Prisa Group

Explanatory notes to the consolidated financial statements for the 2021 financial year

1. PRESENTATION BASES FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2021 FINANCIAL YEAR

Consolidated financial statements

The financial statements of Promotora de Informaciones, S.A. and subsidiaries (Prisa Group or Group) for the 2021 financial year have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, in compliance 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.

These consolidated financial statements are presented in thousands of euros.

This financial reporting is prepared in order to update the latest approved consolidated financial statements of the Group, highlighting the new activities, events and circumstances that have taken place during the period and avoiding the repetition of information previously reported in the consolidated financial statements for 2020. Therefore, these explanatory notes 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 explanatory notes, they must be read in conjunction with the consolidated financial statements for 2020.

The IFRS 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.

As required by IAS 8, uniform accounting policies and measurement bases were applied by the Group for all transactions, events and items in 2021 and 2020.

Individual financial statements

Promotora de Informaciones, S.A. (the Company or Prisa), as parent company of the Group, presents its financial statements in accordance with the Spanish General Accounting Plan set out in RD 1514/07 of 16th November, modified by the RD 1/2021, of 12 of January.

a) Evolution of the Group's capital and financial structure

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

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

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

On September 4, 2020, Prisa signed with a plurality of investors independent agreements for the sale of shares of Media Capital, which together represented the entire shareholding (64.47%) held by Prisa trough Vertix in the Portuguese company. On November 3, 2020, the sale of shares for a price of 36.9 million euros was completed.

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, 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, a European learning and Finnish media company, for the sale of the Spanish educational business of Santillana addressed at pre K12 and K-12 segments ("Santillana Spain"). Santillana's activity in public and private markets in Latin America was excluded from the transaction and will continue to be developed by Prisa through Santillana. On December 31, 2020, the transaction was closed at an enterprise value of EUR 465 million and a it meant a total cash obtained from the buyer of EUR 418 million.

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

As indicated in note 18, in February 2022 the Board of Directors of Prisa has approved, by unanimity, the signing of a lock-up agreement (the "New Lock-Up Agreement") that incorporates a term sheet with the basic conditions for the amendment of the Group's syndicated financial debt (the "New Refinancing"). The basic terms of the agreed New Refinancing consist, among other aspects, in the extension of the maturity of the financial debt to 2026 and 2027 and division of the syndicated loan into two differentiated tranches (one of senior debt and one of junior debt) and the flexibilization of the contractual commitments of the current debt that will allow, among other improvements, to increase Prisa's operating flexibility and soften the financial ratios required by its current contracts.

The New Lock-Up Agreement has entered into force, having been signed by the Company and by the creditor entities representing more than 95% of the syndicated financing to be refinanced. After that, the Company will promote the adhesion to the Lock-Up Agreement of the remaining creditor entities in order to reach their unanimous support. Otherwise, the level of support that has already been reached guarantees that the signed agreement may in any case be implemented through legal instruments that are binding on all creditor entities.

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

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

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

Therefore, at the date of approval of these consolidated financial statements, we have carried out an assessment and quantification of the impacts that COVID-19 had on the Group as of December 31, 2021. There is still a high level of uncertainty about its consequences in the short 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 225 million, of which EUR 145 million were drawn as of December 31, 2021. Likewise, the rest of subsidiaries of the Group have credit facilities with a limit amount of EUR 21.9 million that are undrawn as of December 31, 2021. Therefore, as of December 31, 2021, the Group had undrawn credit facilities amounting to EUR 101.9 million, together with cash available of EUR 159 million. The Group has also implemented specific plans for the improvement and efficient management of liquidity to address these tensions.

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

- Risk of change in certain financial magnitudes: the factors referred to above have adversely affect the Group's advertising revenues and to sales of newspapers and magazines and sale of books and training. In this regard, it is estimated that the decrease in income from the sale of books and training during 2021 compared to the previous year has been mainly affected by the effect of the pandemic on the Education business in Latam and the negative impact of the exchange rate effect. However, COVID -19 has affected the Group's advertising revenue to a lesser extent during 2021 compared to the previous year.

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

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

- Balance sheet assets and liabilities measurement risk: a change in the future estimates of the Group's revenue, production costs, finance costs, credit quality of trade receivables, etc. could have an adverse impact on the carrying amount of certain assets (goodwill, intangible assets, deferred tax assets, trade and other receivables, etc.) and on the need to recognize provisions or other liabilities. The appropriate analyses and calculations have been carried out which have allowed, where appropriate, those assets and liabilities to be re-measured with the information available to date. At December 31, 2021 there have not been significant changes in the estimates at the end of 2020 in the aforementioned magnitudes, that have a negative impact on the consolidated financial statements.

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

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

b) Entry into force of new accounting standards

The application of the amendments and interpretations applicable from January 1, 2021 did not have a significant impact on the Group's consolidated financial statements for the present period.

The Group has elected not to early adopt other IFRSs issued but not yet effective.

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

c) Changes to estimates

Consolidated earnings and the determination of consolidated equity are subject to the accounting policies and standards, measurement bases and estimates applied by the Group’s directors in the preparation of the interim condensed consolidated financial statements. The main accounting policies and standards and measurement bases are explained in notes 2 and 4 to the consolidated annual accounts for 2020.

In 2021, there were no significant changes in the accounting estimates made at the end of 2020, that imply a significant adverse impact on the consolidated financial statements of the current fiscal year.

d) Materiality

When determining the information to be disclosed in these explanatory notes on the different items of the financial statements or other matters, the Group has taken into account the relative importance in relation to the consolidated financial statements for fiscal year 2021.

e) Correction of errors

In the consolidated financial statements for the year 2021 there has been no correction of errors.

f) Information comparison

In accordance with commercial legislation, in addition to the figures for 2021, the figures for the previous year are presented for comparison purposes with each of the items in the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement, in addition to the figures for 2020. Comparative information for the previous year is also included in the notes to the financial statements, except where an accounting standard specifically states that it is not required.

2. CHANGES IN THE GROUP STRUCTURE

The changes in the Group structure are set out in section 11 of Chapter IV on Selected financial information.

The most significant changes in the scope of consolidation in 2021 were as follows:

Subsidiaries

In January 2021, the companies LS4 Radio Continental S.A, Radio Estéreo, S.A. and Nostalgie Amsud, S.A. (NASA) were sold.

In March 2021, the liquidation of Málaga Altavisión, S.A.U.took place.

In May 2021, the merger of Teleradio Pres, S.L. with Sociedad Independiente se Comunicación Castilla La Mancha, S.A. took place.

In July 2021, the merger of Prisaprint, S.L.U. with Prisa Noticias, S.L.U. took place.

Also in July 2021, Editora Pitanguá, Ltda. and Editora Altea, Ltda. were set up, both companies 100% owned by Editora Moderna, Ltda.

Additionally in July 2021, Santillana Formación, S.L.U. was sold, with no significant impact on the consolidated income statement.

In August 2021, the total spin-off of Santillana Sistemas Educativos, Ltda. (Colombia) in favor of Distribuidora y Editora Richmond S.A. and Editorial Santillana S.A.S. took place.

In September 2021, the merger of Grupo Santillana Educación Global, S.L.U. with Santillana Global, S.L.U. took place.

In October 2021 Santillana Educación Chile, S.A. de C.V. was created, 99.99% owned by Santillana Latam, S.L.U. and at 0.01% by Grupo Santillana Educación Global, S.L.U.

In November 2021 Santillana Educación México, S.A. de C.V. was created, 99.99% owned by Lanza, S.A. de C.V. and at 0.01% by Editorial Nuevo México, S.A. de C.V.

In December 2021, Distribuciones Aliadas, S.A. was sold for EUR 0.6 thousand, with no significant impact on the consolidated income statement.

Associates

In September 2021, Diario As, S.L. sells its stake in As Arabia for Marketing, W.L.L.

In November 2021, As Spotlight Digital, S.L. was created, 50% owned by Diario As, S.L.

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

3. INTANGIBLE ASSETS

a) Goodwill

The detail, by business segment and in thousands of euros, of the goodwill relating to fully consolidated Group companies and of the changes therein in 2021 is as follows (thousand euros):

	Balance at 12.31.2020	Translation adjustment	Balance at 12.31.2021
Radio	75,976	(3,152)	72,874
Education	36,525	193	36,718
Total	**112,501**	**(2,959)**	**109,542**

The change in this consolidated balance sheet section in 2021 is due to the exchange rate effect, mainly in the goodwill related to Grupo Latino de Radiodifusion Chile, Ltda. (Radio).

The result of the impairment tests made has not revealed the existence of any impairment in these assets as of December 31, 2021.$

b) Other intangible assets

Additions to the Group's consolidated financial statements under *"Other intangible asset"* during 2021 totalled EUR 34,330 thousand, corresponding mainly to:

- *'Prototypes'* amounting to EUR 21,856 thousand, relating to new prototypes for the publication of books at Grupo Santillana de Ediciones, S.L., mainly in Brazil.

- *'Computer software'* amounting to EUR 11,667 thousand, relating to the computer software acquired and/or developed by third parties for Group companies.

An impairment of prototypes of Santillana has been accounted in 2021 for an amount of EUR 3,113 thousand.

The intangible assets in lease included in this balance sheet section correspond to the activation of the leases of administrative concessions of radio, for a net amount at December 31, 2021 of EUR 9,455 thousand (EUR 8,588 thousand in 2019).

The intangible asset amortization expense recorded in 2021 totalled EUR 36,407 thousand (EUR 36,515 thousand in 2020), of which EUR 4,092 thousand corresponding to the amortization of intangible assets held under leases (EUR 4,531 thousand in 2020).

4. PROPERTY, PLANT, AND EQUIPMENT

Additions to the Group's consolidated financial statements under *"Property, plant and equipment"* during 2021 totaled EUR 10,937 thousand, corresponding mainly to:

- *'Plant and machinery'* amounting to EUR 1,416 thousand.

- *'Other property, plant and equipment'* amounting to EUR 8,688 thousand, mainly for investments made by Santillana in digital equipment's and learning systems (EUR 5,908 thousand), as well as the acquisition of computers to the Group, amounting to EUR 2,414 thousand.

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

In addition, the renegotiation of the Miguel Yuste contract entailed a supplementary fee in December 2021 of EUR 20 million. This was mainly associated with the early exit of the buildings, and the impact of which has been incorporated into the recalculation of the lease liability and right-of-use asset described below. Its effect on the consolidated income statement as at December 31, 2021 was EUR 12.7 million, recorded under “Depreciation and amortization charge”. This impact corresponds to the portion of the fee associated with the buildings for which the effective exit took place before December 31, 2021, with the remainder being charged to the consolidated income statement in the following years, as the associated right-of-use asset is amortised, considering the estimated effective exit of the remaining buildings.

In accordance with IFRS 16, the amendment of the above leases has not been accounted for as a separate lease. Still, at the effective date of the lease amendment (December 2021), the lease liability associated with such contracts has been recalculated and reduced by considering the effects described above and reducing the corresponding right-of-use asset by an amount (net of accumulated amortisation) of approximately EUR 28 million.

The balance in the property, plant and equipment in lease, mainly correspond with the activation of the contract leases of offices and warehouses of the Group for a net amount of EUR 53,298 thousand as of December 31, 2021 (EUR 96,680 thousand as of December 31, 2020). In addition Education includes technological equipment in lease for use in the classroom by students and teachers integrated into teaching systems for a net amount of EUR 8,206 thousand, in the heading "Other items of property, plant and equipment" (EUR 8,097 thousand as of December 31, 2020).

The property, plant and equipment amortization expense recorded in 2021 totaled EUR 41,910 thousand (EUR 34,122 thousand in 2020) of which EUR 29,429 thousand corresponding to the amortization of property, plant and equipment held under leases (EUR 18,387 thousand in 2020).

5. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

During 2021, changes in *"Investments accounted for using the equity method"* in the accompanying consolidated balance sheet is mainly due to the results participation in Sistema Radiópolis, S.A. de C.V., for an amount of EUR 979 thousand and by the effect of the exchange rate.

The result of the impairment test made has not revealed the need to accounting additional impairment in the investment in Sistema Radiópolis, S.A. de C.V. as of December 31, 2021.

6. NON-CURRENT AND CURRENT FINANCIAL ASSETS

The variation in the heading *"Non-Current Financial Assets"* is mainly due to the short-term transfer of EUR 1,000 thousand pending collection in 2022 as part of framed within the agreement to sell the credit rights held by the Group with Le Monde.

The decrease in *"Current financial investments"* is mainly due to the collection of EUR 2,000 thousand framed within the agreement to sell the credit rights held by the Group with Le Monde mentioned above (compensated with the aforementioned transfer), the collection of indemnity deposits for the favorable resolution of the ERE lawsuits in the Media segment (EUR 2,853 thousand) and the collection of part of the dividend of Sistema Radiópolis, S.A. de C.V. that was pending at December 31, 2020 (EUR 1,621 thousand).

7. TAX MATTERS

Deferred Tax Assets and Liabilities-

The net increase of EUR 3,038 thousand in "Deferred tax assets" reflects the effect of the completion of the 2016-2018 tax audit, the effect of the accounting recognition of tax credits as a result of the losses generated in certain companies of the Santillana and radio business in Latin America during the year and exchange rate fluctuations.

The net variation of EUR 4,495 thousand in "Deferred tax liabilities" mainly reflects the different accounting and tax allocation criteria for certain intangible amortisation expenses and certain institutional sales in Brazil.

Tax inspections-

In 2021 an appeal has been lodged with the Supreme Court against the dismissal of the National High Court ruling on VAT for the period June 2007 to December 2008. No additional financial impact will arise from these proceedings.

Also in 2021, the partially upheld ruling of the Spanish Tax Authorities (TEAC) regarding the VAT settlement for the period from May 2010 to December 2011 was executed, generating a refund of EUR 8,068 thousand *(see note 12)*.

In 2021, a refund of EUR 229 thousand was obtained as a result of the execution of the ruling upholding the economic-administrative appeal relating to Personal Income Tax Act for the period from May 2010 to December 2012.

In the current year, an administrative appeal has been filed against the decision of the TEAC partially upholding the inspection procedure relating to the tax years 2012 to 2015 of the 2/91 tax consolidation group, of which Promotora de Informaciones, S.A. is the parent, and the tax authorities have enforced said decision. No additional equity impact will be derived from these actions.

Also in 2021, the inspection procedures relating to Value Added Tax for the periods 2016-2018 of VAT Group 105/08 were completed, with the signing of (i) a conformity assessment from which no tax liability arose and (ii) a non-conformity assessment for an amount of EUR 836 thousand, against which the appropriate allegations have been presented to the Chief Inspector and which the company considers will be resolved in its favour, without any adverse impact on its assets.

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

8. EQUITY

Share capital

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

Non-controlling interest

The detail, by company, of the non-controlling interest at December 31, 2021 and December 31, 2020 is as follows:

	Thousands of euros	
	12.31.2021	12.31.2020
Caracol, S.A.	7,219	7,796
Diario As, S.L.	7,337	7,521
GLR Chile, Ltda.	9,017	9,382
Prisa Radio, S.L. and subsidiaries (Spain)	19,877	20,187
Other companies	1,499	1,385
Total	**44,949**	**46,271**

9. 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, provisions constituted to cover employee compensation and third-party liability provisions for the estimated amount to cover probable claims and litigation against Group companies and other future obligations to employees. In addition, this section also includes Group interests in companies accounted for using the equity method, the net negative value of which is negative.

The breakdown of "Long-term provisions" at December 31, 2021 and at December 31, 2020, is as follows:

	Thousands of euros	
	12.31.2021	12.31.2020
For taxes	624	3,378
For redundancies	7,111	2,555
For third-party liability and other	13,281	13,262
Total	**21,016**	**19,195**

The decrease in the tax provision is mainly due to the completion of the 2016 to 2018 corporation tax audits of the 2/91 tax consolidation group, with no significant impact on the consolidated income statement (see note 7).

The increase in the provision for severance payments relates mainly to personnel restructuring processes carried out in the Media segment in the current year, which are payable in future years, but for which a valid expectation has been created among the affected employees in 2021.

10. FINANCIAL LIABILITIES

The breakdown 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	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Bank borrowings	934,342	810,568	14,918	102,746	949,260	913,314
Financial liabilities for leases	53,766	99,203	15,555	18,462	69,321	117,665
Other financial liabilities	88	145	329	96	417	241
Total	**988,196**	**909,916**	**30,802**	**121,304**	**1,018,998**	**1,031,220**

Bank borrowing

The most significant balance under "Financial liabilities" relates to bank borrowings, the details of which, in EUR thousand, as of December 31, 2021 are as follows:

	Drawn-down amount maturing at short term	Drawn-down amount maturing at long term
Syndicated loan	-	748,152
Super Senior debt (*)	-	150,121
Loans	3,678	8,180
Finance leases, interest and other	11,240	5,478
Loan arrangement costs/ Present value of debt	-	22,411
Total	**14,918**	**934,342**

(*) It includes capitalized interests

Refinancing-

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

Prior to the Refinancing a syndicated debt partial repayment of EUR 417,000 thousand was made, with the funds obtained from the sale of Santillana Spain and Media Capital.

Therefore, as part of the refinancing of its financial debt, Prisa agreed to the renewal of its syndicated loan amounting to EUR 752,896 thousand (once the previous repayment was made), which was structured in one section with the following characteristics:

- The amount of the syndicated financial debt was set at EUR 752,896 thousand and the maturity of which is extended to March 2025.
- The cost of the syndicated debt is referenced to the Euribor plus a negotiated margin (cash and PIK interest).
- Adaptation of the financial conditions of the debt to the group's new position in terms of generating cash. The agreed Refinancing allows Prisa to incur further senior-ranking debt to strengthen its liquidity position in the future, and to complete certain actions of business reorganisation.
- Update of the package of debt guarantees.
- Finally, the basic terms include a relaxation of certain financial covenants and Prisa's commitment to achieving a leverage cap in September 2023 (4.25x Net Debt/EBITDA). The average cost of debt is 7.1% including the Super Senior debt.

The refinancing agreement of 2018 involved a restructuring of the debt, which included a new borrower, Prisa Activos Educativos, S.L.U., which assumed nominal debt of Prisa for an amount of EUR 685 million, which, among other aspects, allowed part of the debt to be allocated in the Education business unit, the main cash generating unit of the Group, in order to meet the payments associated with the debt. The rest of the amount of the debt remained recorded in Prisa.

Compliance with certain financial ratios is established in the financial agreements for the Prisa Group, which have been complied with since the Refinancing came into force, according to the ratios in force in each period. These contracts also include provisions on cross-default, which could cause, if the breach exceeds certain amounts, the early maturity and resolution of the contract in question, including the Override Agreement. Since the Refinancing came into force no such breaches have occurred.

The Refinancing agreement also includes causes for early termination as is customary in this kind of agreement, including the acquisition of control of Prisa, acquisition being understood as by one or several persons together, with more than 30% of the capital with voting rights.

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

During 2021, a syndicated debt partial repayment of EUR 4.7 million was made.

Other aspects of debt-

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

Personal guarantees

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

Guarantees

As a consequence of the Refinancing of December 2020, Prisa currently has certain owned bank accounts pledged and, furthermore, Prisa Noticias, S.L.U. currently has pledges and promises of pledges, as appropriate, on certain credit rights and on certain bank accounts held by them, all as security for the aforementioned creditors.

Part of Prisa's investment in Prisa Radio, S.A. (80% share capital) and the 100% of the investments (100% share capital) in Prisa Activos Educativos, S.L.U., Prisa Media, S.L.U., Prisa Noticias, S.LU. and Prisa Gestión Financiera, S.L.U. was also pledged, thereby insuring syndicated debt.

Super senior debt –

In addition to the syndicated loan mentioned above, the company signed a Super Senior Term & Revolving Facilities Agreement for a maximum amount of EUR 86,500 thousand on June 29, 2018.

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

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

On December 31, 2020, and within the framework of the Refinancing, the Company agreed to extend the limit of the Super Senior debt corresponding to the Super Senior Term Loan Facility by EUR 108,500 thousand to cover operational needs, bringing this Super Senior debt's total to EUR 225,000 thousand. The maturity of the Super Senior debt is December 2024. As of December 31, 2021, the credit facility was drawn down to EUR 145,000 thousand.

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

Financial liabilities for leases

The IFRS 16 Leases has resulted in an addition of the financial liabilities associated with the leases, amounting at December 31, 2021 to EUR 53,766 thousand in the long term and EUR 15,555 thousand in the short term.

The decrease in the financial liability for leasing in 2021 is mainly explained by the renegotiation of the rental contracts for its offices in Miguel Yuste (Madrid), Gran Vía (Madrid) and Caspe (Barcelona), as has been described in note 4 above, and has led to a reduction in financial liabilities at December 31, 2021 of approximately EUR 49 million (including the payment made in December 2021 of the supplementary instalment of EUR 20 million mainly associated with the early exit of the Miguel Yuste buildings).

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

Maturity	Thousands of euros
Within 6 months	8,448
From 6 to 12 months	9,486
From 1 to 3 years	24,595
From 3 to 5 years	18,757
After 5 years	24,100
Total	**85,386**

In 2021, the payment associated with financial liabilities for leases (under IFRS 16) for all the Group amounts to EUR 46.9 million. This amount includes the payment of a supplementary fee of EUR 20 million resulting from the renegotiation of the associated Miguel Yuste contract, discussed above *(see note 4).*

11. OPERATING INCOME AND EXPENSES

Operating income

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

	Thousands of euros	
	2021	2020
Advertising sales	298,412	255,074
Education sales	350,114	362,033
Circulation	51,878	49,885
Sales of add-ons and collections	7,219	6,025
Intermediation services	5,624	4,259
Other services	16,103	13,666
Revenue	**729,350**	**690,942**
Income from non-current assets	926	1,467
Other income	10,892	8,232
Other income	**11,818**	**9,699**
Total operating income	**741,168**	**700,641**

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

	Advertising sales		Education sales		Circulation		Others		Total operating income	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Europe	**234,297**	**205,895**	**2,609**	**6,065**	**51,878**	**49,885**	**32,929**	**28,439**	**321,713**	**290,284**
Spain	234,297	205,895	149	1,273	51,878	49,885	32,899	28,396	319,223	285,449
Rest of Europe	-	-	2,460	4,792	-	-	30	43	2,490	4,835
America	**64,115**	**49,179**	**347,505**	**355,968**	**-**	**-**	**7,835**	**5,210**	**419,455**	**410,357**
Colombia	40,491	30,994	27,965	34,452	-	-	1,111	652	69,567	66,098
Brazil	-	-	145,762	151,256	-	-	841	689	146,603	151,945
Mexico	588	314	70,280	62,019	-	-	854	1,029	71,722	63,362
Chile	18,627	12,745	12,719	21,469	-	-	1,228	1,515	32,574	35,729
Rest of America	4,409	5,126	90,779	86,772	-	-	3,801	1,325	98,989	93,223
TOTAL	**298,412**	**255,074**	**350,114**	**362,033**	**51,878**	**49,885**	**40,764**	**33,649**	**741,168**	**700,641**

Staff

The breakdown of the average number of employees, by gender for the year 2021 and 2020, was as follows:

	2021		2020	
	Women	Men	Women	Men
Executives	107	177	112	185
Middle management	425	566	446	542
Other employees	2,787	2,748	2,847	2,945
Total	**3,319**	**3,491**	**3,405**	**3,672**

Other operating expenses

The detail of *"Other operating expenses"* for the year 2021 and 2020 is as follows:

	Thousands of euros	
	2021	2020
Independent professional services	75,008	73,968
Leases and fees	6,644	5,147
Advertising	22,439	22,901
Intellectual property	19,106	20,891
Transport	19,950	21,744
Other outside services	113,969	106,231
Change in provisions	9,917	11,730
Total outside services	**267,033**	**262,612**

12. FINANCIAL RESULT

The detail of *"Financial result"* for the group is as follows:

	Thousands of euros	
	2021	2020
Income from current financial assets	963	1,077
Other finance income	10,550	1,290
Finance income	**11,513**	**2,367**
Interest on debt	(49,731)	(71,112)
Adjustments for inflation	(486)	801
Other finance costs	(10,227)	(12,711)
Finance costs	**(60,444)**	**(83,022)**
Exchange gains	27,333	30,557
Exchange losses	(25,872)	(32,655)
Exchange differences (net)	**1,461**	**(2,098)**
Value variation of financial instruments	**(15,791)**	**(46,072)**
Financial loss	**(63,261)**	**(128,825)**

As of December 31, 2021 the heading "Other financial income" includes the income derived from the favourable resolution of the TEAC in relation to the inspection of the Value Added Tax from the period May 2010 to December 2011 for an amount of EUR 7,841 thousand, corresponding mainly to the VAT of invoices associated to loan arrangement costs *(see note 7)*.

The decrease in "Interest on debt" expense in 2021 is mainly due to lower bank debt following the debt repayments that took place at the end of 2020 with the cash proceeds from the sale of stakes in Media Capital and Santillana Spain *(see note10).*

As of December 31, 2021 the heading "Other finance costs" includes EUR 6,925 thousand for the effect of updating the financial liability associated with the lease agreements (EUR 7,376 thousand as of December 31, 2020). As of December 31, 2020 the heading "Other finance costs" also included the reversal of a provision for a financial loan amounting to EUR 2,461 thousand.

At December 31, 2021, the heading "Value variation of financial instruments" includes the financial results accrued due to the transfer to the condensed consolidated income statement of the difference between the amount in the initial registration date of the debt associated to the Refinancing and its nominal amount along the duration of the debt and the accrued of loan arrangements costs, using the effective interest method in both *(see note 10).*

13. PROFIT AND LOSS AFTER TAX FROM DISCONTINUED OPERATIONS

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

At December 31, 2020, this heading included the results associated with the sale transactions of Media Capital and Santillana Spain carried out in 2020, as described in note 17 of the consolidated financial statements for 2020.

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)	2021	2020
Europe	**314,463**	**284,335**
Spain	312,003	279,543
Rest of Europe	2,460	4,792
America	**414,887**	**406,607**
Colombia	69,111	65,703
Brazil	145,787	151,285
Mexico	71,324	62,541
Chile	31,543	34,402
Rest of America	97,122	92,676
Total	**729,350**	**690,942**

The business segments were determined based on the Prisa Group's organizational structure at year-end 2021 considering the nature of the products and services offered, and the customer segments which they target.

There is a new organizational structure to accelerate the operational split of the Education and Media businesses in 2021. Therefore, at June 30, 2021, Prisa's operations are divided into two main segments each of which has a person in charge:

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

Until 2020, three business segments were identified in the Group (Education, Radio and News). However, as of financial year 2021 and following the restructuring of the former businesses, it has been decided that the segments will be reduced to two, i.e. Education and Media. In relation to Media, it has been decided that it is a single segment, since, following the aforementioned restructuring, the Radio and News activities are managed jointly, as a single business unit and thus report to the Group's management. In fact, the Media segment has a single executive chairman ("segment head"), who sits on Prisa's board of directors, and reports to the board on the Media business for decision-making, with centralised performance monitoring and measurement.

For comparative purposes, the information of the Group for financial year 2020 has been modified to present the information in accordance with the new segmentation structure.

Segment information about these businesses for 2021 and 2020 is presented below. The column *"Eliminations and adjustments"* mainly includes transactions between group companies:

	EDUCATION		MEDIA		OTHERS		ELIMINATIONS AND ADJUSTMENTS		PRISA GROUP	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Operating income	**358,810**	**365,829**	**383,343**	**335,878**	**5,483**	**8,962**	**(6,468)**	**(10,028)**	**741,168**	**700,641**
- External sales	**358,800**	**365,617**	**380,916**	**333,887**	**557**	**1,385**	**895**	(248)	**741,168**	**700,641**
- Advertising	0	0	298,413	255,606	0	0	(1)	(532)	298,412	255,074
- Education sales	350,114	362,033	0	0	0	0	0	0	350,114	362,033
- Circulation	0	0	51,878	49,885	0	0	0	0	51,878	49,885
- Other	8,686	3,584	30,625	28,396	557	1,385	896	284	40,764	33,649
- Intersegment sales	**10**	**212**	**2,427**	**1,991**	**4,926**	**7,577**	**(7,363)**	**(9,780)**	**0**	**0**
- Advertising	0	0	2	36	0	0	(2)	(36)	0	0
- Education sales	0	0	0	0	0	0	0	0	0	0
- Circulation	0	0	0	0	0	0	0	0	0	0
- Other	10	212	2,425	1,955	4,926	7,577	(7,361)	(9,744)	0	0
Operating expenses	**(332,692)**	**(331,688)**	**(412,272)**	**(389,981)**	**(22,123)**	**(18,310)**	**6,210**	**10,229**	**(760,877)**	**(729,750)**
- Cost of materials used	(75,072)	(76,130)	(28,020)	(29,802)	0	0	(1)	1	(103,093)	(105,931)
- Staff costs	(97,011)	(96,375)	(198,456)	(162,172)	(12,478)	(9,460)	0	0	(307,945)	(268,007)
- Depreciations and amortisation charge	(39,821)	(41,945)	(37,694)	(27,458)	(803)	(1,234)	1	0	(78,317)	(70,637)
- Outside services	(109,072)	(107,289)	(145,669)	(146,513)	(8,585)	(6,889)	6,210	9,809	(257,116)	(250,882)
- Change in operating provisions	(8,386)	(9,005)	(1,300)	(2,698)	(231)	(28)	0	1	(9,917)	(11,730)
- Changes in valuation allowances to Group companies	0	0	0	0	(0)	(7)	0	7	0	0
- Impairment of goodwill/assets	(3,330)	(944)	(1,133)	(21,338)	(26)	(692)	0	411	(4,489)	(22,563)
Result from operations	**26,118**	**34,141**	**(28,929)**	**(54,103)**	**(16,640)**	**(9,348)**	**(258)**	**201**	**(19,709)**	**(29,109)**
Finance income	**3,204**	**1,752**	**3,451**	**4,180**	**20,321**	**177,848**	**(15,463)**	**(181,413)**	**11,513**	**2,367**
- Interest income	803	454	3,188	3,967	12,420	13,542	(15,463)	(17,152)	948	811
- Other financial income	2,401	1,298	263	213	7,901	164,306	0	(164,261)	10,565	1,556
Finance costs	**(10,349)**	**(8,788)**	**(11,634)**	**(14,595)**	**(53,924)**	**(76,790)**	**15,463**	**17,151**	**(60,444)**	**(83,022)**
- Interest expenses	(6,387)	(6,695)	(4,888)	(5,331)	(53,919)	(76,235)	15,463	17,149	(49,731)	(71,112)
- Other financial expenses	(3,962)	(2,093)	(6,746)	(9,264)	(5)	(555)	0	2	(10,713)	(11,910)
Change in value of financial instruments	**0**	**0**	**(7)**	**(9)**	**(15,784)**	**(46,064)**	**0**	**1**	**(15,791)**	**(46,072)**
Exchange differences (net)	**1,073**	**(910)**	**299**	**(616)**	**89**	**(572)**	**0**	**0**	**1,461**	**(2,098)**
Financial result	**(6,072)**	**(7,946)**	**(7,891)**	**(11,040)**	**(49,298)**	**54,422**	**0**	**(164,261)**	**(63,261)**	**(128,825)**
Result of companies accounted for using the equity method	0	0	1,287	(5,278)	21	(0)	96	(3,180)	1,404	(8,458)
Result before tax from continuing operations	**20,046**	**26,195**	**(35,533)**	**(70,421)**	**(65,917)**	**45,074**	**(162)**	**(167,240)**	**(81,566)**	**(166,392)**
Expense tax	(18,535)	(27,458)	(3,713)	(14,931)	1,279	(38,681)	0	(1)	(20,969)	(81,071)
Result from continuing operations	**1,511**	**(1,263)**	**(39,246)**	**(85,352)**	**(64,638)**	**6,393**	**(162)**	**(167,241)**	**(102,535)**	**(247,463)**
Result after tax from discontinued operations	0	400,979	0	0	(3,308)	(75,716)	0	(2,350)	(3,308)	322,913
Consolidated result for the year	**1,511**	**399,716**	**(39,246)**	**(85,352)**	**(67,946)**	**(69,323)**	**(162)**	**(169,591)**	**(105,843)**	**75,450**
Non-controling interests	4	2	(795)	13,325	0	0	128	960	(663)	14,287
Result atributable to the Parent	**1,515**	**399,718**	**(40,041)**	**(72,027)**	**(67,946)**	**(69,323)**	**(34)**	**(168,631)**	**(106,506)**	**89,737**

15. REMUNERATION OF DIRECTORS AND EXECUTIVES

The remuneration of directors and executives is set out in section 13 of Chapter IV on Selected financial information.

Sections 2320 and 2325: The aggregate remuneration of Prisa´s Directors and Managers corresponds to the accounting expense registered by Prisa as well as by other companies of the Group and consequently it corresponds to the accounting provisions registered in the income statement.

General remarks:

i. The aggregated remuneration of Prisa directors and members of senior management reflected in section 13 of Chapter IV corresponds to the expense recorded by Promotora de Informaciones, S.A. and other companies of its Group and consequently it corresponds to the accounting provisions registered in the income statement.

ii. Therefore, the compensation included in the aforementioned section 13 of Chapter IV, do not match, in some respects, with the remuneration that will be included in the Annual Remuneration Report of the Directors 2021 (IR) and in the Annual Report on Corporate Governance 2021 (IAGC), in which it is followed the criteria required by the "Circular 3/2021 of the CNMV, which is not the accounting provision basis.

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

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

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

Remuneration to Board Members

<u>Regarding the 2021 financial year:</u>

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

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

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

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

iii. Until his appointment as Executive Chairman of Santillana and Prisa director, Mr. Cuadrado was Santillana's Director General of Education, but the compensation reflected in the table above is solely what Mr. Cuadrado has received since his appointment as Prisa director (on July 27, 2021).

Therefore, reumeration includes compensation for Mr. Nuñez from the moment he assumed the duties of Executive Chairman of Prisa Media on May 24, 2021.

As for accounting for the expenses involved in Mr. Manuel Mirat's compensation, part was included under Prisa (the part concerning his duties as Prisa CEO until June 29, 2021 as well as the termination of his contract with the Company), while another part was included under Santillana (for his duties as Executive Chairman of Santillana during the month of July, 2021).

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

v. Variable compensation in cash includes the following ítems:

- Annual variable compensation (bonus) for Mr Manuel Mirat, for 2021 in the amount of EUR 175 thousand, which was paid when his contract with the Company was terminated in July, 2021.

- Regularization of 2020 Mr Mirat´s bonus, taking into consideration the position expressed by Mr Mirat to waive the annual variable remuneration that may correspond to him in 2020. In 2021 a negative amount of EUR 60 thousand was recorded in relation to this item.

- Reflection of the amount corresponding to 2021 theoretical annual variable compensation (bonus) of Mr Carlos Nuñez and Mr Francisco Cuadrado, executive directors of the Company. However, since this compensation is subject to achievement of the management objectives at the end of the year 2021, the accounting figure in no way constitutes acknowledgment that that variable compensation has accrued, which will occur, if at all, once the year is closed and the 2021 annual accounts of the Group are prepared, based on the level of achievement of the established objectives. An expense amounting 312 thousand euros has been recorded for this item.

  However, it should be noted that Mr. Nuñez's contract exceptionally guarantees the payment of 50% of his reverence bonus for 2021.

- Medium-term Incentive Plan 2020-2023, linked to the creation of value of Santillana: The Directors Compensation Policy for 2021, 2022 and 2023 (approved at the Annual Shareholders Meeting held on 29 June 2021) provides for medium-term incentives linked to value creation in Santillana during the term commencing on September 1, 2020 and ending on December 31, 2023, whose beneficiaries include, among others, the executive director Mr. Francisco Cuadrado. Although Mr. Manuel Mirat was also a beneficiary of this Incentive Plan, he waived all rights in that regard when his contract with the Company was terminated in July 2021. In 2021 an expense of EUR 247 thousand has been recorded for this item.

  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. The beneficiaries will be entitled to receive a percentage in cash of Santillana value creation, defined as the positive difference between the valuation of Santillana (enterprise value) on the plan's termination date (i.e., December 31, 2023) and the commencement date (September 1, 2020), taking into account the amount of dividends distributed as well as other cash flows.

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

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

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

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

Mr. Cuadrado (Executive Chairman of Santillana) has also been a beneficiary of this remuneration plan as a result of his previous responsibilities as General Director of Education at Santillana (before his appointment as director of Prisa in July 2021), so the reumerarion information does not include the accounting expense corresponding to Mr. Cuadrado's remuneration for this concept.

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

viii. "Others" includes health and life/accident insurance for the former executive director Mr. Manuel Mirat and the current executive directors Mr Carlos Nuñez and Mr Francisco Cuadrado. Likewise included is compensation for Mr. Mirat's post-termination non-competition covenant and the amount paid him for unused vacation days during 2021.

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

Remuneration of members of Senior Management

The aggregate compensation of the managers in 2021 amounted to 10,319 thousand euros and in 2020 amounted to 4,380 thousand euros.

<u>Regarding fiscal year 2021:</u>

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

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

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

iii. Remuneration of senior management includes, inter alia:

   - Annual variable compensation (bonus): reflection of the amount corresponding to theoretical annual variable compensation of the executives if 2021 management objectives are achieved. However, since this compensation is subject to achievement of the management objectives at the end of the year 2021, the accounting figure in no way constitutes acknowledgment that that variable compensation has accrued, which will occur, if at all, once the year is closed and the 2021 annual accounts of the Group are prepared, based on the level of achievement of the established objectives.

   - Regularization of 2020 bonus paid in 2021, taking into account that: i) in April 2020 the Directors voluntarily waived, in relation to the 2020 financial year, the part of the annual variable remuneration that refers to quantitative objectives and ii) in January 2021 Mr. Pujol also waived the part of the annual variable remuneration corresponding to qualitative objectives.

- In 2021, an expense of EUR 744 thousand was recorded for the “Incentive Plan 2018-2020”, in relation to the Managers.
- In the 2021 an expense amounting to 6,671 thousand of euros has been recorded as a consequence of the termination of the contractual relationship (indemnities and compensation for non-competition agreement) of 6 of the managers mentioned above.

16. RELATED-PARTY TRANSACTIONS

Related-party transactions are set out in section 14 of Chapter IV on Selected financial information.

All transactions with related parties were carried out on an arm’s length basis.

Transactions with significant shareholders

Section 2350: the aggregate amount of **EUR 1,854 thousand** consists of the expense for purchases of advertising space with Vivendi Group. In 2020 the expenditure on telephony and internet with Telefónica, S.A as well as the financial expense with HSBC Holding, PLC was also included as they were significant shareholders of the Company.

Section 2360: the aggregate amount of **EUR 24,706 thousand** mainly consists of income of Prisa Group companies for advertising services with Vivendi Group.

Section 2347: the amount of **EUR 14,328 thousand** includes outstanding receivables for the provision of advertising services from Group companies to the Vivendi Group.

Transactions with directors and executives

Section 2350: the aggregate amount of **EUR 15,088 thousand** corresponds to the expense recorded for remuneration of directors and executives, in accordance with the breakdown and explanations set out in Chapter IV, section 13.

Transactions between Group employees, companies or entities

Section 2350: the aggregate amount of **EUR 4,384 thousand** is mainly includes the expense for holding events with Planet Events, S.A., the expenditure derived from the leasing of frequencies of radio with associates companies and the advertising commission expense with Wemass Media Audience Safe Solutions, S.L.

Section 2356: the aggregate amount of **EUR 14,376 thousand** mainly includes the income received for commercialization of advertising with Wemass Media Audience Safe Solutions, S.L., the income received by Radio in Spain from provision of technical assistance and advisory services and the income for sale of newspapers to Kioskoymás, Sociedad Gestora de la Plataforma Tecnológica, S.L.

17. ONGOING LITIGATIONS AND CLAIMS

A) Corporativo Coral

On July 17, 2019, the company Corporativo Coral, S.A. de C.V. (hereinafter "Coral") entered into a shares purchase agreement with a third party of a 50% stake in Sistema Radiópolis, S.A. de C.V. (hereinafter "Radiopolis"). On such day, Coral entered into a shareholders' agreement with Sociedad Española de Radiodifusión, S.L.U., owner of the other 50% of the capital of Radiópolis. The acquisition of the stake by Coral was completed in July 2020.

Once the stake was acquired, Coral refused to execute the agreements within the shareholders' agreement, incurring in several breaches thereof. Consequently, Sociedad Española de Radiodifusión, S.L.U. has initiated several processes, before both the judges of Mexico City and the Court of Arbitration of the International Chamber of Commerce of Paris, to claim the compliance of the shareholders agreement by Coral and defend its position as a shareholder of Radiópolis. Up to the date of approval of these consolidated financial statements, the resolutions issued in the course of mentioned processes, both in court and in arbitration, have been recognizing the rights of Sociedad Española de Radiodifusión, S.L.U. and requiring Coral to adhere its conduct to the agreements signed between the two.

The Group's directors and both internal and external advisers consider that the processes initiated will most likely conclude positively for Sociedad Española de Radiodifusión, S.L.U., without deriving significant liabilities that have not been recorded in these consolidated financial statements nor the need to record any impairment on the value of the stake in Radiópolis.

B) CNMC

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

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

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

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

On December 31, 2020, Grupo Santillana Educación Global, S.L. sold Santillana Educación, S.L. and its subsidiaries (Edicions Obradoiro, S.L., Edicions Voramar, S.A., Zubia Editoriala S.L., Ediciones Grazalema, S.L. and Grup Promotor d'Ensenyament i Difusió en Catalá, S.L.) to Sanoma

Pro Oy, so that such companies are not a part of the Group perimeter. However, and in accordance with the terms of the sale and purchase agreement entered into, Grupo Santillana Educación Global, S.L. granted an indemnity to Sanoma Pro Oy on the result of this process.

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

The process is currently pending voting and decision.

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

C) Other litigations

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

18. EVENTS AFTER THE BALANCE SHEET DATE

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

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

The New Lock-Up Agreement has entered into force, having been signed by the Company and by the creditor entities representing more than 95% of the syndicated financing to be refinanced. After that, the Company will promote the adhesion to the New Lock-Up Agreement of the remaining creditor entities in order to reach their unanimous support. Otherwise, the level of support that has already been reached guarantees that the signed agreement may in any case be implemented through legal instruments that are binding on all creditor entities.

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

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

Prisa Group

Consolidated Directors' Report for the 2021 financial year

1. BUSINESS PERFORMANCE

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

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

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

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

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

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

- Operating expenses (excluding depreciation and amortisation charge, goodwill impairment and impairment and losses on fixed assets) amounted to EUR 678.1 million (+6.5% vs. 2020; +9.2% in local currency), mainly due to the impact of the restructuring plan. Excluding the effect of higher severance payments, expenses grew +1.1% (+3.8% in local currency), mainly due to higher variable expenses (in line with the increase in revenues). The efficiency and restructuring plan designed by the Group to continue to cope with the impact of the COVID-19 pandemic on its business performance has mitigated the increase in variable expenses.

- EBITDA, despite the impact of severance payments, remains in line with 2020 at EUR 63.1 million (-1.2% vs 2020; +10.6% in local currency). Excluding severance payments, EBITDA grew 46.2% year-on-year in 2020 (+56.7% in local currency). The Group uses EBITDA as a benchmark to monitor the performance of its businesses and to set its operational and strategic targets, therefore, this “alternative performance measure” is important for the Group and is used by other companies in the sector. EBITDA is the result of adding depreciation and amortisation charges, goodwill impairment losses and impairment losses on fixed assets to profit from operations.

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

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

	2020			
	Education	Media	Other	Prisa Group
RESULT FROM OPERATIONS	**34.1**	**(54.1)**	**(9.1)**	**(29.1)**
Depreciation and amortization	41.9	27.5	1.2	70.6
npairment of goodwill	-	16.7	(0.1)	16.6
Impairment of assets	1.0	4.6	0.2	5.8
EBITDA	**77.0**	**(5.3)**	**(7.8)**	**63.9**

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

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

(*) Excluding the exchange rate effect of Venezuela.

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

The following table shows the composition of this indicator as of December 31, 2021 and December 31, 2020:

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

(*) See note 10 of the attached explanatory notes
(**) Excludes finance lease receivable associated with IFRS 16 (EUR 0.4 million in 2021)

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

2. MAIN RISKS ASSOCIATED TO THE BUSINESS

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

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

2.1. Risks relating to the financial and equity situation

Financing risk-

The Group's financial obligations are set out in note 10 in the attached explanatory notes.

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

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

As described in the note 10 of these explanatory notes, the Company reached in the fourth quarter of 2020 an agreement with the creditors of the *Override Agreement* (agreement to refinance the Group's debt signed in December 2013) and with the creditor of Super Senior debt to refinance and modify the terms of Prisa and Prisa Activos Educativos, S.L.'s current financial debt. On December 31, 2020 the Refinancing agreement came into effect, and among other aspects, it extended the maturity of the debt until March 2025, adapted the financial conditions of the debt to the Group's new position in terms of generating cash and has included a relaxation of certain financial covenants and Prisa's commitment to achieving a leverage cap in September 2023 (4.25x Net Debt/EBITDA).

As indicated in note 18 of the explanatory notes, in February 2022 the Board of Directors of Prisa has approved, by unanimity, the signing of a lock-up agreement (the "New Lock-Up Agreement") that incorporates a term sheet with the basic conditions for the amendment of the Group's syndicated financial debt (the "New Refinancing"). The basic terms of the agreed New Refinancing consist, among other aspects, in the extension of the maturity of the financial debt to 2026 and 2027 and division of the syndicated loan into two differentiated tranches (one of senior debt and one of junior debt) and the flexibilization of the contractual commitments of the current debt that will allow, among other improvements, to increase Prisa's operating flexibility and soften the financial ratios required by its current contracts. The agreed New Refinancing will thus make the Group's financial debt more flexible and will provide a financial structure allowing the Group to comply with its financial commitments, ensuring the Group's stability in the short and medium term.

In addition, the contracts governing Prisa's Group debt terms stipulate requirements and commitments for compliance with specific leverage and financial ratios (*covenants*). These contracts also include provisions on cross-default, which could cause, if the breach exceeds certain amounts, the early maturity and resolution of the contract in question, including the *Override Agreement*.

The credit rating assigned to the Company may be reviewed, suspended or removed at any time by one or more of the credit rating agencies. A downward variation in the credit rating of the Company could adversely affect the conditions of a possible future refinancing of the financial debt of the Group, may adversely affect the cost and reduce investors.

Credit and liquidity risk-

The adverse macroeconomic situation with major declines in advertising and circulation has had a negative impact on the Group's ability to generate cash flow over recent years, mainly in Spain. Businesses which rely heavily on advertising have a high percentage of fixed costs, and any decline in advertising revenues has major implications for margins and the cash position, making it difficult to implement additional measures to improve Group operating efficiency. In 2021, advertising revenue represented 40.3% of Group operating income.

Likewise, the nature of the Education business means that there are concentrated periods of collections around certain dates, mainly during the final months of each year. The aforementioned creates seasonality in Santillana's cash flow. While the seasonality of the Group's cash flow is not significant, so far as the flows coming from the various business units largely compensate each other and thereby mitigating the seasonality effect, the aforementioned could lead to certain cash tensions during the periods in which the collections are structurally lower.

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

However, and as described in note 1 of the accompanying explanatory notes, the appearance of COVID-19 (Coronavirus) has led that the situation of the markets causing a general increase in liquidity pressures in the economy and a contraction in the credit market. In this respect, the Group has a Super Senior debt ("S*uper Senior Term &Revolving Facilities Agreement*") to meet operational needs for a maximum amount of up to EUR 225 million, of which EUR 145 million, were drawn as of December 31, 2021. Likewise, the rest of subsidiaries of the Group have credit facilities with a limit amount of EUR 21.9 million, that were undrawn as of December 31, 2021 (*see note 10 of the explanatory notes*). Therefore, as of December 31, 2021, the Group had undrawn credit facilities amounting to EUR 101.9 million, together with cash available of EUR 159 million. The Group has also implemented specific plans for the improvement and efficient management of liquidity to address these tensions.

Exposure to interest rate hedges-

The Group is exposed to changes in interest rates as around 97.58% of its bank borrowings bear interest at floating rates. The Group currently has no derivative contracts for interest rates. A possible increase in interest rates (i.e. Euribor), would mean an increase in interest expense, which would negatively impact in the cash flow of the Group.

Exposure to exchange rate hedges-

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

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

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

Tax risks-

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

As of December 31, 2021, Prisa Group had active tax credits amounting to EUR 45.6 million, and they mainly correspond to temporary differences.

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

Intangible assets and goodwill-

As of December 31, 2021, the company had intangible assets recorded on its consolidated balance sheet amounting to EUR 96 million and goodwill of EUR 109.5 million. The analysis of the value of these assets and goodwill used estimates made to date based on the best available information. It is possible that events which could occur in the future make it necessary to modify these estimates down. In this event, the impact of these new estimates in valuing intangible assets and goodwill will be registered on the future consolidated income statement.

2.2. Strategic and operational risks

Macroeconomic risks-

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

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

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

Decline in the advertising market-

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

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

Changes occurring to the traditional media business-

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

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

Competition risk-

Prisa's businesses operate in highly competitive sectors.

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

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

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

Country risk-

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

Regulatory risk-

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

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

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

Risk of concentration of customers in the public sector-

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

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

Digital transformation process-

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

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

In addition, the digital advertising business itself is subject to constant change. The emergence of digital advertising networks and markets, especially, disruptive methods of advertising auctions, is allowing advertisers to develop more personalized advertising and is putting downward pressure on prices. And, on the other hand, there is a proliferation of technologies and applications that allow users to avoid digital advertising on web pages and mobile applications that visit.

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

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

Technology risk-

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

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

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

Litigation and third-party claims risk-

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

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

Data protection-

The Group has a large amount of personal data at its disposal through development of its businesses, included those related to employees, readers and students. Therefore, the Group is subject to data protection regulations in different countries where it operates. Any violation of these regulations could have an adverse impact on the Group's business.

Intellectual property-

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

In addition, in order to use third-party intellectual property rights, the Group has non-exclusive paid-for permission from management companies servicing the owners of these rights and companies that create or market intellectual property.

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

2.3. Non financial risks

See section 5 of the Consolidated Directors´ Report of 2020.

2.4. Reputational risks

See section 5 of the Consolidated Directors´ Report of 2020.

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

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

Recent years have been marked by a general climate of almost constant volatility, uncertainty, complexity and ambiguity. This makes it difficult to predict future business performance, especially in the medium and long term. This complex environment has been greatly exacerbated by the impact of the COVID-19 pandemic which, as described above, has had and will continue to have a significant impact on the Group's business performance.

In general, both the Education business and the Media business tend to develop in a way that is very much subject to the macroeconomic environment, especially in the case of the Media business, as far as the performance of the advertising market is concerned. Prisa's activities and investments in Spain and Latin America are exposed to the development of the different macroeconomic parameters of each country, including the development of currency exchange rates.

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

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

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

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

Another factor that affects the future development of Prisa's business is the advertising cycle. 40.3% of the Group's operating income in 2021 will come from advertising. The Media businesses, which are largely dependent on advertising revenues, have a high percentage of fixed costs, so that significant variations in advertising revenues have a significant impact on results, leading to an improvement or worsening of margins and the Group's cash position.

In this regard, the COVID-19 pandemic led to a drastic drop in advertising investment in 2020. However, during 2021 (especially from the second quarter onwards), the Group's advertising has recovered, growing by +17.0% for the year as a whole compared to the previous year. Digital advertising increased by +19% and represents 25.2% of the Group's advertising revenues (24.8% in 2020).

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

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

According to the strategic roadmap on which the Group has been working in recent years, Media businesses will continue to develop and reduce their dependence on the performance of the offline advertising market and traditional formats. It will place more and more focus not only on the traditional advertiser, but also on the consumer of content and new digital formats. In this regard, it is worth mentioning the commitment to digital transformation and the development of subscription models. Significant events such as the launch of El País's digital subscription payment model in May 2020, or the development of the value proposition around the concept of audio, highlight the importance of this trend.

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

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

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

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

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

ANNEX I

GENERAL

2ND	STATISTICAL INFORMATION REPORT FOR YEAR	2021

CLOSING DATE OF PERIOD 12/31/2021

I. IDENTIFICATION DATA

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

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

Data of the person / (s) of contact for the purpose of this information (*):

Name:	**Position:**	**Telephone contact:**	**E-mail:**
Pilar Gil Miguel	D. Investor Relations	913 301 119	PilarG@prisa.com

II. SUPPLEMENTARY INFORMATION TO PREVIOUSLY RELEASED PERIODIC INFORMATION

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):

D. Roberto Lázaro Alcántara Rojas has not signed this financial report as he was absent.

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. ROSAURO VARO RODRIGUEZ	DEPUTY CHAIRMAN
Dª. BÉATRICE DE CLERMONT-TONNERRE	COORDINATING DIRECTOR
AMBER CAPITAL UK LLP (represented by D. MIGUEL BARROSO AYATS)	DIRECTOR
Dª. MARIA TERESA BALLESTER FORNES	DIRECTOR
Dª. CARMEN FERNÁNDEZ DE ALARCÓN ROCA	DIRECTOR
Dª. MARIA JOSÉ MARÍN REY-STOLLE	DIRECTOR
D. MANUEL POLANCO MORENO	DIRECTOR
D. CARLOS NUÑEZ MURIAS	DIRECTOR
Dª. MARIA TERESA QUIRÓS ÁLVAREZ	DIRECTOR
D.JAVIER SANTISO GUIMARAS	DIRECTOR
D. KHALID THANI ABDULLAH AL-THANI	DIRECTOR
D. FRANCISCO ANTONIO CUADRADO PEREZ	DIRECTOR

Date this half-yearly financial report is signed by the competet governing body:	28/02/2022

IV. SELECTED FINANCIAL INFORMATION

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

Units: Thousands of euros

ASSETS		PRESENT PER. 12/31/2021	PREVIOUS PER. 12/31/2020
A) NON-CURRENT ASSETS	**0040**	**585,408**	**895,089**
1. Intangible assets:	**0030**	86	241
a) Goodwill	**0031**		
b) Other intangible assets	**0032**	86	241
2. Property, plant and equipment	**0033**	1,153	1,253
3. Investment properties	**0034**		
4. Long-term investmenst in group companies and associates	**0035**	584,021	892,119
5. Long-term financial investments	**0036**	9	9
6. Deferred tax assets	**0037**	139	1,467
7. Other non-current assets	**0038**		
B) CURRENT ASSETS	**0085**	**21,407**	**35,960**
1. Non-current assets held for sale	**0050**	278	507
2. Inventories	**0055**		
3. Trade and other receivables:	**0060**	1,664	5,704
a) Trade receivables for sales and services	**0061**	263	3,310
b) Other receivables	**0062**	645	1,679
c) Current tax assets	**0063**	756	715
4. Short-term investments in group companies and associates	**0064**	8,478	19,166
5. Short-term financial investments	**0070**	0	
6. Current accrual accounts	**0071**	223	174
7. Cash and cash equivalents	**0072**	10,764	10,409
TOTAL ASSETS (A+B)	**0100**	**606,815**	**931,049**

Comentarios

EQUITY AND LIABILITIES		PRESENT PER. 12/31/2021	PREVIOUS PER. 12/31/2020
A) EQUITY (A.1+ A.2+ A.3)	**0195**	**353,260**	**296,774**
A.1) CAPITAL AND RESERVES	**0180**	**353,260**	**296,774**
1. Share Capital:	**0171**	70,865	70,865
a) Authorized capital	**0161**	70,865	70,865
b) Less: Uncalled capital	**0162**		
2. Share premium	**0172**		
3. Reserves	**0173**	277,266	276,583
4. Less: Treasury stock	**0174**	(1,320)	(1,530)
5. Profit/loss brought forward	**0178**	(49,144)	
6. Other shareholder contributions	**0179**		
7. Net income for the year	**0175**	55,593	(49,144)
8. Less: Interim dividend	**0176**		
9. Other equity instruments	**0177**		
A.2) VALUATION ADJUSTMENTS	**0188**	**0**	**0**
1. Available for sale financial assets	**0181**		
2. Hedging transactions	**0182**		
3. Other	**0183**		
A.3) GRANTS, DONATIONS AND GIFTS RECEIVED	**0194**		
B) NON-CURRENT LIABILITIES	**0120**	**203,026**	**516,381**
1. Long-term provisions	**0115**	2,719	4,796
2. Long-term debts	**0116**	200,307	86,006
a) Bank borrowings and bonds and other negotiable securities	**0131**	200,307	86,006
b) Other non-current financial liabilities	**0132**		
3. Long-term payable to group and associates companies	**0117**		425,579
4. Deferred tax liabilities	**0118**		
5. Other non-current liabilities	**0135**		
6. Long- term acrual accounts	**0119**		
B) CURRENT LIABILITIES	**0130**	**50,529**	**117,894**
1. Non-current liabilities held for sale	**0121**		
2. Short-term provisions	**0122**	3,622	
2. Short-term payables	**0123**	11,279	90,103
a) Bank borrowings and bonds and other negotiable securities	**0133**	1,279	80,103
b) Other financial liabilities	**0134**	10,000	10,000
4. Current payables to group and associates companies	**0129**	31,474	15,476
5. Trade and other payables	**0124**	4,154	12,315
a) Suppliers	**0125**	42	42
b) Other accounts payable	**0126**	4,112	12,273
c) Current tax liabilities	**0127**		
6. Other current liabilities	**0136**		
7. Current accrual accounts	**0128**		
TOTAL EQUITY AND LIABILITIES (A+B+C)	**0200**	**606,815**	**931,049**

Comments

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

Units: Thousands of euros

			PRESENT CURR. PERIOD (2nd HALF) Amount	PREVIOUS PERIOD (2nd HALF) Amount	CURRENT CUMULATIVE 12/31/2021 Amount	PREVIOUS CUMULATIVE 12/31/2020 Amount
(+)	Revenues	**0205**	1,846	112,759	106,158	116,047
(+/-)	Variation in inventories of finished products and products in process	**0206**				
(+)	Own work capitalized	**0207**				
(-)	Suppliers	**0208**				
(+)	Other operating revenues	**0209**	310	1,102	479	1,136
(-)	Staff costs	**0217**	(4,883)	(6,301)	(12,478)	(8,959)
(-)	Other operating expenses	**0210**	(4,522)	(3,993)	(9,257)	(8,011)
(-)	Depreciation and amortization charge	**0211**	(126)	(141)	(302)	(251)
(+)	Allocation of grants for non-financial assets and others	**0212**				
(+)	Overprovision	**0213**				
(+/-)	Impairment and results on fixed asset disposals	**0214**	18	0	18	(130)
(+/-)	Other income	**0215**	0	0		
=	**RESULT FROM OPERATIONS**	**0245**	**(7,357)**	**103,426**	**84,618**	**99,832**
(+)	Finance income	**0250**	3	48	8,288	51
(-)	Finance expenses	**0251**	(6,095)	(16,141)	(15,661)	(30,947)
(+/-)	Change in value of financial instruments	**0252**	(2,940)	(5,070)	(5,201)	(6,190)
(+/-)	Exchange differences (net)	**0254**	4	(9)	5	(10)
(+/-)	Impairment and results on disposals of financial instrument	**0255**	1,367	465	(13,933)	(260)
=	**NET FINANCIAL RESULT**	**0256**	**(7,661)**	**(20,707)**	**(26,502)**	**(37,356)**
=	**PROFIT (LOSS) BEFORE TAX**	**0265**	**(15,018)**	**82,719**	**58,116**	**62,476**
(+/-)	Income tax	**0270**	1,037	2,756	1,014	(37,098)
=	**PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS**	**0280**	**(13,981)**	**85,475**	**59,130**	**25,378**
(+/-)	Net income for the year from discontinued operations net of tax	**0285**	(3,399)	(1,301)	(3,537)	(74,522)
=	**PROFIT (LOSS) FOR THE YEAR**	**0300**	**(17,380)**	**84,174**	**55,593**	**(49,144)**

EARNINGS PER SHARE		**Amount (X.XX euros)**	**Amount (X.XX euros)**	**Amount (X.XX euros)**	**Amount (X.XX euros)**
Basic	**0290**	(0.02)	0.12	0.08	(0.07)
Diluted	**0295**	(0.02)	0.12	0.08	(0.07)

Comments

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

Units: Thousands of euros

		PRESENT PERIOD 12/31/2021	PREVIOUS PERIOD 12/31/2020
A) PROFIT (LOSS) FOR THE YEAR (from the income statement)	0305	55,593	(49,144)
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	55,593	(49,144)

Comments

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

Units: Thousands of euros

PRESENT PERIOD		Equity							
		Share Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for the period	Other equity instruments	Adjustments for changes in value	Grants, donations and gifts received	Total Equity
Opening balance at 01/01/2021	3010	**70,865**	**276,583**	**(1,530)**	**(49,144)**	**0**	**0**	**0**	**296,774**
Adjustment for changes in accounting policy	3011								**0**
Adjustment for errors	3012								**0**
Adjusted opening balance	3015	**70,865**	**276,583**	**(1,530)**	**(49,144)**	**0**	**0**	**0**	**296,774**
I. Total recognised income/ (expense) the period	3020		0		55,593				**55,593**
II. Transactions with shareholders or owners	3025	**0**	**(839)**	**210**	**0**	**0**	**0**	**0**	**(629)**
1. Capital increases/ (reductions)	3026		0						**0**
2. Conversion of financial liabiities into equity	3027								**0**
3. Distribution of dividends	3028								**0**
4. Trading with own shares (net)	3029		(839)	210					**(629)**
5. Increases/ (reductions) for business combinations	3030								**0**
6. Other transactions with shareholders or owners	3032								**0**
III. Other changes in equity	3035	**0**	**(47,622)**	**0**	**49,144**	**0**	**0**	**0**	**1,522**
1. Share based payments	3036								**0**
2. Transfers between equity accounts	3037		(49,144)		49,144				**0**
3. Other variations	3038		1,522						**1,522**
Closing balance at 12/31/2021	3040	**70,865**	**228,122**	**(1,320)**	**55,593**	**0**	**0**	**0**	**353,260**

Comments

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

Units: Thousands of euros

PREVIOUS PERIOD		Equity					Adjustments for changes in value	Grants, donations and gifts received	Total Equity
		Share Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for the period	Other equity instruments			
Opening balance at 01/01/2020 (comparative period)	**3050**	**666,131**	**(108,614)**	**(2,591)**	**(209,557)**	**0**	**0**	**0**	**345,369**
Adjustment for changes in accounting policy	**3051**								**0**
Adjustment for errors	**3052**								**0**
Adjusted opening balance (comparative period)	**3055**	**666,131**	**(108,614)**	**(2,591)**	**(209,557)**	**0**	**0**	**0**	**345,369**
I. Total recognised income/ (expense) the period	**3060**		0		(49,144)				**(49,144)**
II. Transactions with shareholders or owners	**3065**	**(595,266)**	**594,283**	**1,061**	**0**	**0**	**0**	**0**	**78**
1. Capital increases/ (reductions)	**3066**	(595,266)	595,266						**0**
2. Conversion of financial liabilities into equity	**3067**								**0**
3. Distribution of dividends	**3068**								**0**
4. Trading with own shares (net)	**3069**		(983)	1,061					**78**
5. Increases/ (reductions) for business combinations	**3070**								**0**
6. Other transactions with shareholders or owners	**3072**								**0**
III. Other changes in equity	**3075**	**0**	**(209,086)**	**0**	**209,557**	**0**	**0**	**0**	**471**
1. Share based payments	**3076**								**0**
2. Transfers between equity accounts	**3077**		(209,557)		209,557				**0**
3. Other variations	**3078**		471						**471**
Closing balance at 12/31/2020 (comparative period)	**3080**	**70,865**	**276,583**	**(1,530)**	**(49,144)**	**0**	**0**	**0**	**296,774**

Comments

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

Units: Thousands of euros

			PRESENT PERIOD 12/31/2021	PRESENT PERIOD 12/31/2020
A)	**CASH FLOWS FROM OPERATING ACTIVITIES (1+ 2+ 3+ 4)**	**0435**	**(2,894)**	**87,874**
1.	**Profit (loss) before tax**	**0405**	**58,116**	**62,476**
2.	**Adjustments to profit (loss):**	**0410**	**(74,077)**	**(71,439)**
(+)	Depreciation and amortization charge	**0411**	302	251
(+/-)	Other adjustments to income (nets)	**0412**	(74,379)	(71,690)
3.	**Changes in working capital**	**0415**	**1,318**	**(546)**
4.	**Other cash flows from operating activities:**	**0420**	**11,749**	**97,383**
(-)	Interest paid	**0421**	(9,570)	(28,362)
(+)	Dividends received	**0422**	11,145	108,883
(+)	Interest received	**0423**	384	6
(+/-)	Income tax recovered/(paid)	**0430**	3,448	26,658
(+/-)	Other sums received/(paid) from operating activities	**0425**	6,342	(9,802)
B)	**CASH FLOWS FROM INVESTING ACTIVITIES (1+2)**	**0460**	**(102,854)**	**38,248**
1.	**Payments for investments:**	**0440**	**(103,263)**	**(2,534)**
(-)	Group companies, associates and business units	**0441**	(103,194)	(1,594)
(-)	Property, plant and equipment, intangible assets and investment properties	**0442**	(69)	(940)
(-)	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**	**409**	**40,782**
(+)	Group companies, associates and business units	**0451**	371	40,029
(+)	Property, plant and equipment, intangible assets and investment properties	**0452**	20	753
(+)	Other financial assets	**0453**	18	
(-)	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**	**106,103**	**(126,122)**
1.	**Sums received /(paid) in respect of equity instruments:**	**0470**	**(629)**	**20**
(+)	Issues	**0471**		
(-)	Amortization	**0472**		
(-)	Acquisition	**0473**	(1,993)	(1,606)
(+)	Disposal	**0474**	1,364	1,626
(+)	Grants, donations and gifts received	**0475**		
2.	**Sums received /(paid) for financial liability instruments**:	**0480**	**106,732**	**(126,142)**
(+)	Issues	**0481**	191,476	346,825
(-)	Repayment and redemption	**0482**	(84,744)	(472,967)
3.	**Payments of dividends and remuneration on other equity instruments**	**0485**		
D)	**EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES**	**0492**		
E)	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+ B+ C+ D)**	**0495**	**355**	**0**
F)	**CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD**	**0499**	**10,409**	**10,409**
G)	**CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+ F)**	**0500**	**10,764**	**10,409**

	COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		PRESENT PERIOD 12/31/2021	PRESENT PERIOD 12/31/2020
(+)	Cash and banks	**0550**	10,764	10,409
(+)	Other financial assets	**0552**		
(-)	*Less: Bank overdrafts repayable on demand*	**0553**		
	TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	**0600**	**10,764**	**10,409**

Comments

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

Units: Thousands of euros

ASSETS		PRESENT PER. 12/31/2021	PREVIOUS PER. 12/31/2020
A) NON-CURRENT ASSETS	**1040**	**399,222**	**443,259**
1. Intangible assets:	**1030**	205,550	210,044
a) Goodwill	**1031**	109,542	112,501
b) Other intangible assets	**1032**	96,008	97,543
2. Property, plant and equipment	**1033**	109,678	155,464
3. Investment properties	**1034**	14	16
4. Investments accounted for using the equity method	**1035**	27,020	24,679
5. Non-current financial assets	**1036**	11,359	10,493
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**	11,359	10,493
6. Non-current derivatives	**1039**	0	0
a) Coverage	**1045**	0	0
b) Other	**1046**		
7. Deferred tax assets	**1037**	45,601	42,563
8. Other non-current assets	**1038**	0	0
B) CURRENT ASSETS	**1085**	**479,061**	**528,460**
1. Non-current assets held for sale	**1050**	2,307	4,443
2. Inventories	**1055**	39,920	45,708
3. Trade and other receivables:	**1060**	265,737	248,712
a) Trade receivables for sales and services	**1061**	205,486	196,334
b) Other receivables	**1062**	60,251	52,378
c) Current tax assets	**1063**		
4. Current financial assets	**1070**	2,425	7,718
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**	2,425	7,718
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**	168,672	221,879
TOTAL ASSETS (A + B)	**1100**	**878,283**	**971,719**

Comments

EQUITY AND LIABILITIES		PRESENT PER. 12/31/2021	PREVIOUS PER. 12/31/2020
A) EQUITY (A.1+ A.2+ A.3)	**1195**	**(511,815)**	**(402,980)**
A.1) CAPITAL AND RESERVES	**1180**	**(466,354)**	**(356,976)**
1. Share Capital	**1171**	70,865	70,865
a) Authorized capital	**1161**	70,865	70,865
b) Less: Uncalled capital	**1162**		
2. Share premium	**1172**	0	0
3. Reserves	**1173**	118,829	118,146
4. Less: Treasury stock	**1174**	(1,320)	(1,530)
5. Profit/loss brought forward	**1178**	(548,222)	(634,194)
6. Other shareholder contributions	**1179**		
7. Profit (loss) for year attributable to parent company	**1175**	(106,506)	89,737
8. Less: Interim dividend	**1176**	0	
9. Other equity instruments	**1177**	0	0
A.2) OTHER ACCUMULATED INTEGRAL RESULT	**1188**	**(90,410)**	**(92,275)**
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**	(90,410)	(92,275)
a) Hedging	**1182**		
b) Translation differences	**1184**	(90,410)	(92,275)
c) Participation in other comprehensive income for investments in joint ventures an	**1192**		
d) Debt instruments at fair value with changes in other comprehensive income	**1191**		
e) Other	**1183**	0	0
EQUITY ATTRIBUTABLE TO THE CONTROLING COMPANY (A.1+ A.2)	**1189**	**(556,764)**	**(449,251)**
A.3) NON-CONTROLLING PARTICIPATIONS	**1193**	44,949	46,271
B) NON-CURRENT LIABILITIES	**1120**	**1,033,811**	**948,543**
1. Grants	**1117**	419	599
2. Non-current provisions	**1115**	21,016	19,195
3. Non-current financial liabilities:	**1116**	988,196	909,916
a) Bank borrowings and bonds and other negotiable securities	**1131**	934,342	810,568
b) Other non-current financial liabilities	**1132**	53,854	99,348
4. Deferred tax liabilities	**1118**	21,335	16,840
5. Non-current derivatives	**1140**	0	0
a) Coverage	**1141**		
b) Other	**1142**		
6. Other non-current liabilities	**1135**	2,845	1,993
C) CURRENT LIABILITIES	**1130**	**356,287**	**426,156**
1. Non-current liabilities held for sale	**1121**	1,096	3,434
2. Current provisions	**1122**	14,087	9,986
3. Current financial liabilities:	**1123**	30,802	121,304
a) Bank borrowings and bonds and other negotiable securities	**1133**	14,918	102,746
b) Other financial liabilities	**1134**	15,884	18,558
4. Trade and other payables:	**1124**	275,084	261,465
a) Suppliers	**1125**	195,983	191,454
b) Other accounts payable	**1126**	79,101	70,011
c) Current tax liabilities	**1127**		
5. Current derivatives	**1145**	0	0
a) Coverage	**1146**		
b) Other	**1147**		
6. Other current liabilities	**1136**	35,218	29,967
TOTAL EQUITY AND LIABILITIES (A + B + C)	**1200**	**878,283**	**971,719**

Comments

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

Units: Thousands of euros

			PRESENT CURR. PERIOD (2nd HALF)	PREVIOUS PERIOD (2nd HALF)	CURRENT CUMULATIVE 12/31/2021	PREVIOUS CUMULATIVE 12/31/2020
(+)	Revenues	1205	427,540	342,339	729,350	690,942
(+/-)	Variation in inventories of finished products and products in process	1206				
(+)	Own work capitalized	1207	369	376	789	964
(-)	Suppliers	1208	(61,978)	(47,330)	(103,093)	(105,931)
(+)	Other operating revenues	1209	6,448	4,753	10,103	7,268
(-)	Staff costs	1217	(164,097)	(130,312)	(307,945)	(268,007)
(-)	Other operating expenses	1210	(148,513)	(125,689)	(267,033)	(262,612)
(-)	Depreciation and amortization charge	1211	(47,396)	(33,547)	(78,317)	(70,637)
(+)	Allocation of grants for non-financial assets and others	1212				
(+/-)	Impairment on fixed asset	1214	(4,267)	(1,543)	(4,481)	(22,337)
(+/-)	Results on fixed asset disposals	1216	594	(79)	918	1,241
(+/-)	Other income	1215				
=	**RESULT FROM OPERATIONS**	**1245**	**8,700**	**8,968**	**(19,709)**	**(29,109)**
(+)	Finance income	1250	1,910	998	11,513	2,367
	a) Interest income calculated according to the effective interest rate method	1262	0	0		
	b) Other	1263	1,910	998	11,513	2,367
(-)	Finance costs	1251	(28,251)	(46,824)	(60,444)	(83,022)
(+/-)	Change in value of financial instruments	1252	(8,088)	(43,155)	(15,791)	(46,072)
(+/-)	Result from the reclassification of financial assets at amortized cost to financial assets at fair value	1258	0	0		
(+/-)	Result derived from the reclassification of financial assets at fair value with changes in other comprehensive income to financial assets at fair value	1259	0	0		
(+/-)	Exchange differences (net)	1254	223	(2,720)	1,461	(2,098)
(+/-)	Loss / Reversal due to deterioration of financial instruments	1255	0	0		
(+/-)	Result from disposal of financial instruments	1257	0	0	0	0
	a) Financial instruments at amortized cost	1260	0	0		
	b) Rest of financial instruments	1261	0	0		
=	**NET FINANCIAL RESULT**	**1256**	**(34,206)**	**(91,701)**	**(63,261)**	**(128,825)**
(+/-)	Profit (loss) from companies recorded by the equity method	1253	1,710	(1,517)	1,404	(8,458)
=	**PROFIT (LOSS) BEFORE TAX**	**1265**	**(23,796)**	**(84,250)**	**(81,566)**	**(166,392)**
(+/-)	Income tax	1270	(20,305)	(13,560)	(20,969)	(81,071)
=	**PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS**	**1280**	**(44,101)**	**(97,810)**	**(102,535)**	**(247,463)**
(+/-)	Net income for the year from discontinued operations net of tax	1285	(3,308)	396,889	(3,308)	322,913
=	**CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD**	**1288**	**(47,409)**	**299,079**	**(105,843)**	**75,450**
	a) Profit (loss) for year attributable to controling company	1300	(50,327)	301,787	(106,506)	89,737
	b) Profit (loss) for attributable to the non-controlling participations	1289	2,918	(2,708)	663	(14,287)

		Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)
EARNINGS PER SHARE					
Basic	1290	(0.07)	(0.19)	(0.15)	0.13
Diluted	1295	(0.07)	(0.19)	(0.15)	0.13

Comments

IV. SELECTED FINANCIAL INFORMATION

7. OTHER CONSOLIDATED INTEGRAL RESULT (IFRS ADOPTED)

Units: Thousands of euros

		PRESENT CURR. PERIOD (2nd HALF)	PREVIOUS PERIOD (2nd HALF)	PRESENT PERIOD 12/31/2021	PREVIOUS PERIOD 12/31/2020
A) CONSOLIDATED NET INCOME FOR THE PERIOD (from income statement)	1305	**(47,409)**	**299,079**	**(105,843)**	**75,450**
B) OTHER INTEGRAL RESULT- ITEMS THAT ARE NOT RECLASSIFIED TO RESULT OF THE PERIOD:	1310	**0**	**0**	**0**	**0**
1. From revaluation/(reversal of revaluation) of tangible assets and intangible assets	1311				
2. From actuarial gains and losses	1344				
3. Participation in other comprehensive income recognized for investments in joint ventures and associates	1342	**0**	**0**		
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	**0**	**0**		
6. Tax effect	1345				
C) OTHER INTEGRAL RESULT- ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO THE RESULT OF THE PERIOD:	1350	**(9,597)**	**(558)**	**(5,941)**	**(62,551)**
1. Hedging:	1360	**0**	**0**	**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	**(10,040)**	**(2,806)**	**(6,952)**	**(56,261)**
a) Profit/(Loss) for valuation	1366	(10,076)	(2,920)	(6,891)	(56,823)
b) Amounts transferred to the profit and loss account	1367	36	114	(61)	562
c) Other reclassifications	1368				
3. Participation in other comprehensive income recognized for the investments in joint ventures and associates:	1370	**443**	**2,248**	**1,011**	**(6,290)**
a) Profit/(Loss) for valuation	1371	443	2,248	1,011	(6,290)
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**	**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**	**0**	**0**
a) Profit/(Loss) for valuation	1376	0	0		
b) Amounts transferred to the profit and loss account	1377	0	0		
c) Other reclassifications	1378	0	0		
6. Tax effect	1380	**0**	**0**		
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A+ B+ C)	1400	**(57,006)**	**298,521**	**(111,784)**	**12,899**
a) Attributable to the controling company	1398	(58,538)	299,026	(110,412)	28,701
b) Attributable to non-controling participations	1399	1,532	(505)	(1,372)	(15,802)

Comments

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

Units: Thousands of euros

PRESENT PERIOD		Net equity attributable to the controling entity							
		Equity							
		Share Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for period attributable to the controling entity	Other equity instruments	Adjustments for changes in value	Non-controling participations	Total Equity
Opening balance at 01/01/2020	**3110**	**70,865**	**(516,048)**	**(1,530)**	**89,737**	**0**	**(92,275)**	**46,271**	**(402,980)**
Adjustment for changes in accounting policy	3111								0
Adjustment for errors	3112								0
Adjusted opening balance	**3115**	**70,865**	**(516,048)**	**(1,530)**	**89,737**	**0**	**(92,275)**	**46,271**	**(402,980)**
I. Integral Result Total for the period	**3120**		(5,771)		(106,506)		1,865	(1,372)	(111,784)
II. Transactions with shareholders or owners	**3125**	**0**	**(839)**	**210**	**0**	**0**	**0**	**(1,076)**	**(1,705)**
1. Capital increases/ (reductions)	3126		0						0
2. Conversion of financial liabiities into equity	3127								0
3. Distribution of dividends	3128							(1,381)	(1,381)
4. Trading with own shares (net)	3129		(839)	210					(629)
5. Increases/ (reductions) for business combinations	3130							305	305
6. Other transactions with shareholders or owners	3132								0
III. Other changes in equity	**3135**	**0**	**93,265**	**0**	**(89,737)**	**0**	**0**	**1,126**	**4,654**
1. Share based payments	3136								0
2. Transfers between equity accounts	3137		89,737		(89,737)				0
3. Other variations	3138		3,528					1,126	4,654
Closing balance at 12/31/2020	**3140**	**70,865**	**(429,393)**	**(1,320)**	**(106,506)**	**0**	**(90,410)**	**44,949**	**(511,815)**

Comments

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

Units: Thousands of euros

PREVIOUS PERIOD		Net equity attributable to the controling entity – 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 01/01/2019 (comparative period)	**3150**	**666,131**	**(913,209)**	**(2,591)**	**(182,298)**	**0**	**(49,393)**	**69,756**	**(411,604)**
Adjustment for changes in accounting policy	**3151**								0
Adjustment for errors	**3152**								0
Adjusted opening balance (comparative period)	**3155**	**666,131**	**(913,209)**	**(2,591)**	**(182,298)**	**0**	**(49,393)**	**69,756**	**(411,604)**
I. Integral Result Total for the period	**3160**		(18,154)		89,737		(42,882)	(15,802)	12,899
II. Transactions with shareholders or owners	**3165**	**(595,266)**	**594,283**	**1,061**	**0**	**0**	**0**	**(6,379)**	**(6,301)**
1. Capital increases/ (reductions)	**3166**	(595,266)	595,266						0
2. Conversion of financial liabiities into equity	**3167**								0
3. Distribution of dividends	**3168**							(3,643)	(3,643)
4. Trading with own shares (net)	**3169**		(983)	1,061					78
5. Increases/ (reductions) for business combinations	**3170**							(2,736)	(2,736)
6. Other transactions with shareholders or owners	**3172**								0
III. Other changes in equity	**3175**	**0**	**(178,968)**	**0**	**182,298**	**0**	**0**	**(1,304)**	**2,026**
1. Share based payments	**3176**								0
2. Transfers between equity accounts	**3177**		(182,298)		182,298				0
3. Other variations	**3178**		3,330					(1,304)	2,026
Closing balance at 12/31/2019 (comparative period)	**3180**	**70,865**	**(516,048)**	**(1,530)**	**89,737**	**0**	**(92,275)**	**46,271**	**(402,980)**

Comments

IV. SELECTED FINANCIAL INFORMATION

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

Units: Thousands of euros

			PRESENT PERIOD 12/31/2021	PREVIOUS PERIOD 12/31/2020
A)	**CASH FLOWS FROM OPERATING ACTIVITIES (1+ 2+ 3+ 4)**	**1435**	**78,663**	**111,602**
1.	**Profit (loss) before tax**	**1405**	**(81,566)**	**(166,392)**
2.	**Adjustments to profit (loss):**	**1410**	**147,389**	**228,384**
(+)	Depreciation and amortization charge	1411	78,317	70,637
(+/-)	Other adjustments to income (nets)	1412	69,072	157,747
3.	**Changes in working capital**	**1415**	**17,759**	**10,039**
4.	**Other cash flows from operating activities:**	**1420**	**(4,919)**	**39,571**
(-)	Interest paid	1421		
(-)	Payments of dividends and remuneration on other equity instruments	1430		
(+)	Dividends received	1422		
(+)	Interest received	1423		
(+/-)	Income tax recovered/(paid)	1424	(13,219)	(17,849)
(+/-)	Other sums received/(paid) from operating activities	1425	8,300	57,420
B)	**CASH FLOWS FROM INVESTING ACTIVITIES (1+ 2+ 3)**	**1460**	**(47,719)**	**391,505**
1.	**Payments for investments:**	**1440**	**(57,602)**	**(46,332)**
(-)	Group companies, associates and business units	1441	(11,787)	
(-)	Property, plant and equipment, intangible assets and investment properties	1442	(45,266)	(45,411)
(-)	Other financial assets	1443	(549)	(921)
(-)	Non-current assets and liabilities that have been classified as held for sale	1459		
(-)	Other assets	1444		
2.	**Proceeds from disposals:**	**1450**	**8,193**	**461,269**
(+)	Group companies, associates and business units	1451		458,710
(+)	Property, plant and equipment, intangible assets and investment properties	1452	700	1,182
(+)	Other financial assets	1453	7,493	1,377
(+)	Non-current assets and liabilities that have been classified as held for sale	1461		
(+)	Other assets	1454		
3.	**Other cash flows from investing activities:**	**1455**	**1,690**	**(23,432)**
(+)	Dividends received	1456	1,828	10,923
(+)	Interest received	1457		
(+/-)	Other sums received/(paid) from investing activities	1458	(138)	(34,355)
C)	**CASH FLOWS FROM FINANCING ACTIVITIES (1+2+ 3+ 4)**	**1490**	**(86,522)**	**(435,355)**
1.	**Sums received /(paid) in respect of equity instruments:**	**1470**	**(629)**	**20**
(+)	Issues	1471		
(-)	Amortization	1472		
(-)	Acquisition	1473	(1,993)	(1,606)
(+)	Disposal	1474	1,364	1,626
2.	**Sums received /(paid) for financial liability instruments:**	**1480**	**7,716**	**(334,643)**
(+)	Issues	1481	112,080	93,354
(-)	Repayment and redemption	1482	(104,364)	(427,997)
3.	**Payments of dividends and remuneration on other equity instruments**	**1485**	**(1,779)**	**(2,453)**
4.	**Other cash flow from financing activities**	**1486**	**(91,830)**	**(98,279)**
(-)	Interest paid	1487	(36,127)	(61,170)
(+/-)	Other sums received/(paid) from financing activities	1488	(55,703)	(37,109)
D)	**EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES**	**1492**	**2,371**	**(12,453)**
E)	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+ B+ C+ D)**	**1495**	**(53,207)**	**55,299**
F)	**CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD**	**1499**	**221,879**	**166,580**
G)	**CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+ F)**	**1500**	**168,672**	**221,879**

	COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		PRESENT PERIOD 12/31/2021	PREVIOUS PERIOD 12/31/2020
(+)	Cash and banks	1550	132,968	168,712
(+)	Other financial assets	1552	35,704	53,167
(-)	*Less: Bank overdrafts repayable on demand*	1553		
	TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1600**	**168,672**	**221,879**

Comments

IV. SELECTED FINANCIAL INFORMATION
10. DIVIDENDS PAID

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

Comments

IV. SELECTED FINANCIAL INFORMATION

11. SEGMENT REPORTING

Units: Thousands of euros

GEOGRAPHICAL AREA		Distribution of net turnover by geographical area			
		INDIVIDUAL		CONSOLIDATED	
		PRESENT PERIOD	PREVIOUS PERIOD	PRESENT PERIOD	PREVIOUS PERIOD
National market	2210	106,158	116,047	312,003	279,543
International market:	2215			417,347	411,399
a) European Union	2216			2,460	4,792
a.1) Euro zone	2217			2,460	4,792
a.1) Non-Euro area	2218				
b) Other	2219			414,887	406,607
TOTAL	**2220**	**106,158**	**116,047**	**729,350**	**690,942**

Comments

SEGMENTS		CONSOLIDATED			
		Revenue from ordinary activities		Profit (loss)	
		PRESENT PERIOD	PREVIOUS PERIOD	PRESENT PERIOD	PREVIOUS PERIOD
EDUCATION	2221	358,810	365,829	1,515	399,718
MEDIA	2222	383,343	335,878	(40,041)	(72,027)
OTROS	2223	5,483	8,962	(67,946)	(69,323)
Adjustments and eliminations	2224	(6,468)	(10,028)	(34)	(168,631)
	2225				
	2226				
	2227				
	2228				
	2229				
	2230				
TOTAL of the segments to be reported	**2235**	**741,168**	**700,641**	**(106,506)**	**89,737**

Comments

IV. SELECTED FINANCIAL INFORMATION
12. AVERAGE WORKFORCE

		INDIVIDUAL		CONSOLIDATED	
		PRESENT PERIOD	PREVIOUS PERIOD	PRESENT PERIOD	PREVIOUS PERIOD
AVERAGE WORKFORCE	**2295**	**62**	**73**	**6,810**	**7,077**
Men	**2296**	24	30	3,491	3,672
Women	**2297**	38	43	3,319	3,405

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**	1,044	1,273
Salaries	**2311**	705	463
Variable cash remuneration	**2312**	676	(223)
Share-based compensation systems	**2313**	322	77
Compensation	**2314**	1,742	
Long-term savings systems	**2315**		
Other concepts	**2316**	280	1,006
TOTAL	**2320**	**4,769**	**2,596**

EXECUTIVES:

		Amount (€ 000s)	
		PRESENT PERIOD	PREVIOUS PERIOD
Total remuneration received by executives	**2325**	10,319	4,380

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

Units: Thousands of euros

		PRESENT PERIOD				
EXPENSES AND REVENUES:		Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
1) Finance expenses	2340			222		222
2) Leases	2343			331		331
3) Services received	2344	1,854		1,086		2,940
4) Purchase of stocks	2345					0
5) Other expenses	2348		15,088	2,745		17,833
TOTAL EXPENSES (1+ 2+ 3+ 4+ 5)	2350	**1,854**	**15,088**	**4,384**		**21,326**
6) Finance income	2351			518		518
7) Dividends received	2354			20		20
8) Services provided	2356	24,705		14,376		39,081
9) Sale of stocks	2357	1				1
10) Other revenues	2359			25		25
TOTAL REVENUES (6+ 7+ 8+ 9+ 10)	2360	**24,706**	**0**	**14,939**	**0**	**39,645**

		PRESENT PERIOD				
OTHER TRANSACTIONS:		Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
Financing agreements: credit facilities and contributions of capital (lender)	2372			119		119
Financing agreements:loans and contributions of capital (borrower)	2375					0
Guarantees and deposits established	2381					0
Guarantees and deposits received	2382					0
Commitments acquired	2383					0
Dividends and other porfits distributed	2386					0
Other operations	2385					0

		PRESENT PERIOD				
BALANCES AT CLOSURE OF THE PERIOD:		Significant shareholders	Directors and executives	Group persons, companies or entities	Other related parties	Total
1) Customers and Trade Debtors	2341	14,328		4,807		19,135
1) Loans and credits granted	2342			3,073		3,073
1) Other collection rights	2346					0
TOTAL DEBT BALANCES (1+ 2+ 3)	2347	**14,328**	**0**	**7,880**	**0**	**22,208**
1) Suppliers and commercial creditors	2352	223		1,123		1,346
1) Loans and credits received	2353					0
1) Other payment obligations	2355					0
TOTAL CREDITORS BALANCES (4+ 5+ 6)	2358	**223**	**0**	**1,123**	**0**	**1,346**

Comments

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	19,961		367		20,328
2) Leases	6343	1,606		1,637		3,243
3) Services received	6344	6,828		579		7,407
4) Purchase of stocks	6345					0
5) Other expenses	6348	51	6,976	390		7,417
TOTAL EXPENSES (1+ 2+ 3+ 4+ 5)	**6350**	**28,446**	**6,976**	**2,973**		**38,395**
6) Finance income	6351			71		71
7) Dividends received	6354			12,432		12,432
8) Services provided	6356	3,078		6,821		9,899
9) Sale of stocks	6357					0
10) Other revenues	6359	234		22		256
TOTAL REVENUES (6+ 7+ 8+ 9+ 10)	**6360**	**3,312**	**0**	**19,346**	**0**	**22,658**

OTHER TRANSACTIONS:		PREVIOUS 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			420		420
Financing agreements:loans and contributions of capital (borrower)	6375	260,147				260,147
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	669		3,797		4,466
1) Loans and credits granted	6342			2,343		2,343
1) Other collection rights	6346					0
TOTAL DEBT BALANCES (1+ 2+ 3)	**6347**	**669**	**0**	**6,140**	**0**	**6,809**
1) Suppliers and commercial creditors	6352	2,157		1,034		3,191
1) Loans and credits received	6353	250,588		25		250,613
1) Other payment obligations	6355					0
TOTAL CREDITORS BALANCES (4+ 5+ 6)	**6358**	**252,745**	**0**	**1,059**	**0**	**253,804**

Comments

VI. SPECIAL AUDITOR'S REPORT

Anexar

Informe especial del auditor

The information contained in this report has not been audited.