from an accounting point of view, and therefore the change in the fair value of the aforementioned hedges is taken to the consolidated income statement for each period. Therefore, the amount recognised at June 30, 2023 corresponds to the fair value of these instruments at that date, or, in other words, to the amounts paid to contract these hedges, together with the hedge contracted in 2022, adjusted by the changes in the fair value of these hedges until June 30, 2023, and which are therefore pending to be taken to the consolidated income statement during the term of the hedges (until June 2025) *(see note 13).*

(6) 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 2023, are mainly due to the results participation in Sistema Radiópolis, S.A. de C.V. for an amount of EUR 484 and the positive effect of the exchange rate, reduced by the effect of the dividend distributed by said company for an amount of EUR 2,553 thousand.

(7) TAX MATTERS

Deferred Tax Assets and Liabilities-

The net increase in "*Deferred tax assets*" of EUR 16,574 thousand is due to (i) the capitalisation of tax losses for the first half of 2023 in certain companies in the Education (Santillana) and radio business in Latin America, (ii) exchange rate fluctuations and (iii) the capitalisation of tax credits by the tax consolidation group in Spain as indicated below.

Following the analysis of the recovery of tax credits in June 2023, in accordance with the criteria established by accounting regulations, tax credits totalling EUR 2,334 thousand relating to (i) tax deductions totalling EUR 1,400 thousand and (ii) tax loss carryforwards totalling EUR 934 thousand have been recognised in the condensed consolidated balance sheet at June 30, 2023, with an impact on the condensed consolidated income statement.

These additions are motivated by the amendment of Article 16 of Law 27/2014, of November 27, on Corporate Income Tax, carried out by Law 13/2023, of May 24 with effect for tax periods beginning on January 1, 2024 which, among other aspects, entails a greater limitation on the deductibility of the financial expense of the Group's subsidiaries in Spain, mainly motivated by the non-inclusion of dividend income in the calculation of the limit on the deductibility of financial expenses (30% of tax EBITDA). This has been taken into account in the tax credit recovery plan, which has led to the aforementioned tax credits being registered to partially offset the higher tax payable to the Public Administration due to the reduction in deductible financial expenses resulting from the new tax regulations.

The future business projections have not been changed from those used in the 2022 tax credit recovery plan as there have been no significant changes in the fulfilment of these business plans during the first half of the year.

Therefore, the business plans, on which the recovery of the deferred tax assets of the tax consolidation Group is based, take into account the operating performance of the companies, the development of the Group's medium and long-term strategy and the macroeconomic and industry forecasts affecting the Group's various businesses. Forecasts and studies carried out by third parties have been taken into account when preparing the business plans.

The business plan projections include growth in the advertising market, taking into account the latest available studies and the Group's leadership position in the various businesses in which it operates. Insofar as businesses which rely heavily on advertising have a high percentage of fixed costs, any increase in advertising revenues will have a positive impact on operating margins.

Radio forecasts advertising growth based on sector forecasts and market share improvement based on the leading position of the brands. In addition, projections foresee growth associated with the boost of digital audio through the development of podcasting. Costs are expected to be controlled and margins progressively improved.

In News, projections see a more digital business model with a higher contribution margin and leveraging the growth of digital subscriptions and digital advertising. In addition, costs are expected to remain stable in the medium to long term.

In Santillana Latin America, the expansion of learning systems is expected to continue, with subscriptions increasing steadily and the growth and recovery of educational sales, which were affected in 2020 by the COVID-19 pandemic. For public sales, the projections are based on the historical trends of public sales cycles in each country and a business-as-usual development has been considered for the future.

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

There have been no significant changes in the heading "*Deferred tax liabilities*".

Tax inspections-

During the period, a ruling was issued rejecting the appeal lodged by the Company in relation to the audits relating to corporate income tax for the years 2009 to 2011 in the 2/91 tax consolidation group, of which Promotora de Informaciones, S.A. is the parent company, which brings the proceedings to an end. No additional equity impact will be derived from these actions.

During the period, partial tax audits were reported, limited to the verification of the double taxation tax credit regulated in article 31 of the Corporate Income Tax Law generated in 2019, as well as the adjustments to the positive and negative accounting results associated with the aforementioned tax credit, both for Promotora de Informaciones, S.A. and certain subsidiaries.

(8) CURRENT ASSETS

The movement in the inventories write-downs of the condensed consolidated balance sheet during the first half of 2023 is as follows:

Thousands of euros				
Balance at 12/31/2022	Translation adjustment	Charge for the year/Excess	Amounts used	Balance at 06/30/2023
(24,447)	(1,319)	(1,845)	378	(27,233)

The movement in the allowances heading of the condensed consolidated balance sheet during the first half of 2023 is as follows:

Thousands of euros				
Balance at 12/31/2022	Translation adjustment	Charge for the year/Excess	Amounts used	Balance at 06/30/2023
(59,490)	(1,897)	(598)	5,871	(56,114)

Finally, and in relation to restrictions of the cash availability, additionally to what has been said in note 2. d) of the Consolidated Financial Statements of 2022, in Argentina the movement of funds out of the country is affected by complex administrative procedures, tax changes, changes in policies and regulations or instability. In this sense, the cash in that country as of June 30, 2023 amounts to EUR 3,630 thousand (converted at the exchange rate of 280.5 EUR/ARG on that date).

(9) EQUITY

Share capital

As of January 1, 2023, the share capital of PRISA amounts to EUR 74,065 thousand and is represented by 740,650,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros, and have been fully paid up and with the same rights.

Within the framework of the issuance of subordinated notes necessarily convertible into newly issued ordinary shares of the Company which was carried out in February 2023 *(see note 1.a)*, in May 2023 the share capital of PRISA was increased by a nominal amount of EUR 26,752.1 thousand to attend the conversion of 267,521 subordinated notes, which have been converted and redeemed after the first ordinary conversion period of the issuance *(see following section "Other net equity instruments*").

Consequently, the share capital of the Company has been set at EUR 100,817 thousand on June 30, 2023, divided into 1,008,171,193 shares with a par value of EUR 0.10 each, all belonging to the same class and series.

Share premium

In May 2023, as a result of the conversion of subordinated bonds mentioned in the previous section, the Company´s share premium increased by an amount of EUR 72,230.7 thousand (0.27 euros per converted bonds). Consequently, the share premium has been set at EUR 89,319 thousand on June 30, 2023.

Other net equity instruments

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

Thus, an equity component has been recorded after deducting all of its liabilities, since the bond is mandatorily convertible into a fixed number of shares and does not include any contractual obligation to hand over cash or any other financial asset other than the payment of the coupons aforementioned in note 1a. Therefore, as a result of recording the transaction at the fair value of the equity instruments being issued, an initial equity instrument amounting to EUR 126,003 thousand has been accounted, resulting from the difference between the cash received for the issue of the convertible bond and the liability described in the following paragraph, thereby increasing the net consolidated equity by this amount. The conversion price of the convertible bonds does not substantially differ from the listed value of the PRISA shares during the subscription period of the convertible bond *(see note 1)*.

Additionally, a liability has been recorded under the heading "*Non-current financial liabilities*" calculated as the present value of the cash coupons payable, considering that the mandatory conversion of the bond take place at the end of the bond's life, without considering early conversions, insofar as early conversions is out of the Company's control. As a result, an initial financial liability of EUR 3,997 thousand was recorded *(see note 10)*. The difference between the amount of this liability and the face value of the coupons will be recorded and posted in the consolidated income statement during the life of the aforementioned instrument using the effective interest method *(see note 13)*.

The transaction costs have mainly been recorded as a decrease in the consolidated net profit, since almost all of the convertible bond has been recorded as an equity instrument.

As mentioned above, in May 2023 there has been an early conversion and redemption of 267,521 subordinated bonds. This has resulted in the reversal of the financial liability associated with the aforementioned converted bonds for the portion corresponding to the coupon that the Company is no longer obliged to pay, insofar as PRISA has only had to pay the accrued coupon corresponding to such bonds from the time of their issue in February 2023 until their early conversion in May 2023 for an insignificant amount. Therefore, the amount reversed at June 30, 2023 with a credit to the Group's consolidated net equity amounted to EUR 2,786 thousand.

Finally, the aforementioned early conversion of the subordinated debentures has led to a reclassification within consolidated net equity between the heading "*Other equity instruments*" (where the equity component of the converted debentures was recorded) and share capital and share premium for a total amount of EUR 98,983 thousand.

Non-controlling interest

The detail, by company, of the non-controlling interest at June 30, 2023 and December 31, 2022 is as follows:

	Thousands of euros	
	06/30/2023	12/31/2022
Caracol, S.A.	3,250	3,509
Diario As, S.L.	5,382	6,007
Prisa Radio, S.L. and subsidiaries (Spain)	4,118	3,832
Other companies	926	727
Total	**13,676**	**14,075**

(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	
	06/30/23	12/31/22	06/30/23	12/31/22	06/30/23	12/31/22
Bank borrowings	881,058	980,848	38,356	30,824	919,414	1,011,672
Financial liabilities by leases	48,380	52,006	16,632	17,150	65,012	69,156
Other financial liabilities (*see note 9*)	2,145	1,929	867	15,682	3,012	17,611
Total	**931,583**	**1,034,783**	**55,855**	**63,656**	**987,438**	**1,098,439**

The decrease in "*Other current financial liabilities*" is mainly due to the payment of the pending part amounting to EUR 15,000 thousand from the acquisition of 20% of Prisa Radio, S.A. to Grupo Godó in April 2022, described in note 3 of the consolidated financial statement for 2022.

Bank borrowings

The most significant balance under financial liabilities relates to bank borrowings, the detail of which at June 30, 2023 and December 31, 2022, in thousands of euros is as follows:

	06/30/23		12/31/22	
	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
Junior Syndicated Loan (*)	-	84,786	-	192,013
Senior Syndicated Loan	-	575,105	-	575,105
Super Senior debt	-	240,000	-	240,000
Credit facilities, loans, finance leases and other	38,356	8,199	30,824	9,529
Fair value / Loan arrangement costs	-	(27,032)	-	(35,799)
Total	**38,356**	**881,058**	**30,824**	**980,848**

(*) The long-term amount drawn down includes interest capitalizable for an amount of EUR 9,027 thousand on June 30, 2023 and EUR 6,664 thousand at December 31, 2022.

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

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 866,901 thousand at June 30, 2023 considering a 5.22% average discount over the real principal payment obligation to the creditor entities.

The decrease in the Junior syndicated loan in the first half of 2023 is due to the amortization of EUR 110,000 thousand, in February 2023, with the funds from the issuance of convertible bonds *(see note 1)* offset by the increase for the accrual of the PIK (capitalizable interest) and the effect of fair value *(see note 13)*.

Compliance with certain financial ratios is established in the financial agreements for the PRISA Group, which application began on June 30, 2022. Since the Refinancing come into force no such breach has occurred, nor is foreseen in the next twelve months.

Financial liabilities for leases

The application of IFRS 16 Leases implies the registered of financial liabilities associated with the leases, amounting on June 30, 2023 to EUR 48,380 thousand in the long term and EUR 16,632 thousand in the short term.

In the first half of 2023, the payment associated with financial liabilities for leases amounts to EUR 11.9 million, included in *"Other cash flow from financing activities"* of the condensed consolidated statement of cash flow (EUR 12.0 million in the first half of 2022).

(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. Additionally, this heading includes the Group's holdings in companies accounted for using the equity method whose net equity value is negative at the end of the period (due to their percentage of ownership) and as long as the Group participates in them.

The breakdown of "*Long-term provisions*" on June 30, 2023 and at December 31, 2022, is as follows:

	Thousands of euros	
	06/30/23	12/31/22
For taxes	678	698
For redundancies	6,170	6,243
For third-party liabilities and other	9,347	8,367
Total	**16,195**	**15,308**

(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, 2023 and June 30, 2022 is as follows:

	Thousands of euros	
	06/30/23	06/30/22
Advertising sales	148,546	141,524
Education sales	234,012	200,071
Circulation	26,906	26,647
Sales of add-ons and collections	725	2,808
Sale of audiovisual rights and programs	10,167	1,585
Intermediation services	4,623	2,869
Other services	6,905	6,186
Revenue	**431,884**	**381,690**
Income from non-current assets	1,790	2,133
Other income	7,032	4,348
Other income	**8,822**	**6,481**
Total operating income	**440,706**	**388,171**

The following table shows the breakdown of the Group's incomes at June 30, 2023 and at June 30, 2022 in accordance with the geographical distribution of the entities that generated them (thousands of euros):

	Advertising sales		Education sales		Circulation		Others		Total operating income	
	06/30/23	06/30/22	06/30/23	06/30/22	06/30/23	06/30/22	06/30/23	06/30/22	06/30/23	06/30/22
Europe	**118,475**	**109,347**	**5**	**183**	**26,906**	**26,647**	**27,631**	**15,602**	**173,017**	**151,779**
Spain	118,475	109,347	-	-	26,906	26,647	27,629	15,580	173,010	151,574
Rest of Europe	-	-	5	183	-	-	2	22	7	205
America	**30,071**	**32,177**	**234,007**	**199,888**	**-**	**-**	**3,611**	**4,327**	**267,689**	**236,392**
Colombia	17,687	21,786	15,900	19,256	-	-	180	461	33,767	41,503
Brazil	-	-	74,411	58,802	-	-	379	129	74,790	58,931
Mexico	743	260	28,793	39,874	-	-	320	333	29,856	40,467
Chile	10,006	8,731	14,265	8,178	-	-	409	531	24,680	17,440
Argentina	-	-	52,116	31,268	-	-	(14)	50	52,102	31,318
Rest of America	1,635	1,400	48,522	42,510	-	-	2,337	2,823	52,494	46,733
TOTAL	148,546	141,524	234,012	200,071	26,906	26,647	31,242	19,929	440,706	388,171

Staff

The average number of employees at the Group at June 30, 2023 and 2022 and its breakdown by gender is as follows:

	06/30/23	06/30/22
Men	3,690	3,522
Women	3,496	3,375
Total	**7,186**	**6,897**

Outside services

The detail of *"Outside services"* for the six months ended June 30, 2023 and June 30, 2022 is as follows:

	Thousands of euros	
	06/30/23	06/30/22
Independent professional services	34,064	35,351
Leases and fees	7,898	6,540
Advertising	15,409	14,634
Intellectual property	11,671	11,019
Transport	12,134	11,784
Other outside services	61,778	62,324
Total outside services	**142,954**	**141,652**

(13) FINANCIAL RESULT

The detail of *"Financial result"* for the group at June 30, 2023 and 2022 is as follows:

	Thousands of euros	
	06/30/23	06/30/22
Income from current financial assets	3,845	1,632
Other finance income	1,736	1,235
Finance income	**5,581**	**2,867**
Interest on debt	(45,395)	(32,385)
Adjustments for inflation	(12,991)	(2,844)
Loan arrangement costs	(33)	(43,647)
Other finance costs	(3,427)	(6,458)
Finance costs	**(61,846)**	**(85,334)**
Exchange gains	26,268	22,034
Exchange losses	(29,414)	(21,431)
Exchange differences (net)	**(3,146)**	**603**
Value variation of financial instruments	**(6,054)**	**59,424**
Financial result	**(65,465)**	**(22,440)**

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

The increase in *"Interest on debt"* is mainly explained by the significant increase in the Euribor on the cost of the Group's financial debt, which is mostly pegged to this indicator, even though EUR 110,000 thousand of Junior debt have been amortized in February 2023 with the funds from the issuance of convertible bonds *(see note 10).*

At June 30, 2023, the heading *"Other financial costs"* includes EUR 2,384 thousand for the effect of updating the financial liability associated with the lease agreements (EUR 2,364 thousand as of June 30, 2022). It also included, as of June 30, 2022, the expense for the derecognition of a financial investment related to the participation of Prisa Radio in the associated companies El Dorado Broadcasting Corporation and WSUA Broadcasting Corporation, as a result of their sale, amounting to EUR 2,119 thousand.

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

Also, on June 30, 2022, the heading *"Value variation of financial instruments"* included a positive impact of EUR 38,285 thousand for the difference between the nominal value of the Refinancing debt and its fair value on the date of initial recognition. From that moment on, the difference between the nominal value of the debt and its initial fair value is recognized as an expense in the consolidated income statement using the effective interest method, so that EUR

8,767 thousand was recorded in the first half of 2023. This amount includes approximately EUR 5.5 million of interest expense associated with the portion of the Junior debt that was partially repaid early in February 2023 in the amount of EUR 110 million (*see notes 1 and 10*), which at that date had not yet been taken to the consolidated income statement during the period of the Refinancing. This heading also includes the financial income from the change in fair value of the interest rate hedges contracted in 2022 and in the first half of 2023 *(see note 5).*

(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	
	06/30/23	06/30/22
Europe	**165,485**	**148,071**
Spain	165,479	147,888
Rest of Europe	6	183
America	**266,399**	**233,619**
Colombia	33,593	41,211
Brazil	74,520	58,911
Mexico	29,542	40,338
Chile	24,405	17,020
Argentina	52,057	31,294
Rest of America	52,282	44,845
Total	**431,884**	**381,690**

At June 30, 2023, PRISA's operations are divided into two main segments each of which has a person in charge:

- Education, which includes primarily the sale of educational books and the services and materials related to the education systems;

- Media, includes Radio and News (Press) businesses and its main source of revenue is advertising, as well as the sale of newspapers and magazines, digital subscriptions and, additionally, the organization, management of events and audio-visual production.

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

Information about these segments for the six months ended June 30, 2023 and June 30, 2022 is presented below (in thousands of euros):

	EDUCATION		MEDIA		OTHERS		ELIMINATIONS AND ADJUSTMENTS		PRISA GROUP	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Operating income	**235,136**	**202,510**	**204,495**	**186,234**	**4,139**	**2,191**	**(3,064)**	**(2,764)**	**440,706**	**388,171**
- External sales	**235,126**	**202,441**	**203,875**	**185,207**	**1,748**	**110**	**(43)**	413	**440,706**	**388,171**
- Advertising	0	0	148,546	141,398	0	0	0	126	148,546	141,524
- Education sales	234,011	200,071	0	0	0	0	0	0	234,011	200,071
- Circulation	0	0	26,906	26,647	0	0	0	0	26,906	26,647
- Other	1,115	2,370	28,423	17,162	1,748	110	(43)	287	31,243	19,929
- Intersegment sales	**10**	**69**	**620**	**1,027**	**2,391**	**2,081**	**(3,021)**	**(3,177)**	**0**	**0**
- Advertising	0	0	2	210	0	0	(2)	(210)	0	0
- Sale of audiovisual rights and programs	0	0	2	0	0	0	(2)	0	0	0
- Other	10	69	616	817	2,391	2,081	(3,017)	(2,967)	0	0
Operating expenses	**(200,874)**	**(185,858)**	**(202,546)**	**(188,732)**	**(5,481)**	**(6,234)**	**3,077**	**2,772**	**(405,824)**	**(378,052)**
- Cost of materials used	(50,754)	(46,549)	(20,593)	(15,005)	0	0	0	4	(71,347)	(61,550)
- Staff costs	(59,680)	(54,856)	(97,072)	(88,473)	(2,628)	(2,215)	0	1	(159,380)	(145,543)
- Depreciations and amortisation charge	(20,593)	(20,328)	(12,412)	(13,737)	(272)	(733)	10	11	(33,267)	(34,787)
- Outside services	(71,241)	(69,146)	(72,199)	(71,711)	(2,584)	(3,553)	3,070	2,758	(142,954)	(141,652)
- Change in operating provisions	1,641	4,687	(323)	368	0	265	0	(1)	1,318	5,319
- Changes in valuation allowances to Group companies	0	0	0	0	3	2	(3)	(2)	0	0
- Impairment of goodwill/assets	(247)	334	53	(174)	0	0	0	1	(194)	161
Result from operations	**34,262**	**16,652**	**1,949**	**(2,498)**	**(1,342)**	**(4,043)**	**13**	**8**	**34,882**	**10,119**
Finance income	**5,475**	**3,016**	**2,423**	**1,035**	**9,769**	**4,271**	**(12,086)**	**(5,455)**	**5,581**	**2,867**
- Interest income	2,162	901	2,131	966	8,362	4,067	(12,084)	(5,455)	571	479
- Other financial income	3,313	2,115	292	69	1,407	204	(2)	0	5,010	2,388
Finance costs	**(22,332)**	**(8,925)**	**(7,217)**	**(7,233)**	**(44,383)**	**(74,631)**	**12,086**	**5,455**	**(61,846)**	**(85,334)**
- Interest expenses	(7,748)	(4,566)	(5,422)	(2,385)	(44,309)	(30,888)	12,084	5,454	(45,395)	(32,385)
- Other financial expenses	(14,584)	(4,359)	(1,795)	(4,848)	(74)	(43,743)	2	1	(16,451)	(52,949)
Change in value of financial instruments	**0**	**0**	**(1)**	**(2)**	**(6,053)**	**59,426**	**0**	**0**	**(6,054)**	**59,424**
Exchange differences (net)	**(3,203)**	**230**	**58**	**189**	**(1)**	**9**	**0**	**175**	**(3,146)**	**603**
Financial result	**(20,060)**	**(5,679)**	**(4,737)**	**(6,011)**	**(40,668)**	**(10,925)**	**0**	**175**	**(65,465)**	**(22,440)**
Result of companies accounted for using the equity method	0	0	378	3,574	(2)	7	0	(106)	376	3,475
Result before tax from continuing operations	**14,202**	**10,973**	**(2,410)**	**(4,935)**	**(42,012)**	**(14,961)**	**13**	**77**	**(30,207)**	**(8,846)**
Expense tax	(8,584)	(4,758)	(643)	(1,829)	3,383	1,063	0	0	(5,844)	(5,524)
Result from continuing operations	**5,618**	**6,215**	**(3,053)**	**(6,764)**	**(38,629)**	**(13,898)**	**13**	**77**	**(36,051)**	**(14,370)**
Result after tax from discontinued operations	0	0	0	0	(350)	(28)	0	28	(350)	0
Consolidated result for the year	**5,618**	**6,215**	**(3,053)**	**(6,764)**	**(38,979)**	**(13,926)**	**13**	**105**	**(36,401)**	**(14,370)**
Non-controling interests	(147)	(115)	292	580	0	0	3	(91)	148	374
Result atributable to the Parent	**5,471**	**6,100**	**(2,761)**	**(6,184)**	**(38,979)**	**(13,926)**	**16**	**14**	**(36,253)**	**(13,996)**

(15) RELATED PARTY TRANSACTIONS

The transactions performed with related parties in the six months ended June 30, 2023 and in 2022 were as follows (in thousands of euros):

	06/30/2023			06/30/2022		
	Directors and executives	Group employees, companies or entities	Significant shareholders	Directors and executives	Group employees, companies or entities	Significant shareholders
Finance expenses	-	1	-	-	10	-
Services received	-	444	763	14	285	1,180
Other expenses	2,757	133	-	1,472	230	-
Total expenses	**2,757**	**578**	**763**	**1,486**	**525**	**1,180**
Finance income	-	6	-	-	17	-
Provision of services	-	5,283	14,072	-	6,071	13,205
Dividends received	-	2,553	-	-	-	-
Other revenue	-	-	-	-	32	-
Total revenues	**-**	**7,842**	**14,072**	**-**	**6,120**	**13,205**

All related party transactions have taken place under market conditions.

Transactions with directors and executives

The amount of EUR 2,757 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 578 thousand is mainly includes the expense for the advertising commission expense with Wemass Media Audience Safe Solutions, S.L.

Finally, the aggregate amount of EUR 7,842 thousand mainly includes the income received for commercialization of advertising with Wemass Media Audience Safe Solutions, S.L. and income dividends received by Sociedad Española de Radiodifusión, S.L. from its stake in Sistema Radiópolis, S.A. de C.V.

Transactions with significant shareholders

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

The aggregate amount of EUR 763 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.

Meanwhile, the aggregate amount of EUR 14,072 thousand mainly consists of income of PRISA Group companies for advertising services with Grupo Vivendi. This amount derives entirely from contractual relationships prior to which Vivendi had a significant stake in PRISA's capital stock and was represented on PRISA's Board of Directors.

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

Additional Information note

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

In December 2022, the service contracts that Indra had been providing to PRISA Group companies since 2017 expired. Santillana and PRISA Media have contracted new IT services from Indra for the 2023-2025 period. Although these transactions do not qualify as related party transactions under IAS 24 and are not included in the table above, for information purposes and for the sake of transparency, it is noted that the expense recorded in PRISA's condensed consolidated financial statements for the first half of 2023 amounts to approximately EUR 1.7 million.

The detail of the balances receivable from and payable to associates and related parties as of June 30, 2023 and as of December 31, 2022 is as follows:

	06/30/2023		06/30/2022		
	Group employees, companies or entities	Significant shareholders	Directors and executives	Group employees, companies or entities	Significant shareholders
Trade receivables	4,137	5,341	-	4,027	14,800
Receivables- financial loans	200	-	-	200	-
Total receivables	**4,337**	**5,341**	**-**	**4,227**	**14,800**
Trade payables	927	423	5	571	1,024
Total payables	**927**	**423**	**5**	**571**	**1,024**

Balance with Group employees, companies or entities-

The amount of EUR 4,137 thousand includes the amounts pending of collection with associated companies, mainly with Wemass Media Audience Safe Solutions, S.L. for the sale of advertising.

Receivables financial loans at June 30, 2023 include the loans granted by Prisa Media, S.A.U. to Wemass Media Audience Safe Solutions, S.L.

Balance with significant shareholders-

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

The aggregate amount of EUR 5,341 thousand includes the amounts pending of collection for advertising services of PRISA Group companies to the Vivendi Group. In this regard, the balance shown reflects the accounting information recorded in the consolidated balance sheet of the PRISA Group. This amount derives entirely from contractual relationships prior to which Vivendi had a significant stake in PRISA's capital stock and was represented on PRISA's Board of Directors.

The aggregate amount of EUR 423 thousand mainly includes the amounts pending of collection 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.

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

	06/30/2023	
	Directors and executives	Significant shareholders
Other transactions	180	74,553

Transactions with directors and executives

The amount of EUR 180 thousand corresponds to the legal advisory services provided by the law firm ECIJA to PRISA during the first half of 2023. Mr Pablo Jiménez de Parga (Secretary of the Board of Directors of PRISA and member of the Senior Management) is Executive Vice President of ECIJA.

Transactions with significant shareholders

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

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

In the six months ended June 30, 2023 and 2022, the consolidated companies registered the following amounts in respect of remuneration to PRISA's Board members and executives:

	Thousands of euros	
	06/30/2023	06/30/2022
Compensation for belonging to the Board and/ or Board Committees	559	528
Salaries	554	438
Variable compensation in cash	344	(13)
Compensation systems based on shares	416	-
Other	11	5
Total remuneration received by board members	**1,884**	**958**
Total remuneration received by executives	**873**	**514**

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 consolidated income statement.

Remuneration of the Directors:

<u>Regarding the first half of 2023:</u>

i. At the beginning of the COVID-19 crisis 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 continued to apply to non-executive directors of PRISA in the 2022 financial year and will continue to apply during the 2023 financial year, as explained in the Director Remuneration Report sent to the CNMV on March 29, 2023 (registration number: 21602).

ii. The remuneration of the Executive Director Ms Pilar Gil (CFO of the Company), who joined the Board of Directors in February 2023, has been reflected as follows: the remuneration for the period from 1 March to June 30, 2023, is included in the board members´remuneration, while the remuneration for January and February 2023 is included in the senior management´s remuneration.

iii. Within the *"Compensation for belonging to the Board and/ or Board Committees"* it is included the following:

   - Remuneration for Ms Maria Teresa Ballester, Amber Capital UK LLP, Mr Rosauro Varo and Mr Khalid Thani Abdullah Al Thani up to the time of their cessation as directors in June (for the first two), May and February 2023, respectively.

- The remuneration corresponding to the following directors, since joining the Board, on June 27, 2023: Mr. Miguel Barroso Ayats, Mr. Fernando Carrillo Flórez, Ms. Margarita Garijo-Bettencourt and Ms Isabel Sánchez García.

iv. Within the *"Variable remuneration in cash"* are included the following items:

- The reflection of the amount corresponding to theoretical annual variable compensation of the executive directors Ms Pilar Gil (CFO), Mr. Francisco Cuadrado (executive Chairman of Santillana) and Mr. Carlos Nuñez (executive Chairman of PRISA Media), if 2023 management objectives are achieved.

  However, since this compensation is subject to achievement of the management objectives at the end of the year 2023, the accounting figure in no way constitutes acknowledgment that that variable compensation has accrued, which will occur, if at all, once the year is closed and the 2023 annual accounts of the Group are prepared, based on the level of achievement of the objectives established by the Board of Directors. In the first half of 2023, an expense of EUR 331 thousand was recorded for this item.

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

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

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

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

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

  In the first half of 2023, an expense of EUR 95 thousand has been recorded for this Plan.

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

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

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

  Mr Cuadrado has been granted with a theoretical number of shares equivalent to EUR 500 thousand gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered (he has been assigned 923,494 theoretical shares for each year of the Plan, that is, a total of 3,693,976 theoretical shares). The calculations have been made considering the average stock market value of PRISA shares during the last quarter of 2021. In addition, the incentive may be increased depending on the evolution of PRISA's share price.

  In the first half of 2023, an expense of EUR 210 thousand has been recorded for this Plan.

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

- <u>"PRISA Media`s incentive Plan 2022-2025":</u>

  The Executive Chairman of PRISA Media, Mr Carlos Nuñez is the beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in PRISA Media's budget (linked to EBITDA, Cash Flow and digital revenues) in fiscal years 2022, 2023, 2024 and 2025, which 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) on April 26, 2022 and was also approved at the Ordinary Shareholders Meeting held on June 28, 2022.

  Mr Nuñez has been granted with a theoretical number of shares equivalent to EUR 500 thousand gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered (he has been assigned 923,494 theoretical shares for each year of the Plan, that is, a total of 3,693,976 theoretical shares). The calculations have been made considering the average stock market value of PRISA shares during the last quarter of 2021.

In addition, the incentive may be increased depending on the evolution of PRISA's share price.

In the first half of 2023, an expense of EUR 111 thousand has been recorded for this Plan.

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

vi. *"Others"* includes health and life/accident insurance for the executive directors Ms Pilar Gil, Mr Carlos Nuñez and Mr Francisco Cuadrado.

vii. No other credits, advances or loans occurred, nor were pension obligations incurred, in respect of the Board of Directors during the first half of 2023.

<u>Regarding the first half of 2022:</u>

i. The "*Compensation for belonging to the Board and/ or Board Committees"* 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 was approved by the PRISA Shareholders' Meeting held on June 28, 2022 and it provided for the remuneration corresponding to the members of the Sustainability Commission (set up in February 2022), 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 were achieved. 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 1,250 million.

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) was reversed as a result of the modification of the plan.

iii. "*Compensation systems based on shares* ": regarding the "Santillana medium-term incentive Plan 2022-2025" and the "PRISA Media medium-term incentive Plan 2022-2025", whose beneficiaries are the Executive Chairman of Santillana, Mr. Francisco Cuadrado and the Executive Chairman of PRISA Media, Mr. Carlos Nuñez, in the first half of 2022 no expense was recorded for these Plans, since they were pending approval by PRISA Shareholders' Meeting as well as their formal communication to the beneficiaries.

iv. *"Others"* includes health and life/accident insurance for the executive directors Mr Carlos Nuñez and Mr 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.

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 2023 amounts to EUR 873 thousand and in the first half of 2022 amounted to EUR 514 thousand.

Regarding the first half of 2023:

i. As of June 30, 2023, is the compensation of the following managers: the CFO Ms Pilar Gil (only for January and February 2023, as indicated above), the Secretary to the Board of Directors Mr Pablo Jiménez de Parga, the Head of Corporate and Institutional Relations Mr Jorge Rivera, the Chief Sustainability Officer Ms Rosa Junquera, the Head of Communication, Ms Ana Ortas (since joining this position in April 2023), the former Head of Communication, Ms Cristina Zoilo (until her cessation in April 2023), the Head of People and Talent Ms Marta Bretos, and the Prisa's Director of Internal Audits Ms Virginia Fernández.

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

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

- Annual variable compensation (bonus): reflection of the amount corresponding to theoretical annual variable compensation of the executives if 2023 management objectives are achieved. However, since this compensation is subject to achievement of the management objectives at the end of the year 2023, the accounting figure in no way constitutes acknowledgment that that variable compensation has accrued, which will occur, if at all, once the year is closed and the 2023 annual accounts of the Group are prepared, based on the level of achievement of the established objectives.

- Recalculation of the 2022 bonus paid in 2023.

- "2022-2025 Incentive Plan for PRISA Media, Santillana and PRISA´s executives":

  At its meeting held on April 26, 2022, PRISA's Board of Directors approved a medium-term incentive plan benefiting some PRISA Media, Santillana and PRISA executives. Only one member of the senior management is a beneficiary of this Plan.

  The Plan, payable in shares, is linked to the fulfillment of the following quantitative financial objectives, in the years 2022, 2023, 2024 and 2025: i) in the case of PRISA Media, the objectives are linked to EBITDA, Cash Flow and digital income of its budget; ii) in the case of Santillana are linked to the EBIT and Cash Flow of its budget and iii) in the case of PRISA are linked to the adjusted cash flow of Grupo Prisa.

  Each management group in PRISA Media and Santillana has been assigned a number of theoretical shares equivalent to EUR 700 thousand gross for each year the Plan is in effect, and the management group in PRISA has been assigned a number of theoretical shares equivalent to EUR 125 thousand gross for each year the Plan is in effect, which will serve as a reference for determining the final number of shares to be awarded. The calculations have been based on the average PRISA share trading price during the 4th quarter of 2021.

In the first half of 2023 and in relation to the only senior manager who is a beneficiary of this Plan, expenditure for this Plan has been recorded of EUR 48 thousand, considering the degree of achievement of the objectives and valuing the shares at the Prisa quotation price at the measurement date.

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

Regarding the first half of 2022:

i. 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 former CFO Mr David Mesonero (who 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:

- Annual variable compensation (bonus): reflection of the amount corresponding to theoretical annual variable compensation of the executives if 2022 management objectives were achieved.

- Recalculation of the 2021 bonus paid in 2022.

- "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 of the former CFO": Mr David Mesonero was beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in PRISA´s budget (linked to Cash Flow), payable in shares.

  Mr. Mesonero had been assigned a number of theoretical shares equivalent to EUR 300 thousand gross for each year the plan is in effect, which would serve as a reference to determine the final number of shares to be awarded. The Plan also envisioned an increment if refinancing was achieved in the terms set forth in the Plan. Refinancing was implemented in April 2022, and an expense of EUR 193 thousand was recorded.

- "2022-2025 Incentive Plan for PRISA Media, Santillana and PRISA executives": 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 was recorded for the termination of the contractual relationship of Mr. Mesonero.

(17) GUARANTEE COMMITMENTS TO THIRD PARTIES

At June 30, 2023, PRISA had furnished personal guarantees (including counter-guarantees) amounting to EUR 1,780 thousand.

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

(18) ONGOING LITIGATIONS AND CLAIMS

At the date of approval of these condensed interim consolidated financial statements, there have been no significant changes in the status of ongoing litigation and claims described in note 25 of the Group's consolidated financial statements for 2022.

Likewise, the Group maintains provisions for those ongoing litigations and claims for which the outflow of resources is considered probable to settle its obligations.

(19) EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred since June 30, 2023 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, 2023

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

AND SUBSIDIARIES

CONDENSED CONSOLIDATED DIRECTORS' REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2023

1. BUSINESS PERFORMANCE

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

By the end of the first half of 2023, the Education business reached 2.7 million subscriptions in its education systems. In the Media business, there was an average of 231 million unique browsers per month, along with a monthly average of 50 million audio content downloads and 88 million total listening hours. El País reached 308,000 subscribers in total.

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

In the first half of 2023 the economic environment remains uncertain, adverse and complex: interest rates continue to rise and although inflation is moderating, levels remain high, worsening the global growth outlook. In this environment, the summary of the Group's results, compared to the first half of 2022 results, is as follows:

- Operating income amounted to EUR 440.7 million (+13.5% vs 2022; +11.3% in local currency). Santillana's business shows a significant improvement, thanks mainly to the increase in the private business driven by the expansion of subscription models based on educational systems and improved sales of traditional educational material, including the completion of an extraordinary institutional sale in Argentina (for primary and secondary). Santillana's public business also grew compared to 2022 as higher sales in Brazil and Chile offset lower public sales in Mexico (Conaliteg) this half year. The Media business shows an improvement in advertising revenues in radio and press, both digital and offline, and growth in El País' digital pay-per-subscription model.

- Operating expenses (excluding depreciation and amortisation charge, goodwill impairment and impairment and losses on fixed assets) amounted to EUR 372.4 million (+8.4% vs 2022; +8.3% in local currency). The growth in expenses is mainly due to higher variable expenses (in line with the increase in revenues), the impact of inflation and the increase in the cost of raw materials and distribution processes linked to the macroeconomic situation described above. The efficiency measures that the Group continues to implement have partly mitigated the increase in expenses and have allowed margins to rise.

- EBITDA increased significantly compared to the first half of 2022, reaching EUR 68.3 million (+52.8% vs 2022; +34.0% in local currency). Excluding severance payments, EBITDA grew by 46.8% year-on-year in 2022 (+30.1% in local currency). The Group uses EBITDA as a benchmark, among others, to monitor the performance of its businesses and to set its operational and strategic targets, therefore, this "alternative performance measure" is important for the Group and is used by other companies in the sector. EBITDA is defined as profit from operations plus assets depreciation and amortization charge, impairment of goodwill and impairment of assets.

The following tables detail the reconciliation between EBITDA and the Group's result from operations for each of the segments of the first half of 2023 and 2022 (in millions of euros):

	06/30/2023			
	Education	Media	Others	PRISA Group
PROFIT FROM OPERATIONS	**34.3**	**1.9**	**(1.3)**	**34.9**
Depreciations and amortization charge	20.6	12.4	0.2	33.2
Impairment of assets	0.2	0.0	0.0	0.2
EBITDA	**55.1**	**14.3**	**(1.1)**	**68.3**

	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**

Exchange rates had an impact on the Group's results, mainly due to the appreciation of the Mexican peso, the Brazilian real, the US dollar and the accounting effect of hyperinflation in Argentina: +EUR 8.7 million in income and +EUR 8.4 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):

	2023	Exchange rate effect	2023 excluding exchange rate effect	2022	Var. excluding Exchange rate effect	Var. (%) excluding exchange rate effect
Education (*)						
Operating income	235.1	11.1	224.0	202.5	21.5	10.6
EBITDA	55.1	7.8	47.3	36.6	10.6	29.0
Media						
Operating income	204.5	(2.4)	206.9	186.2	20.7	11.1
EBITDA	14.3	0.6	13.7	11.4	2.3	20.4
PRISA Group						
Operating income	**440.7**	**8.7**	**432.0**	**388.2**	**43.8**	**11.3**
EBITDA	**68.3**	**8.4**	**59.9**	**44.7**	**15.2**	**34.0**

(*) Excluding the exchange rate effect of Venezuela.

The Education business continues to develop with a focus on market transformation and the expansion of subscription models based on education systems. In the first half of 2023, the number of subscriptions has grown by +9% to 2,709 thousand subscriptions and the private sale of systems has grown compared to 2022 in the same line (+7.4%). Private educational sales also grew significantly compared to 2022 (+40.0%), mainly due to the extraordinary institutional sales in Argentina and the improvement in the campaigns of the countries in the Southern area. Public sales increased compared to the first half of 2022 as growth in Brazil and Chile offset lower public sales in Mexico (Conaliteg) in 2023.

- Operating revenues amounted to EUR 235.1 million in the first half of 2023, an increase of +16.1% compared to 2022 (+10.6% in local currency). This growth is mainly due to the growth of private sales (+20.4%, due to the expansion of education systems, the implementation of an extraordinary institutional sale in Argentina (for primary and secondary) and improved sales of educational material mentioned above). Public sales grew +5.3% as growth in Brazil and Chile offset lower public sales in Mexico (Conaliteg).

- Operating expenses (excluding depreciation and amortisation charge, goodwill impairment and impairment and losses on fixed assets) in the first half of 2023 amounted to EUR 180.0 million, higher than in 2022 (+8.5% in EUR and +6.6% in local currency). The increase is due both to the increase in variable expenses (in line with the increase in revenues) and to the increase in raw material costs, distribution and the impact of inflation. The implementation of efficiency measures partly offsets the increase in costs.

- EBITDA amounted to EUR 55.1 million in the first half of 2023, up +50.4% compared to 2022 (+29.0% in local currency).

- The exchange rate effect in the first half of 2023 compared to 2022 is +EUR 11.1 million in operating revenues and +EUR 7.8 million in EBITDA.

Media business continues to focus on brand leadership in the Spanish-speaking market, on digital transformation and growth of subscribers in El País. In the first half of 2023, on a monthly average, audio downloads reached 50 million (+4% growth) and total listening hours (TLH) reached 88 million (+12% growth). In addition, Prisa Media reached a monthly average of 231 million unique browsers. Furthermore, the pay-per-subscription business of El País reached 271,000 exclusive digital subscribers at the end of June 2023. In terms of revenues, the 2023 financial year shows growth, driven mainly by advertising growth (mainly in print, digital and radio in Spain and Chile) and the development of the El País subscription model. Also noteworthy is the diversification of digital revenues (agreements with platforms for innovative projects) and the inclusion of Lacoproductora in the consolidation perimeter, which generates audiovisual production revenues and boosts the growth of other revenues.

- Operating revenues amounted to EUR 204.5 million in the first half of 2023, a growth of +9.8%, mainly due to the increase in advertising revenues, which grew by +5%. Also contributing to the growth is the digital subscription model of El País, which grew +33% in revenues, digital revenues and the incorporation of Lacoproductora into the consolidation perimeter.

- Operating expenses (excluding depreciation and amortisation charges, goodwill impairment and impairment and losses on fixed assets) stood at EUR 190.2 million in the first half of 2023, up by 8.8% against 2022 (+9.1% disregarding severance payments). Efficiency measures partly offset the increase in variable expenses (in line with the increase in revenues) and the impact of inflation.

- EBITDA was EUR 14.3 million in the first half of 2023 compared to EUR 11.4 million in the first half of 2022, an improvement of 25.5%, mainly due to the recovery of the advertising market. Excluding severance payments, EBITDA reached EUR 17.0 million, an increase of +18.8% compared to 2022.

The Group's net bank debt decreased by EUR 55.1 million during the first half of 2023 and amounted to EUR 801.3 million at June 30, 2023, due to the cash inflow derived from the issuance of bonds mandatorily convertible (net of transaction costs) amounting to EUR 127.6 million, offset by the Group's cash needs during the first half, which includes the last payment of the acquisition, in April 2022, of 20% stake of Prisa Radio, for EUR 15 million. This debt indicator is an “alternative measure of performance” and includes non-current and current bank borrowings, excluding present value in financial instruments/loan arrangements costs, and the convertible notes coupon liability diminished by current financial assets, cash and cash equivalents and is important for the analysis of the Group's financial position.

The following table shows the composition of this indicator at June 30, 2023 and at December 31, 2022:

	Million of euros	
	06/30/23	12/31/22
Non-current bank borrowings	881.0	980.8
Current bank borrowings	38.3	30.8
Present value/loan arrangements costs	27.0	35.8
Convertible notes coupon liability	1.0	-
Current financial assets	(3.5)	(1.5)
Cash and cash equivalents	(142.5)	(189.5)
NET BANK DEBT	**801.3**	**856.4**

The Group has taken steps to maximize its liquidity, with an available cash at the end of June 30, 2023 amounting to EUR 132.5 million and with available and undrawn credit facilities and other lines of credit for an amount of EUR 29.2 million.

2. PRINCIPAL RISKS ASSOCIATED WITH THE BUSINESS

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

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

2.1. Risks relating to the financial and equity situation.

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

The Group's financial obligations are set out in note 11.b) "*Financial liabilities*" in the consolidated annual accounts of PRISA of the year 2022.

As of June 30, 2023, the Group's net bank debt level stood at EUR 801.3 million, which could pose a number of risks to the Group as:

- It increases the Group's vulnerability to the macroeconomic environment and market developments, especially in those businesses with greater exposure to economic cycles;
- It requires allocating a significant portion of cash flows from operations to meet interest payment and debt principal repayment obligations, reducing the ability to allocate these flows to meet working capital needs, as well as to finance investments and future operations;
- It limits the Group's financial, strategic and operational flexibility, as well as the ability to adapt to changes in markets; and
- It places the Group at a disadvantage relative to less indebted competitors.

On April 19, 2022, the 2022 Refinancing came into force, once the agreements reached with all of its creditors were made public. Note 11b "*Financial liabilities*" of PRISA's consolidated annual accounts for the year 2022 describes the main characteristics of the aforementioned Refinancing.

As indicated in note 10 of presents PRISA's explanatory notes, in February 2023 the Group has amortized debt of the Junior tranche for an amount of EUR 110 million, with the funds obtained from the issue of a bond mandatorily convertible into shares, which reduces the Group's level of leverage.

The credit rating assigned to the Company may be reviewed, suspended or removed at any time by one or more of the credit rating agencies. A downgrade of the Company's credit rating could adversely affect the terms of any future refinancing of the Group's financial debt, as well as limit the Group's access to financial markets, investors and certain lenders.

2. ***Risk of an early maturity of the financial debt if certain contractual clauses are breached.***

The agreements associated with the Refinancing of the PRISA Group stipulate requirements and commitments to comply with certain leverage and financial ratios (covenants). The financial contracts set out compliance with certain financial ratios for the PRISA Group, which began to be applied on June 30, 2022 and failure to comply with them would result in early maturity of the bank debt.

The determination of these covenants was made in consideration of market conditions and in accordance with PRISA's business expectations at the time of negotiation of the Refinancing. However, these conditions and expectations may be modified and affected by the complexity of the markets due to, among other issues, the globalisation of the markets.

The Refinancing agreement also includes causes for early termination as is customary in this kind of agreement, and includes provisions on cross-default, which could cause, if the breach exceeds certain amounts, the early maturity and resolution of the aforementioned contracts.

3. ***Exposure to variable interest risk.***

The Group is exposed to interest rate fluctuations insofar as a significant portion of the cost of the Group's borrowings is linked to floating interest rates (mainly Euribor) thar are periodically updated.

On June 30, 2023 98.89% of the Group's bank borrowings were tied to floating interest rates.

In this respect, although the Group continues to evaluate the contracting of derivative products to limit the impact of potential rises in the Euribor, further increases in interest rates would lead to higher financial expenses and interest payments, which would have a negative impact on the Group's cash flow. In this sense, at the end 2022 the Company had contracted an interest rate hedge arranged of a nominal amount of EUR 150 million which caps the three-month Euribor at 2.25%. In addition, in January 2023 a new interest rate hedge was contracted, in this case, on a nominal of EUR 150 million and a cap of 2.5% (three-month Euribor) and in March 2023, on a nominal amount of EUR 100 million limiting three months Euribor increases above 3% and up to a maximum of 5%. If Euribor was below said percentages, such coverages would not be applicable.

4. ***Risk of Company equity imbalance.***

PRISA, in its capacity as parent company of the Group carries out its activities through a group of subsidiaries, joint ventures and associated companies, so that, at present, a substantial part of its income comes from the distribution of dividends from its subsidiaries and their consideration as such for accounting purposes. In this regard, during the first half of 2023 Prisa has not recorded any dividend income.

An adverse development of the PRISA Group's business for any reason could have a negative impact on the dividend income received by the Company. In addition, a significant part of the Group's companies is located in Latin America and therefore the aforementioned dividends are subject, inter alia, to exchange rate risk and devaluation of the foreign currencies of the countries in which the Group operates. Furthermore, the Refinancing has entailed a reorganisation of the debt in terms of borrowers, which has meant that the entire financial expense associated with the refinanced debt is now recorded in the Company. In this respect, the interest rate of this debt is benchmarked to a variable interest rate, Euribor. There is also a risk that PRISA, as the parent company of a group of subsidiaries, may record possible impairment losses on the carrying amount of its investments when the value in use of the investments is lower than their carrying amount.

In this regard, in the event that the Company does not receive sufficient dividends from its subsidiaries to offset, mainly, the cost of debt financing, possible impairment of assets and financial investments, possible contingencies and other operating costs of the Company, or in the event that the dividends received are not considered income because they do not comply with current accounting regulations, PRISA would incur losses, eroding its equity at the individual level.

Therefore, in the event that the Company incurs losses in the future or that such losses accumulate in subsequent years and the net assets are reduced to less than 2/3 of the share capital (set at EUR 100,817 thousand at June 30, 2023), a new situation of equity imbalance could arise, in accordance with the provisions of the Capital Companies Act. At June 30, 2023 the net equity of PRISA (as a sole company) amounts to EUR 370 million.

Notwithstanding the foregoing, and although this does not affect a possible equity imbalance according to the aforementioned Capital Companies Act (measured based on the net equity of individual companies), Prisa has incurred losses at the consolidated level in past years and periods, mainly due to the accounting impact of certain corporate transactions and extraordinary events and conversion differences, which has caused the consolidated Group to record a negative net equity of EUR 421,862 thousand as at June 30, 2023.

5. ***Risk of exchange rates.***

The Group is exposed to fluctuations in exchange rates mainly due to financial investments made in stakes in Latin American companies, as well as revenue and profits from said investments. On June 30, 2023, 60.7% of the Group's operating revenues came from countries with a functional currency other than the euro.

A devaluation of the foreign currencies of the countries in which the Group operates against the euro would have an adverse impact on the repatriation of the euro cash of the Group's foreign companies, e.g. via dividends. In this respect, an unfavorable development of the exchange rate effect as a result of an increase in exchange rates against the currencies of the main countries in which the Group has a presence would lead to a negative impact on the consolidated income statement and the Group's cash flow.

At present, the Group does not have any significant exchange rate derivatives. Without prejudice to the foregoing, the Group follows the practice of arranging, on the basis of its forecasts and budgets which are analysed on a monthly basis, hedging contracts for exchange rate risk (exchange rate insurance, forwards, structured products and currency options mainly) depending on the risks and opportunities identified in this respect in the markets in order to reduce the volatility of the operations and results of the Group's companies operating abroad.

Furthermore, possible adverse developments in the economies of the Latin American countries in which the Group is present could lead to hyperinflationary situations, with the consequent negative impact on exchange rates.

6. Credit and liquidity risk due to, in other aspects, to the high fixed costs in the advertising sector and the seasonality in the businesses of the Group.

The adverse macroeconomic situation in recent years, mainly due to extraordinary events such as the COVID-19 health crisis in 2020 and 2021 or the war in Ukraine have had a negative impact on the Group's cash generation capacity, with an increase in liquidity tensions in the economy, as well as a contraction of the credit market.

In this respect, advertising-dependent businesses, in addition to being highly dependent on the economic cycle, rely heavily on advertising have a high percentage of fixed costs, and any decline in advertising revenues has major implications for margins and the cash position, making it difficult to implement additional measures to improve Group operating efficiency. On June 30, 2023 advertising revenues represent 33.7% of the Group's operating revenues.

As for the seasonality of business, it is worth noting that, in Media, advertising is mainly concentrated in the last quarter of the year, with the first quarter being a period with lower advertising revenues. In the case of the Education area, the last quarter is also the one with the highest volume of income, coinciding with the beginning of the Southern Campaigns and taking into account that the largest part of Brazil's public sale is invoiced in the referred quarter. However, the second quarter of the year is usually of little relative weight in the total for the year.

Although, on an annual basis, the seasonality of the Group's cash flows is not significant, as the flows from the various business units are offset, largely mitigating the effect of seasonality, the seasonal nature of the Group's businesses could give rise to some cash pressures during periods when collections are structurally lower.

With regard to trade credit risk, which is defined as the possibility that a third party will not meet its contractual obligations, thereby causing losses for the Group, the Group assesses the ageing of receivables and constantly monitors the management of collections and payments associated with all its activities, as well as the maturities of financial and commercial debt and recurrently analyses other sources of financing in order to cover expected cash requirements in the short, medium and long term.

To mitigate this risk the Group has a Super Senior debt ("Super Senior Term &Revolving Facilities Agreement") to meet operational needs for a maximum amount of up to EUR 240 million, that is fully drawn as of June 30, 2023. Likewise, the rest of subsidiaries of the Group have at June 30, 2023 undrawn credit facilities and other credit lines amounting to EUR 29.2 million (*see note 10 of the present explanatory notes*). In addition, as of June 30, 2023, the Group had a cash available of EUR 132.5 million. The Group has also implemented specific plans for the improvement and efficient management of liquidity to address these tensions.

7. Risk of write down of intangible assets, goodwill and tax credits.

On June 30, 2023 the group had recognised in its consolidated balance sheet intangible assets amounting to EUR 107 million (11.5% of total assets), goodwill amounting to EUR 122 million (13.1% of total assets) and deferred tax assets of EUR 72 million (7.7% of total assets).

In the analysis of the determination of the recoverable amount (in accordance with current accounting regulations) and thus in the valuation of intangible assets and goodwill, as well as in estimating the recovery of tax credits, estimates are used, made as of the date determined on the basis of the best information available at that date. However, it is possible that future events may make it necessary to change these estimates downwards (i.e., a deterioration in them global macroeconomic situation), which would result in the recognition in the income statement of accounting losses due to the effect of these new negative estimates on the valuation of intangible assets, goodwill and tax credits recognised.

In relation to tax credits, there is a risk of changes or divergences in the interpretation of tax rules in Spain or other jurisdictions in which the Group operates, that could affect the recoverability of these tax credits, together with the Group's ability to generate taxable profits in the period in which such tax credits remain deductible.

2.2. Strategic and operational risks

8. Risk related to economical and geopolitical macroeconomic.

The geographical location of the Group's activities is currently concentrated in Spain and Latin America (Brazil, Mexico, Colombia, Chile and Argentina, among others).

In the first half of 2023, 60.7% of the Group's operating revenues came from international markets. While America (Latin America+USA) is a significant geographic market for the Group, Spain continues to maintain a relevant weight, representing 39.3% of the Group's operating revenues for the first half of 2023.

Any adverse change affecting the Spanish and Latin American economy (such as the tensions and military developments around Ukraine, the trade tensions of recent years between the United States and China, Brexit and rise of populism, among others) could affect the spending of the Group's customers, present or future, on the Group's products and services and therefore also affect the Group directly. PRISA operations and investments may also be affected by different risks that are typical to investments in countries with emerging economies or with unstable backdrops, such as currency devaluation, capital controls, inflation, expropriations or nationalisations, tax changes or changes in policies and regulations.

9. Risk of higher commodity costs and inflation in the current environment.

In the first half of 2022, the onset of the Russia-Ukraine conflict and the uncertainties surrounding it contributed to a further gradual deterioration of the macroeconomic environment, leading, among other things, to significant market disruptions, instability and volatility, as well as an increase in inflation and tensions over Russian gas supply cuts that have worsened the global outlook, and uncertainty over the development of the conflict, con an adverse impact in GDP.

Although the Group has no direct exposure to Russia, the tensions surrounding the Russia-Ukraine conflict could adversely affect the Group, through factors such as inflation, the volatile of energy prices or the increase in the cost of raw materials and other industrial costs. While the PRISA Group generally attempts to pass on operating cost increases and inflation to customers, there is no guarantee that the Company will be able to do so due to competitive pressures and other factors.

10. Risk of digital transformation, changing trends and emergence of new players and competence in Education and Media businesses.

In both the Education and Media businesses, competition between companies, the emergence of new players and changing trends represent threats and new opportunities for the Group's traditional business models.

In the Education business the Group competes with both traditional players and new, more digital operators focused on education systems offering alternative content and services and smaller businesses (educational start-ups, online portals, etc.). In addition, there is a growing trend towards open access to educational content (usually via online sites), a proliferating market for second-hand materials and an increasing number of schools not using books and developing new content within the scope of curricular autonomy at school level. This set of trends, in this competitive environment, puts downward pressure on the prices of educational content and services in the Group's main markets.

In the Media business, overall revenues (advertising, circulation and other) continue to be negatively impacted by the growth of alternative means of content distribution. The user has changed access to content consumption: significantly increases consumption through digital media and, at the same time, incorporates the offer of the new digital operators into what the traditional media have to offer. The proliferation of these alternative means of content distribution has significantly expanded the options available to consumers, resulting in audience fragmentation, as well as an increase in the inventory of digital advertising space available to advertisers, which affects and is expected to continue to affect the Group's Media businesses.

11. Risk of concentration of customers in the public sector (Education).

The Education segment main customers in the public education market are governments and public bodies in the various jurisdictions in which it operates.

Consequently, in the event that the economic situation in these countries deteriorates, regulatory or public policy changes occur or existing contractual relationships are not renewed, without the Group being able to replace them with others on materially similar terms, there could be a material adverse impact.

12. Risk of deterioration of the advertising market of the Media business.

A significant part of PRISA Group's operating revenues come from the advertising market, in its Media business. During first half of 2023, advertising revenues from the Group's Media division accounted for 33.7% of the Group's operating revenues.

Generally speaking, spending by advertisers tends to be cyclical and reflects the general economic situation and outlook. Therefore, in the event of a worsening of macroeconomic magnitudes in the countries in which the Group operates, the adverting invest prospects of the advertisers could be negatively affected.

The Company cannot predict the advertising market's trend in the short, medium and long term, and given the large, fixed cost component associated with businesses with a high weighting of advertising revenues, a fall in advertising revenues would have a direct impact on the margins and results of Media business, with the consequent negative impact on the Group.

13. Risk related to Group's dependence on IT systems (cybersecurity).

The businesses in which the Group operates are heavily reliant on information technology ("IT") both in terms of "back office" (systems that businesses use to operate their businesses: Entreprise Resource Planning (ERP), content management, advertising, broadcasting, etc.), as well as in the front office and the solutions that the Group's businesses offer the market as part of their value proposition: from the websites and apps of digital properties in the area of Media, to the technological platform and educational systems in the area of Education.

IT systems are vulnerable with respect to a range of problems, such as hardware and software malfunctions, computer viruses, hacking and physical damage to IT facilities. In particular, the Group operates in an environment of increasing cyber threats in recent years.

This is why IT systems need regular upgrades, some of which are carried out on a preventive basis. However, the Group may not be able to implement the necessary upgrades in a timely manner or the timely upgrades may not work as planned. In addition, the Group may not have sufficient capacity to identify technical vulnerabilities and security weaknesses in operational processes as well as in the ability to detect and react to incidents. Although the Group has outsourced IT management services and undertaking innovation projects in certain Group companies to various technology providers, if the provision of these services were not to continue or were to be transferred to new providers, the Group's operations could be affected.

14. Risk for the proliferation of sectoral regulation.

The PRISA Group operates in regulated sectors and is therefore exposed to regulatory and administrative risks that could adversely affect its business.

In particular, the Group's radio business is subject to the obligation to hold concessions or licences depending on the country in which the Group operates to undertake this activity. These concessions and licences are obtained directly by the Group or through third parties by entering into licence lease agreements. There is therefore a risk that existing licences may not be renewed due to various factors (some of which may be beyond the Group's control), that they may be modified or revoked, as well as that upon termination of existing licence leases the relevant third parties may not wish to renew them with the Group or may renew them on less favourable terms.

In addition, the Group's Education business is subject to the education policies approved by the governments of the countries in which operates. In this respect, the Education business could be affected by legislative changes arising, for example, from the succession of governments, changes in contracting procedures with public administrations or the need to obtain prior administrative authorisations regarding its content. Curricular changes require the Group to modify its educational content, which in turn requires additional investments, and there is a risk that the return on these investments may be lower than expected.

15. Regulation risk to extensive antitrust and merger control regulations.

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

In this regard, the Group is exposed to the risk of potential non-compliance with applicable antitrust or merger control regulations, which in turn exposes the Group to the risk that the competition authorities and agencies of the countries in which the Group operates may initiate disciplinary proceedings against the Group. This could eventually lead to the imposition of economic sanctions on the Group and damage its reputation in the markets in which it operates.

16. Litigations and third parties claim risks.

PRISA Group companies are exposed to claims from third parties, as well as to administrative, judicial and arbitration proceedings arising as a result of undertaking their activities and business, the scope, content or outcome of which cannot be predicted. Moreover, when running its activities and businesses, the Group is exposed to potential liabilities and claims in the area of employment relations. PRISA is also exposed to liability for the content in its publications and programmes.

Although provisions have been made for litigation and contingencies of probable occurrence (probability of more than 50%), there are a number of large litigation cases for which no provision has been made, as they have been classified as possible or remote risk by the Group's internal and external legal advisors.

17. Intellectual property risk.

The Group's businesses largely depend on the intellectual and industrial property rights over, among other items, brands, literary content or technology wholly developed by the Group. Brands and other intellectual and industrial property rights comprise one of the pillars of success and maintenance of the Group's competitive advantage. However, there is a risk that third parties, without the Company's authorisation, may attempt to copy or otherwise obtain and misuse content, services or technology developed by the Group.

Similarly, recent technological advances have made it much easier for unauthorised reproduction and distribution of content through various channels, making it more difficult to enforce the protection mechanisms associated with intellectual and industrial property rights. In addition, the Group's international presence entails the risk that it may not be able to protect intellectual property rights efficiently in all jurisdictions in which it operates.

18. Risk related to the increase in royalties for the use of third party intellectual property rights.

In order to use third-party intellectual property rights, the Group has non-exclusive paid-for permission from management companies servicing the owners of these rights.

To the extent that the Group is not involved in determining the economic consideration for the use of these rights, there is a risk that significant upward variations in the amount of this consideration could have a negative impact on the Group's business.

19. Data protection risk.

The Group has a large amount of personal data at its disposal through undertaking its business, included those related to employees, readers and students. Therefore, the Group is subject to data protection regulations in the various countries where it operates.

The growing digital activity of the Group's businesses entails a particular risk related to the IT management of personal data, which could result in security breaches of varying scope and severity occurring.

Failure to comply could result in reputational damage to the Group and the payment of significant fines. In addition, any disclosure of such personal information by unauthorised third parties or employees could affect the Group's reputation, limit its ability to attract and retain consumers or expose it to claims for damages suffered by individuals to whom the personal information relates.

2.3. ESG risks

See section 5 of the Consolidated Directors´ Report of 2022.

2.4. Criminal compliance risks

See section 5 of the Consolidated Directors´ Report of 2022.

2.5. Reputational risks

See section 5 of the Consolidated Directors´ Report of 2022.

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

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

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

According to the latest edition of the World Bank's World Economic Outlook (June 2023), global growth is slowing due to financial sector turmoil, high inflation, continued disruptions caused by Russia's invasion of Ukraine and three years of the COVID-19 pandemic. Global growth is projected to decelerate from 3.1% in 2022 to 2.1% in 2023.

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

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

On the macroeconomic front, according to IMF projections for 2023 (April 2023 data), the GDP growth rate of advanced economies will be +1.3% (up from 2.7% in 2022). For Spain, the IMF expects growth of +1.5% (5.5% in 2022); although the Bank of Spain, in its latest forecasts released in June, has improved the growth forecast for 2023 to 2.3%. Meanwhile, the main countries in which PRISA is present in Latin America will also experience a slowdown in growth in 2023, according to IMF projections: Brazil will grow by +0.9% (+2.9% in 2022), Mexico by +1.8% (+3.1% in 2022), Colombia by +1.0% (+7.5% in 2022), Peru by +2.4% (+2.7% in 2022), Argentina by +0.2% (+5.2% in 2022) and Chile will decrease by -1.0% (+2.4% in 2022). For Latin America as a whole, growth is estimated at +1.6% in 2023 (+4.0% in 2022).

In line with the development of economic indicators in Latin America, the Group's results are also affected by exchange rate volatility. In the first half of 2023, most of the currencies of Latin American countries strengthened.

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

Another factor that affects the future development of PRISA's business is the advertising cycle. 33.7% of the Group's operating income in the first half of 2023 will come from advertising. The Media businesses, which are largely dependent on advertising revenues, have a high percentage of fixed costs, so that significant variations in advertising revenues have a significant impact on results, leading to an improvement or worsening of margins and the Group's cash position.

In this regard, after the drastic drop in advertising investment in 2020 due to the COVID-19 pandemic, the advertising market has partly recovered thanks to growth in 2021 and 2022 (although 2022 was somewhat affected by the macroeconomic consequences of the war in Ukraine). So far in 2023, the advertising market continues to grow in year-on-year comparison. The Group's advertising grew by +5.0% in the first half of 2023 compared to the previous year.

According to June estimates of the latest i2P report for May 2023, the total advertising market in Spain has grown by +2.5% up to June and the market in which PRISA's media are present has grown by +3.9%. The Group's advertising revenues in Spain have grown by +8.2% (gross advertising) as of June 2023 compared to 2022 (estimated). i2P in its latest report June 2023, projects total advertising growth of 3.5% and 3.3% for the market in which PRISA's media are present.

PRISA Media expects to improve its share of the advertising market in 2023 in the markets where it is present thanks to the leadership of its brands.

In Latin America, the advertising market also recovered throughout 2021 and 2022 from the impact of the pandemic. By contrast, in 2023, the following drops in the advertising market are estimated: -10% in Colombia (according to Asomedios, May 2023) and -1% in Chile (according to Asociación de Agencias de Medios, May 2023). Meanwhile, PRISA has fallen in the first half of 2023 by -9% in Colombia, while in Chile it has grown by +12% compared to 2022 (gross advertising data, in local currency).

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

País, which has reached 271,000 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 2023 represents 53.4% of the Group's operating income. Although the Education business is generally more resilient to the economic cycle, the COVID-19 pandemic had a negative impact, especially on the trends of sales campaigns of traditional educational material. However, the pandemic was also an opportunity to accelerate the digital transformation towards subscription models through the increased use of online platforms for education, which has been driven precisely during this time when a face-to-face delivery model was not possible.

In 2022, the reopening of schools allowed for a more efficient commercial campaign with increasing demand for digital models, which has led to a recovery in Santillana's revenues. Subscription models (educational systems), based on a hybrid teaching methodology (online and offline, classroom and distance, paper and digital, school and home, etc.), have continued to grow in the first half of 2023, confirming the importance of the transformation strategy at Santillana.

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

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

The Group's digital audiences continue to show relevant figures. In the first half of 2023, PRISA Media reached a monthly average of 231 million unique browsers, 9 million registered users (+34% compared to 2022) and 50 million audio downloads (+4% compared to 2022), in addition to the 271 thousand digital subscribers to El País. Meanwhile, Santillana's digital educational ecosystem continues to expand by evolving and enriching its offer and adapting to the return of face-to-face teaching in the classroom, as well as maintaining levels of use of the educational platform that are higher than before the pandemic. In this regard, the pandemic has contributed to increased use of technologies for information consumption, education or entertainment, leading to the growth of the Group's digital audiences.

The Group's strategy for 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	2023

CLOSING DATE OF PERIOD 06/30/2023

I. IDENTIFICATION DATA

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

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

II. SUPPLEMENTARY INFORMATION TO PREVIOUSLY RELEASED PERIODIC INFORMATION

Anexar
Información complementaria

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

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

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

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

Observations on the above statement/(s):

Person/(s) assuming responsibility for this information:

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

Individual/Corporate name	Office
D. JOSEPH MARIE OUGHOURLIAN	CHAIRMAN
D. FERNANDO CARRILLO FLÓREZ	1ST DEPUTY CHAIRMAN
Dª. MARIA PILAR GIL MIGUEL	2ND DEPUTY CHAIRMAN
D. MIGUEL ÁNGEL BARROSO AYATS	DIRECTOR
Dª. BÉATRICE DE CLERMONT-TONNERRE	DIRECTOR
D. FRANCISCO ANTONIO CUADRADO PEREZ	DIRECTOR
Dª. CARMEN FERNÁNDEZ DE ALARCÓN ROCA	DIRECTOR
Dª. MARGARITA GARIJO GÓMEZ	DIRECTOR
Dª. MARIA JOSÉ MARÍN REY-STOLLE	DIRECTOR
D. CARLOS NUÑEZ MURIAS	DIRECTOR
D. MANUEL POLANCO MORENO	DIRECTOR
Dª. MARIA TERESA QUIRÓS ÁLVAREZ	DIRECTOR
Dª. ISABEL SÁNCHEZ GARCÍA	DIRECTOR
D.JAVIER SANTISO GUIMARAS	DIRECTOR
D. ANDRÉS VARELA ENTRECANALES	DIRECTOR

Date this half-yearly financial report is signed by the competet governing body: 07/25/2023

IV. SELECTED FINANCIAL INFORMATION

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

Units: Thousands of euros

ASSETS		PRESENT PER. 06/30/2023	PREVIOUS PER. 12/31/2022
A) NON-CURRENT ASSETS	**0040**	**1,253,255**	**1,270,536**
1. Intangible assets:	**0030**	55	66
a) Goodwill	**0031**		
b) Other intangible assets	**0032**	55	66
2. Property, plant and equipment	**0033**	436	444
3. Investment properties	**0034**		
4. Long-term investmenst in group companies and associates	**0035**	1,239,854	1,265,801
5. Long-term financial investments	**0036**	10,507	4,132
6. Deferred tax assets	**0037**	2,403	93
7. Other non-current assets	**0038**		
B) CURRENT ASSETS	**0085**	**34,583**	**28,818**
1. Non-current assets held for sale	**0050**	20	210
2. Inventories	**0055**		
3. Trade and other receivables:	**0060**	1,488	2,445
a) Trade receivables for sales and services	**0061**	1,423	1,435
b) Other receivables	**0062**	27	20
c) Current tax assets	**0063**	38	990
4. Short-term investments in group companies and associates	**0064**	20,931	15,730
5. Short-term financial investments	**0070**	558	0
6. Current accrual accounts	**0071**	143	238
7. Cash and cash equivalents	**0072**	11,443	10,195
TOTAL ASSETS (A+B)	**0100**	**1,287,838**	**1,299,354**

Comentarios

EQUITY AND LIABILITIES		PRESENT PER. 06/30/2023	PREVIOUS PER. 12/31/2022
A) EQUITY (A.1+ A.2+ A.3)	**0195**	**370,466**	**282,547**
A.1) CAPITAL AND RESERVES	**0180**	**370,466**	**282,547**
1. Share Capital:	**0171**	100,817	74,065
a) Authorized capital	**0161**	100,817	74,065
b) Less: Uncalled capital	**0162**		
2. Share premium	**0172**	89,319	17,088
3. Reserves	**0173**	280,879	282,751
4. Less: Treasury stock	**0174**	(1,120)	(401)
5. Profit/loss brought forward	**0178**	(90,956)	0
6. Other shareholder contributions	**0179**		
7. Net income for the year	**0175**	(38,536)	(90,956)
8. Less: Interim dividend	**0176**		
9. Other equity instruments	**0177**	30,063	
A.2) VALUATION ADJUSTMENTS	**0188**	**0**	**0**
1. Available for sale financial assets	**0181**	0	
2. Hedging transactions	**0182**		
3. Other	**0183**		
A.3) GRANTS, DONATIONS AND GIFTS RECEIVED	**0194**		
B) NON-CURRENT LIABILITIES	**0120**	**876,250**	**973,464**
1. Long-term provisions	**0115**	2,416	2,145
2. Long-term debts	**0116**	873,834	971,319
a) Bank borrowings and bonds and other negotiable securities	**0131**	873,834	971,319
b) Other non-current financial liabilities	**0132**		
3. Long-term payable to group and associates companies	**0117**	0	
4. Deferred tax liabilities	**0118**		
5. Other non-current liabilities	**0135**		
6. Long- term acrual accounts	**0119**		
B) CURRENT LIABILITIES	**0130**	**41,122**	**43,343**
1. Non-current liabilities held for sale	**0121**		
2. Short-term provisions	**0122**	3,320	3,320
2. Short-term payables	**0123**	25,143	22,835
a) Bank borrowings and bonds and other negotiable securities	**0133**	14,785	12,477
b) Other financial liabilities	**0134**	10,358	10,358
4. Current payables to group and associates companies	**0129**	9,216	13,052
5. Trade and other payables	**0124**	3,443	4,136
a) Suppliers	**0125**	0	42
b) Other accounts payable	**0126**	3,443	4,094
c) Current tax liabilities	**0127**		
6. Other current liabilities	**0136**		
7. Current accrual accounts	**0128**		
TOTAL EQUITY AND LIABILITIES (A+B+C)	**0200**	**1,287,838**	**1,299,354**

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

Units: Thousands of euros

			CURRENT CUMULATIVE 06/30/2023 Amount	PREVIOUS CUMULATIVE 06/30/2022 Amount
(+)	Revenues	**0205**	2,387	2,077
(+/-)	Variation in inventories of finished products and products in process	**0206**		
(+)	Own work capitalized	**0207**		
(-)	Suppliers	**0208**		
(+)	Other operating revenues	**0209**	37	98
(-)	Staff costs	**0217**	(2,628)	(2,214)
(-)	Other operating expenses	**0210**	(2,854)	(3,565)
(-)	Depreciation and amortization charge	**0211**	(40)	(480)
(+)	Allocation of grants for non-financial assets and others	**0212**		
(+)	Overprovision	**0213**		
(+/-)	Impairment and results on fixed asset disposals	**0214**	0	0
(+/-)	Other income	**0215**		
=	**RESULT FROM OPERATIONS**	**0245**	**(3,098)**	**(4,084)**
(+)	Finance income	**0250**	669	4
(-)	Finance expenses	**0251**	(37,889)	(59,199)
(+/-)	Change in value of financial instruments	**0252**	(6,052)	(255)
(+/-)	Exchange differences (net)	**0254**	(2)	9
(+/-)	Impairment and results on disposals of financial instrument	**0255**	4,035	1,695
=	**NET FINANCIAL RESULT**	**0256**	**(39,239)**	**(57,746)**
=	**PROFIT (LOSS) BEFORE TAX**	**0265**	**(42,337)**	**(61,830)**
(+/-)	Income tax	**0270**	4,166	5,467
=	**PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS**	**0280**	**(38,171)**	**(56,363)**
(+/-)	Net income for the year from discontinued operations net of tax	**0285**	(365)	(28)
=	**PROFIT (LOSS) FOR THE YEAR**	**0300**	**(38,536)**	**(56,391)**

EARNINGS PER SHARE		**Amount (X.XX euros)**	**Amount (X.XX euros)**
Basic	**0290**	(0.05)	(0.08)
Diluted	**0295**	(0.05)	(0.08)

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 06/30/2023	PREVIOUS PERIOD 06/30/2022
A) PROFIT (LOSS) FOR THE YEAR (from the income statement)	0305	(38,536)	(56,391)
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	(38,536)	(56,391)

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

Units: Thousands of euros

PRESENT PERIOD		Equity					Adjustments for changes in value	Grants, donations and gifts received	Total Equity
		Share Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for the period	Other equity instruments			
Opening balance at 01/01/2023	3010	**74,065**	**299,839**	**(401)**	**(90,956)**	**0**	**0**	**0**	**282,547**
Adjustment for changes in accounting policy	3011								**0**
Adjustment for errors	3012								**0**
Adjusted opening balance	3015	**74,065**	**299,839**	**(401)**	**(90,956)**	**0**	**0**	**0**	**282,547**
I. Total recognised income/ (expense) the period	3020		0		(38,536)		0		**(38,536)**
II. Transactions with shareholders or owners	3025	**26,752**	**71,845**	**(719)**	**0**	**30,063**	**0**	**0**	**127,941**
1. Capital increases/ (reductions)	3026	26,752	72,231			(98,983)			**0**
2. Conversion of financial liabiities into equity	3027		(257)			3,043			**2,786**
3. Distribution of dividends	3028								**0**
4. Trading with own shares (net)	3029		(129)	(719)					**(848)**
5. Increases/ (reductions) for business combinations	3030								**0**
6. Other transactions with shareholders or owners	3032					126,003			**126,003**
III. Other changes in equity	3035	**0**	**(92,442)**	**0**	**90,956**	**0**	**0**	**0**	**(1,486)**
1. Share based payments	3036								**0**
2. Transfers between equity accounts	3037		(90,956)		90,956				**0**
3. Other variations	3038		(1,486)						**(1,486)**
Closing balance at 06/30/2023	3040	**100,817**	**279,242**	**(1,120)**	**(38,536)**	**30,063**	**0**	**0**	**370,466**

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 01/01/2022 (comparative period)	3050	**70,865**	**228,122**	**(1,320)**	**55,593**	**0**	**0**	**0**	**353,260**
Adjustment for changes in accounting policy	3051								**0**
Adjustment for errors	3052								**0**
Adjusted opening balance (comparative period)	3055	**70,865**	**228,122**	**(1,320)**	**55,593**	**0**	**0**	**0**	**353,260**
I. Total recognised income/ (expense) the period	3060		0		(56,391)		0		**(56,391)**
II. Transactions with shareholders or owners	3065	**3,200**	**15,629**	**592**	**0**	**0**	**0**	**0**	**19,421**
1. Capital increases/ (reductions)	3066	3,200	17,088						**20,288**
2. Conversion of financial liabilities into equity	3067								**0**
3. Distribution of dividends	3068								**0**
4. Trading with own shares (net)	3069		(1,459)	592					**(867)**
5. Increases/ (reductions) for business combinations	3070								**0**
6. Other transactions with shareholders or owners	3072								**0**
III. Other changes in equity	3075	**0**	**55,765**	**0**	**(55,593)**	**0**	**0**	**0**	**172**
1. Share based payments	3076								**0**
2. Transfers between equity accounts	3077		55,593		(55,593)				**0**
3. Other variations	3078		172						**172**
Closing balance at 06/30/2022 (comparative period)	3080	**74,065**	**299,516**	**(728)**	**(56,391)**	**0**	**0**	**0**	**316,462**

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

Units: Thousands of euros

			PRESENT PERIOD 06/30/2023	PREVIOUS PERIOD 06/30/2022
A)	**CASH FLOWS FROM OPERATING ACTIVITIES (1+ 2+ 3+ 4)**	**0435**	**(39,053)**	**(18,146)**
1.	**Profit (loss) before tax**	**0405**	**(42,337)**	**(61,830)**
2.	**Adjustments to profit (loss):**	**0410**	**39,480**	**57,670**
(+)	Depreciation and amortization charge	**0411**	40	480
(+/-)	Other adjustments to income (nets)	**0412**	39,440	57,190
3.	**Changes in working capital**	**0415**	**(516)**	**(150)**
4.	**Other cash flows from operating activities:**	**0420**	**(35,680)**	**(13,836)**
(-)	Interest paid	**0421**	(32,661)	(4,079)
(+)	Dividends received	**0422**	0	
(+)	Interest received	**0423**	49	
(+/-)	Income tax recovered/(paid)	**0430**	182	315
(+/-)	Other sums received/(paid) from operating activities	**0425**	(3,250)	(10,072)
B)	**CASH FLOWS FROM INVESTING ACTIVITIES (1+2)**	**0460**	**30,007**	**(82)**
1.	**Payments for investments:**	**0440**	**(21)**	**(624)**
(-)	Group companies, associates and business units	**0441**	0	(624)
(-)	Property, plant and equipment, intangible assets and investment properties	**0442**	(21)	
(-)	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**	**30,028**	**542**
(+)	Group companies, associates and business units	**0451**	30,028	542
(+)	Property, plant and equipment, intangible assets and investment properties	**0452**	0	
(+)	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**	**10,294**	**17,654**
1.	**Sums received /(paid) in respect of equity instruments:**	**0470**	**126,731**	**(94)**
(+)	Issues	**0471**	127,579	
(-)	Amortization	**0472**		
(-)	Acquisition	**0473**	(848)	(94)
(+)	Disposal	**0474**		
(+)	Grants, donations and gifts received	**0475**		
2.	**Sums received /(paid) for financial liability instruments**:	**0480**	**(116,173)**	**17,748**
(+)	Issues	**0481**	0	17,748
(-)	Repayment and redemption	**0482**	(116,173)	
3.	**Payments of dividends and remuneration on other equity instruments**	**0485**	(264)	
D)	**EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES**	**0492**		
E)	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+ B+ C+ D)**	**0495**	**1,248**	**(574)**
F)	**CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD**	**0499**	**10,195**	**10,764**
G)	**CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+ F)**	**0500**	**11,443**	**10,190**

	COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		PRESENT PERIOD 06/30/2023	PRESENT PERIOD 06/30/2022
(+)	Cash and banks	**0550**	11,443	10,190
(+)	Other financial assets	**0552**		
(-)	*Less: Bank overdrafts repayable on demand*	**0553**		
	TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	**0600**	**11,443**	**10,190**

IV. SELECTED FINANCIAL INFORMATION
5. STATEMENT OF CONSOLIDATED FINANCIAL SITUATION (IFRS ADOPTED)

Units: Thousands of euros

ASSETS		PRESENT PER. 06/30/2023	PREVIOUS PER. 12/31/2022
A) NON-CURRENT ASSETS	**1040**	**453,602**	**425,934**
1. Intangible assets:	**1030**	228,693	222,163
a) Goodwill	**1031**	121,589	117,220
b) Other intangible assets	**1032**	107,104	104,943
2. Property, plant and equipment	**1033**	100,483	103,294
3. Investment properties	**1034**	14	12
4. Investments accounted for using the equity method	**1035**	35,173	33,123
5. Non-current financial assets	**1036**	7,334	8,386
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**	7,334	8,386
6. Non-current derivatives	**1039**	10,352	3,977
a) Coverage	**1045**	10,352	3,977
b) Other	**1046**		
7. Deferred tax assets	**1037**	71,553	54,979
8. Other non-current assets	**1038**	0	0
B) CURRENT ASSETS	**1085**	**474,212**	**556,739**
1. Non-current assets held for sale	**1050**	703	841
2. Inventories	**1055**	71,215	74,693
3. Trade and other receivables:	**1060**	256,219	290,181
a) Trade receivables for sales and services	**1061**	182,948	226,046
b) Other receivables	**1062**	73,271	64,135
c) Current tax assets	**1063**		
4. Current financial assets	**1070**	3,535	1,528
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**	3,535	1,528
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**	142,540	189,496
TOTAL ASSETS (A + B)	**1100**	**927,814**	**982,673**

EQUITY AND LIABILITIES		PRESENT PER. 06/30/2023	PREVIOUS PER. 12/31/2022
A) EQUITY (A.1+ A.2+ A.3)	**1195**	**(421,862)**	**(532,160)**
A.1) CAPITAL AND RESERVES	**1180**	**(363,281)**	**(458,652)**
1. Share Capital	**1171**	100,817	74,065
a) Authorized capital	**1161**	100,817	74,065
b) Less: Uncalled capital	**1162**		
2. Share premium	**1172**	89,319	17,088
3. Reserves	**1173**	31,196	121,619
4. Less: Treasury stock	**1174**	(1,120)	(401)
5. Profit/loss brought forward	**1178**	(577,303)	(658,074)
6. Other shareholder contributions	**1179**		
7. Profit (loss) for year attributable to parent company	**1175**	(36,253)	(12,949)
8. Less: Interim dividend	**1176**	0	
9. Other equity instruments	**1177**	30,063	0
A.2) OTHER ACCUMULATED INTEGRAL RESULT	**1188**	**(72,257)**	**(87,583)**
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**	(72,257)	(87,583)
a) Hedging	**1182**		
b) Translation differences	**1184**	(72,257)	(87,583)
c) Participation in other comprehensive income for investments in joint ventures and	**1192**		
d) Debt instruments at fair value with changes in other comprehensive income	**1191**		
e) Other	**1183**	0	0
EQUITY ATTRIBUTABLE TO THE CONTROLING COMPANY (A.1+ A.2)	**1189**	**(435,538)**	**(546,235)**
A.3) NON-CONTROLLING PARTICIPATIONS	**1193**	13,676	14,075
B) NON-CURRENT LIABILITIES	**1120**	**970,820**	**1,073,345**
1. Grants	**1117**	530	419
2. Non-current provisions	**1115**	16,195	15,308
3. Non-current financial liabilities:	**1116**	931,583	1,034,783
a) Bank borrowings and bonds and other negotiable securities	**1131**	881,058	980,848
b) Other non-current financial liabilities	**1132**	50,525	53,935
4. Deferred tax liabilities	**1118**	20,027	19,894
5. Non-current derivatives	**1140**	0	0
a) Coverage	**1141**		
b) Other	**1142**		
6. Other non-current liabilities	**1135**	2,485	2,941
C) CURRENT LIABILITIES	**1130**	**378,856**	**441,488**
1. Non-current liabilities held for sale	**1121**	462	424
2. Current provisions	**1122**	5,178	6,166
3. Current financial liabilities:	**1123**	55,855	63,656
a) Bank borrowings and bonds and other negotiable securities	**1133**	38,356	30,824
b) Other financial liabilities	**1134**	17,499	32,832
4. Trade and other payables:	**1124**	283,219	329,739
a) Suppliers	**1125**	204,353	254,800
b) Other accounts payable	**1126**	78,866	74,939
c) Current tax liabilities	**1127**		
5. Current derivatives	**1145**	0	0
a) Coverage	**1146**		
b) Other	**1147**		
6. Other current liabilities	**1136**	34,142	41,503
TOTAL EQUITY AND LIABILITIES (A + B + C)	**1200**	**927,814**	**982,673**

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

Units: Thousands of euros

			CURRENT CUMULATIVE 06/30/2023	PREVIOUS CUMULATIVE 06/30/2022
(+)	Revenues	**1205**	431,884	381,690
(+/-)	Variation in inventories of finished products and products in process	**1206**		
(+)	Own work capitalized	**1207**	166	334
(-)	Suppliers	**1208**	(71,347)	(61,550)
(+)	Other operating revenues	**1209**	6,866	4,014
(-)	Staff costs	**1217**	(159,380)	(145,543)
(-)	Other operating expenses	**1210**	(141,636)	(136,333)
(-)	Depreciation and amortization charge	**1211**	(33,267)	(34,787)
(+)	Allocation of grants for non-financial assets and others	**1212**		
(+/-)	Impairment on fixed asset	**1214**	(194)	176
(+/-)	Results on fixed asset disposals	**1216**	1,790	2,118
(+/-)	Other income	**1215**		
=	**RESULT FROM OPERATIONS**	**1245**	**34,882**	**10,119**
(+)	Finance income	**1250**	5,581	2,867
	a) Interest income calculated according to the effective interest rate method	**1262**		
	b) Other	**1263**	5,581	2,867
(-)	Finance costs	**1251**	(61,846)	(85,334)
(+/-)	Change in value of financial instruments	**1252**	(6,054)	59,424
(+/-)	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**	(3,146)	603
(+/-)	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**	**(65,465)**	**(22,440)**
(+/-)	Profit (loss) from companies recorded by the equity method	**1253**	376	3,475
=	**PROFIT (LOSS) BEFORE TAX**	**1265**	**(30,207)**	**(8,846)**
(+/-)	Income tax	**1270**	(5,844)	(5,524)
=	**PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS**	**1280**	**(36,051)**	**(14,370)**
(+/-)	Net income for the year from discontinued operations net of tax	**1285**	(350)	0
=	**CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD**	**1288**	**(36,401)**	**(14,370)**
	a) Profit (loss) for year attributable to controling company	**1300**	(36,253)	(13,996)
	b) Profit (loss) for attributable to the non-controlling participations	**1289**	(148)	(374)

	EARNINGS PER SHARE		**Amount (X.XX euros)**	**Amount (X.XX euros)**
	Basic	**1290**	(0.05)	(0.02)
	Diluted	**1295**	(0.05)	(0.02)

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

Units: Thousands of euros

		PRESENT PERIOD 06/30/2023	PREVIOUS PERIOD 06/30/2022
A) CONSOLIDATED NET INCOME FOR THE PERIOD (from income statement)	**1305**	**(36,401)**	**(14,370)**
B) OTHER INTEGRAL RESULT- ITEMS THAT ARE NOT RECLASSIFIED TO RESULT OF THE PERIOD:	**1310**	**(45)**	**0**
1. From revaluation/(reversal of revaluation) of tangible assets and intangible assets	**1311**		
2. From actuarial gains and losses	**1344**	**(45)**	
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**	**16,148**	**25,056**
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**	**12,138**	**22,404**
a) Profit/(Loss) for valuation	**1366**	11,843	21,758
b) Amounts transferred to the profit and loss account	**1367**	295	646
c) Other reclassifications	**1368**		
3. Participation in other comprehensive income recognized for the investments in joint ventures and associates:	**1370**	**4,010**	**2,652**
a) Profit/(Loss) for valuation	**1371**	4,010	2,652
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**	**(20,298)**	**10,686**
a) Attributable to the controling company	**1398**	(20,615)	9,166
b) Attributable to non-controling participations	**1399**	317	1,520

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

Units: Thousands of euros

PRESENT PERIOD		Net equity attributable to the controling entity							
		Equity					Adjustments for changes in value	Non-controling participations	Total Equity
		Share Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for period attributable to the controling entity	Other equity instruments			
Opening balance at 01/01/2023	3110	**74,065**	**(519,367)**	**(401)**	**(12,949)**	**0**	**(87,583)**	**14,075**	**(532,160)**
Adjustment for changes in accounting policy	3111								0
Adjustment for errors	3112								0
Adjusted opening balance	3115	**74,065**	**(519,367)**	**(401)**	**(12,949)**	**0**	**(87,583)**	**14,075**	**(532,160)**
I. Integral Result Total for the period	3120		312		(36,253)		15,326	317	(20,298)
II. Transactions with shareholders or owners	3125	**26,752**	**71,845**	**(719)**	**0**	**30,063**	**0**	**(610)**	**127,331**
1. Capital increases/ (reductions)	3126	26,752	72,231			(98,983)			0
2. Conversion of financial liabiities into equity	3127		(257)			3,043			2,786
3. Distribution of dividends	3128							(610)	(610)
4. Trading with own shares (net)	3129		(129)	(719)					(848)
5. Increases/ (reductions) for business combinations	3130								0
6. Other transactions with shareholders or owners	3132					126,003			126,003
III. Other changes in equity	3135	**0**	**(9,578)**	**0**	**12,949**	**0**	**0**	**(106)**	**3,265**
1. Share based payments	3136								0
2. Transfers between equity accounts	3137		(12,949)		12,949				0
3. Other variations	3138		3,371					(106)	3,265
Closing balance at 06/30/2023	3140	**100,817**	**(456,788)**	**(1,120)**	**(36,253)**	**30,063**	**(72,257)**	**13,676**	**(421,862)**

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

Units: Thousands of euros

PREVIOUS PERIOD		Net equity attributable to the controling entity							
		Equity							
		Share Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for period attributable to the controling entity	Other equity instruments	Adjustments for changes in value	Non-controling participations	Total Equity
Opening balance at 01/01/2022 (comparative period)	3150	**70,865**	**(429,393)**	**(1,320)**	**(106,506)**	**0**	**(90,410)**	**44,949**	**(511,815)**
Adjustment for changes in accounting policy	3151								0
Adjustment for errors	3152								0
Adjusted opening balance (comparative period)	3155	**70,865**	**(429,393)**	**(1,320)**	**(106,506)**	**0**	**(90,410)**	**44,949**	**(511,815)**
I. Integral Result Total for the period	3160		4,311		(13,996)		18,851	1,520	10,686
II. Transactions with shareholders or owners	3165	**3,200**	**4,325**	**592**	**0**	**0**	**(6,407)**	**(30,144)**	**(28,434)**
1. Capital increases/ (reductions)	3166	3,200	17,088						20,288
2. Conversion of financial liabiities into equity	3167								0
3. Distribution of dividends	3168							(3,717)	(3,717)
4. Trading with own shares (net)	3169		(1,459)	592					(867)
5. Increases/ (reductions) for business combinations	3170		(11,304)				(6,407)	(26,427)	(44,138)
6. Other transactions with shareholders or owners	3172								0
III. Other changes in equity	3175	**0**	**(102,895)**	**0**	**106,506**	**0**	**0**	**(1,516)**	**2,095**
1. Share based payments	3176								0
2. Transfers between equity accounts	3177		(106,506)		106,506				0
3. Other variations	3178		3,611					(1,516)	2,095
Closing balance at 06/30/2022 (comparative period)	3180	**74,065**	**(523,652)**	**(728)**	**(13,996)**	**0**	**(77,966)**	**14,809**	**(527,468)**

IV. SELECTED FINANCIAL INFORMATION

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

Units: Thousands of euros

			PRESENT PERIOD 06/30/2023	PREVIOUS PERIOD 06/30/2022
A)	**CASH FLOWS FROM OPERATING ACTIVITIES (1+ 2+ 3+ 4)**	**1435**	**17,952**	**37,242**
1.	**Profit (loss) before tax**	**1405**	**(30,207)**	**(8,846)**
2.	**Adjustments to profit (loss):**	**1410**	**99,761**	**50,343**
(+)	Depreciation and amortization charge	**1411**	33,267	34,787
(+/-)	Other adjustments to income (nets)	**1412**	66,494	15,556
3.	**Changes in working capital**	**1415**	**(43,613)**	**4,812**
4.	**Other cash flows from operating activities:**	**1420**	**(7,989)**	**(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**	(8,574)	(9,022)
(+/-)	Other sums received/(paid) from operating activities	**1425**	585	(45)
B)	**CASH FLOWS FROM INVESTING ACTIVITIES (1+ 2+ 3)**	**1460**	**(13,584)**	**(22,330)**
1.	**Payments for investments:**	**1440**	**(22,354)**	**(24,110)**
(-)	Group companies, associates and business units	**1441**		(1,595)
(-)	Property, plant and equipment, intangible assets and investment properties	**1442**	(20,757)	(22,324)
(-)	Other financial assets	**1443**	(1,597)	(191)
(-)	Non-current assets and liabilities that have been classified as held for sale	**1459**		
(-)	Other assets	**1444**		
2.	**Proceeds from disposals:**	**1450**	**3,622**	**1,780**
(+)	Group companies, associates and business units	**1451**	1,028	
(+)	Property, plant and equipment, intangible assets and investment properties	**1452**	2,284	
(+)	Other financial assets	**1453**		1,260
(+)	Non-current assets and liabilities that have been classified as held for sale	**1461**		
(+)	Other assets	**1454**	310	520
3.	**Other cash flows from investing activities:**	**1455**	**5,148**	**0**
(+)	Dividends received	**1456**	2,586	
(+)	Interest received	**1457**	2,562	
(+/-)	Other sums received/(paid) from investing activities	**1458**		
C)	**CASH FLOWS FROM FINANCING ACTIVITIES (1+2+ 3+ 4)**	**1490**	**(52,219)**	**(66,460)**
1.	**Sums received /(paid) in respect of equity instruments:**	**1470**	**111,511**	**(30,094)**
(+)	Issues	**1471**	127,579	
(-)	Amortization	**1472**		
(-)	Acquisition	**1473**	(16,068)	(30,094)
(+)	Disposal	**1474**		
2.	**Sums received /(paid) for financial liability instruments:**	**1480**	**(107,945)**	**13,557**
(+)	Issues	**1481**	9,967	17,028
(-)	Repayment and redemption	**1482**	(117,912)	(3,471)
3.	**Payments of dividends and remuneration on other equity instruments**	**1485**	**(860)**	**(3,723)**
4.	**Other cash flow from financing activities**	**1486**	**(54,925)**	**(46,200)**
(-)	Interest paid	**1487**	(37,816)	(23,676)
(+/-)	Other sums received/(paid) from financing activities	**1488**	(17,109)	(22,524)
D)	**EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES**	**1492**	**895**	**8,358**
E)	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+ B+ C+ D)**	**1495**	**(46,956)**	**(43,190)**
F)	**CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD**	**1499**	**189,496**	**168,672**
G)	**CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+ F)**	**1500**	**142,540**	**125,482**

	COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		PRESENT PERIOD 06/30/2023	PREVIOUS PERIOD 06/30/2022
(+)	Cash and banks	**1550**	70,149	104,084
(+)	Other financial assets	**1552**	72,391	21,398
(-)	*Less: Bank overdrafts repayable on demand*	**1553**		
	TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1600**	**142,540**	**125,482**

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						

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	2,387	2,077	165,479	147,888
International market:	2215			266,405	233,802
a) European Union	2216			6	183
a.1) Euro zone	2217			6	183
a.1) Non-Euro area	2218				
b) Other	2219			266,399	233,619
TOTAL	**2220**	**2,387**	**2,077**	**431,884**	**381,690**

SEGMENTS		CONSOLIDATED			
		Revenue from ordinary activities		Profit (loss)	
		PRESENT PERIOD	PREVIOUS PERIOD	PRESENT PERIOD	PREVIOUS PERIOD
EDUCATION	2221	235,136	202,510	5,471	6,100
MEDIA	2222	204,495	186,234	(2,761)	(6,184)
OTHERS	2223	4,139	2,191	(38,979)	(13,926)
Adjustments and eliminations	2225	(3,064)	(2,764)	16	14
	2226				
	2227				
	2228				
	2229				
	2230				
TOTAL of the segments to be reported	**2235**	**440,706**	**388,171**	**(36,253)**	**(13,996)**

IV. SELECTED FINANCIAL INFORMATION
12. AVERAGE WORKFORCE

		INDIVIDUAL		CONSOLIDATED	
		PRESENT PERIOD	PREVIOUS PERIOD	PRESENT PERIOD	PREVIOUS PERIOD
AVERAGE WORKFORCE	**2295**	**40**	**44**	**7,186**	**6,897**
Men	**2296**	15	17	3,690	3,522
Women	**2297**	25	27	3,496	3,375

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**	559	528
Salaries	**2311**	554	438
Variable cash remuneration	**2312**	344	(13)
Share-based compensation systems	**2313**	416	
Compensation	**2314**		
Long-term savings systems	**2315**		
Other concepts	**2316**	11	5
TOTAL	**2320**	**1,884**	**958**

EXECUTIVES:

		Amount (€ 000s)	
		PRESENT PERIOD	PREVIOUS PERIOD
Total remuneration received by executives	**2325**	873	514

IV. SELECTED FINANCIAL INFORMATION

14. RELATED PARTIES TRANSACTIONS AND BALANCES (1/2)

Units: Thousands of euros

EXPENSES AND REVENUES:		PRESENT PERIOD				
		Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
1) Finance expenses	2340			1		1
2) Leases	2343					0
3) Services received	2344	763		444		1,207
4) Purchase of stocks	2345					0
5) Other expenses	2348		2,757	133		2,890
TOTAL EXPENSES (1+ 2+ 3+ 4+ 5)	**2350**	**763**	**2,757**	**578**		**4,098**
6) Finance income	2351			6		6
7) Dividends received	2354			2,553		2,553
8) Services provided	2356	14,072		5,283		19,355
9) Sale of stocks	2357					0
10) Other revenues	2359					0
TOTAL REVENUES (6+ 7+ 8+ 9+ 10)	**2360**	**14,072**	**0**	**7,842**	**0**	**21,914**

OTHER TRANSACTIONS:		PRESENT PERIOD				
		Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
Financing agreements: credit facilities and contributions of capital (lender)	2372					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	74,553	180			74,733

BALANCES AT CLOSURE OF THE PERIOD:		PRESENT PERIOD				
		Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
1) Customers and Trade Debtors	2341	5,341		4,137		9,478
1) Loans and credits granted	2342			200		200
1) Other collection rights	2346					0
TOTAL DEBT BALANCES (1+ 2+ 3)	**2347**	**5,341**	**0**	**4,337**	**0**	**9,678**
1) Suppliers and commercial creditors	2352	423		927		1,350
1) Loans and credits received	2353					0
1) Other payment obligations	2355					0
TOTAL CREDITORS BALANCES (4+ 5+ 6)	**2358**	**423**	**0**	**927**	**0**	**1,350**

IV. SELECTED FINANCIAL INFORMATION

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

Units: Thousands of euros

EXPENSES AND REVENUES:		PREVIOUS PERIOD Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
1) Finance expenses	6340			10		10
2) Leases	6343					0
3) Services received	6344	1,180	14	285		1,479
4) Purchase of stocks	6345					0
5) Other expenses	6348		1,472	230		1,702
TOTAL EXPENSES (1+ 2+ 3+ 4+ 5)	**6350**	**1,180**	**1,486**	**525**		**3,191**
6) Finance income	6351			17		17
7) Dividends received	6354					0
8) Services provided	6356	13,205		6,071		19,276
9) Sale of stocks	6357					0
10) Other revenues	6359			32		32
TOTAL REVENUES (6+ 7+ 8+ 9+ 10)	**6360**	**13,205**	**0**	**6,120**	**0**	**19,325**

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

BALANCES AT CLOSURE OF THE PERIOD:		PREVIOUS PERIOD Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
1) Customers and Trade Debtors	6341	14,800		4,027		18,827
1) Loans and credits granted	6342			200		200
1) Other collection rights	6346					0
TOTAL DEBT BALANCES (1+ 2+ 3)	**6347**	**14,800**	**0**	**4,227**	**0**	**19,027**
1) Suppliers and commercial creditors	6352	1,024	5	571		1,600
1) Loans and credits received	6353					0
1) Other payment obligations	6355					0
TOTAL CREDITORS BALANCES (4+ 5+ 6)	**6358**	**1,024**	**5**	**571**	**0**	**1,600**

VI. SPECIAL AUDITOR'S REPORT

Anexar

Informe especial del auditor