



Annual General Shareholders' Meeting 2023

Joseph Oughourlian, PRISA Chairperson

Madrid, JUNE 27, 2023

Good morning, ladies and gentlemen.

Welcome to the Annual General Shareholders' Meeting. Thank you very much for your attendance, whether it be here in person or online.

A year ago, as I stood before you, a very thorough and complex reorganization of the Group was underway. A strategic plan had only recently been presented to the markets, and I expressed our determination to forge ahead with reducing our debt and strengthening our company.

All of this in a global economic landscape marked by volatility and uncertainty as a result of the war in Ukraine, rising energy costs, the steep increase in inflation and the sharp rise in interest rates.

First of all, I would like to tell you, dear shareholders, that we are well aware that you have supported our decisions in difficult times and for this we thank you for your firm support.

As you know, a deleveraging of the company has been achieved thanks to the issuance of the convertible bonds which you, our shareholders, have embraced with confidence. **My priority, and I reiterate it here today, is to reduce the group's debt and bring it under control.**

And our aim is to do so while growing our businesses.

Today, I can tell you that, for the first time in the history of this Group, we have met each and every one of the objectives to which we committed ourselves a year ago, thanks to the extraordinary efforts of our workforce, who have risen to the challenges we face, under the leadership of a team focused on fulfilling our strategic plan.

That very same management team has managed to double the Group's EBITDA over the past two years, meeting the objectives set despite the environment. Today I wish to congratulate you all.

As our Chief Financial Officer, Pilar Gil, and the Chairpersons of Santillana and PRISA Media, Francisco Cuadrado and Carlos Núñez, will explain in full detail later, we have outperformed the targets that we had set in the strategic plan for 2022.

I also promised to improve the governance of the Group with the incorporation of top-level talent, and I can now confirm that we have an outstanding and highly talented Board that will only be strengthened with the changes and appointments that we put before you here today at this Shareholders' Meeting, and which I'd now like to present to you.

But first, I would like to acknowledge the hard work and contribution of Rosauro Varo, Deputy Chairperson until a few weeks ago, and that of Maria Teresa Ballester, whom we thank for her work during her term as director, which ends today. Thank you both.

Meanwhile, we welcome Isabel Sánchez, who, with her solid track record in the worlds of economics and academia, will undoubtedly strengthen and further our firm commitment to education and quality teaching from her position on the Board.

To support the work of the Chairperson, especially in our business development and when it comes to our institutional presence in the Americas, Fernando Carrillo, a professional with an extraordinary career in governance, international relations and the academic world, also joins the Board.

As you know, PRISA is increasingly present in the Americas, a region which accounts for more than 80 percent of our EBITDA. It is our objective to consolidate and expand our business there. And it is for this reason that we have proposed Fernando Carrillo as Deputy Chairperson, effective as of the Board Meeting to be held immediately after this AGM.

We believe that support for the Chair is also of crucial importance in Spain and that is why we propose Pilar Gil, our CFO, as Deputy Chairperson. After 23 years in the company, our Chief Financial Officer has an extraordinary track record and indisputable professional talent. More recently, she has been firmly at the helm of the group's finances and from now on she widens her brief to governance.

Dear shareholders, I also want to tell you that we are STRONG, that we are sticking with the plan. The effort of our teams and workforce has been rewarded with very significant figures such as the 300,000 subscribers reached by EL PAÍS in less than three years. Our newspaper has become the news title to have seen the most growth in the least amount of time in the world.

Meanwhile, our education business has reached 2.8 million subscribers in Latin America, where we serve millions of students.

This support from readers, from both traditional and streaming radio listeners, users of our audiovisual products and students and teachers in the 23 countries in which we operate, has, in itself, a value beyond mere numbers and figures.

Because here at Grupo PRISA, we are nurturing and building a free and quality press and radio, and inclusive education based on values. Together these form the very **foundations** of the future of democracy in all those places where we are present.

I know that being a shareholder of this company is not easy. But today I have come here to reiterate my personal commitment to this project and to the PRISA group. There is still a lot to do, but I am confident that we shall steer this great Group towards a successful future.

At PRISA we never stop striving for excellence in everything we do. That is why we have never stopped improving over these past two years.

Let us now watch a video that brings together the very best of recent months.

Thank you so much.



Annual General Shareholders' Meeting 2023

Pilar Gil, Chief Financial Officer

Madrid, JUNE 27, 2023

Good morning, ladies and gentlemen shareholders.

It is a pleasure to be with you here this morning.

As you all know, from the moment I took over as the Group's Chief Financial Officer, I knew that it was a challenge that would require enormous responsibility and respect, one that needed to be approached with determination. These values are ever present, they are the ones that inspire me every day as I carry out my mission.

Today, I appear before you to take stock of the past year in terms of the company's financial performance.

In 2022, despite a very complex macroeconomic environment, the Group managed to improve its financial results thanks to three fundamental factors: firstly, the good performance of our businesses; secondly, the management and maximization of cash generation; and thirdly, debt control. And results were further strengthened after the Group successfully completed two

operations that have been crucial for us: the refinancing of debt in April 2022; and the issuance of mandatory convertible bonds, into newly issued PRISA shares, which culminated at the beginning of this financial year 2023. This was an operation that clearly demonstrated the strong support and backing we have from all of you, our shareholders.

Today, we can confirm that in 2022 the Group exceeded the targets it had set and that it remains committed to the roadmap we set ourselves in the Strategic Plan communicated to the markets.

At the beginning of my tenure a year ago, we were facing some major challenges in the financial area. And I have to say that the entire team has worked tirelessly to meet these challenges head on.

- First of all, we focused on cash generation and debt control.
- Cash generation, excluding one-offs, increased compared to 2021, even after the demanding momentum of digital transformation, which saw Capex up by +14%. But it remained at 6% of revenue – and in line with the figures for 2021 and the objectives as set out in our Strategic Plan.
- Regarding debt control, thanks both to the issuance of convertible bonds and to operational improvements, in the first quarter of 2023, we have reached a level of Net Debt/EBITDA leverage of 4.5x, the lowest such level since 2017. In addition, in order to address the risk of rising interest rates and to better control the stability of our cash flows, we have signed EURIBOR hedges on a nominal amount of 400 million euros.
- Meanwhile, we continue to work exhaustively on the monitoring and management of financial risks, with initiatives aimed at stabilizing the Group's cash flows, such as exchange rate hedges or various tax efficiency measures that we have already carried out.
- And we continue to uphold our commitment to sustainability and ESG criteria, with the presentation and implementation in 2022 of our Sustainability Master Plan. I am pleased to inform you here that this AGM, for the first time ever, has obtained the certification of a sustainable event, which implies that both its planning and development have been carried out taking into account diversity and inclusion criteria, as well as environmental protection.

And all previous achievements have been overseen and driven from an increasingly streamlined Corporate Center, which has reduced its burden on the Group's income from 2.8% in 2021 to 1.3% in 2022.

The consolidated results for FY 2022, which are being submitted for your approval today, reflect the growth of our Media and Education businesses. We outperformed the targets set in Guidance 2022 despite it being a year of macroeconomic uncertainty in all the markets in which we operate.

This performance trend has continued in the first quarter of the year, as we will see later, and we have now enjoyed eight consecutive quarters of operational growth for the Group and its businesses.

The Group's revenue, as a whole, reached 850 million euros in 2022, growth of 15% compared to the previous year. This revenue growth, together with cost control, in an adverse context of strong inflationary pressure, translated into an operating improvement of 38% in EBITDA, (excluding severance payments), which reached 147 million euros, with a three-percentage point improvement for margins.

The financial result for the year was affected by the general increase in interest rates that we were able to partially offset thanks to the improvement in PRISA's debt conditions after the refinancing deal signed in April 2022.

Net Result improved by 94 million euros in 2022, an improvement of 88% compared to 2021 driven by operational improvement and greater tax efficiency.

With regard to cash generation, I would like to highlight the improvement achieved compared to 2021 and with respect to Guidance that we had set for 2022, once extraordinary and temporary effects have been excluded.

Cash generation before financing improved by 22 million euros, up by 67% compared to 2021, thanks to higher EBITDA and working capital management.

Meanwhile, the Group's total cash flow has also been affected by the increase

in interest payments of 15 million euros compared to 2021. This is chiefly due to the fact that in 2022, 12 months of interest associated with the debt were paid, whereas in 2021 only 10 months of interest were paid.

In total terms, the Group's cash generation was still negative at -76 million, affected by the impact of the one-off investments of 73 million euros associated with the restructuring plan initiated in 2021, the purchase of the 20% stake held by the minority partners in Radio to reinforce the Media project, refinancing costs and the contracting of interest rate hedges.

And in terms of liquidity, the Group reported a solid position of 204 million euros at the end of 2022.

However, and despite these strong results, there is no doubt that the financial debt burden remains an important limitation for the development of the Group in the future – hence our focus will continue to be on controlling and reducing our debt.

In this regard, net bank debt at the end of 2022 stood at 856 million euros compared to 756 million in December 2021. This increase was mainly a consequence of the one-off investments of 73 million euros that I have just outlined.

Despite the increase in debt, financial leverage at the end of 2022 was reduced by 1.8x compared to 2021. And in the first quarter, the ratio was 4.5x.

In April, after the war in Ukraine had already broken out, we successfully refinanced our debt, thereby improving the flexibility of the contractual terms. We were able to adapt the covenants to the reality of the Group, increase the terms of the debt maturities by almost two more years, reduce costs and improve conditions for early repayment. And all this while also taking into account ESG criteria in the new financing.

I would also like to stress the importance of the success of the issuance of mandatory convertible bonds carried out in February of this year, 2023, where the demand exceeded the 130 million euros on offer, and where the firm commitment of our shareholders to the company was made patently clear.

This operation has led to a reduction in the financial cost of the debt, since it has allowed us to repay 110 million euros of the most expensive tranche, reducing the cost of interest from approximately 11% to the 1% set for the bonds. 76% of these had already been converted into shares in the first window, which just closed in May.

Let me now review, very briefly, how we are doing so far in this year 2023.

The latest results for this year, reported to the National Securities Market Commission, CNMV, and corresponding to the first quarter, confirm the continued improvement of all business lines.

Although the macroeconomic environment remains difficult, PRISA has delivered solid first quarter results, which is testament to the resilience of our businesses and the value of our assets and brands. Revenues have grown by 27% and EBITDA by 63%, which represents a margin improvement of 5.6 percentage points.

And Free Cash Flow for the quarter is positive, even though there is a temporary lag in improvements being totally reflected.

In short, we have a Plan, and we remain committed to it.

By 2023, our goal is to exceed 900 million euros in revenue, reach an EBITDA margin, adjusted for severance, in a range of between 17% and 18%, and achieve free cash flow above 40 million euros.

This Guidance sets ambitious objectives for the year 2023, a year of continued macroeconomic uncertainty, with inflation at very high levels and persistent rises in interest rates.

Nevertheless, we are convinced that we have the assets, the businesses and the right organization to achieve the goals we have set ourselves, not only for 2023, but also in relation to our Strategic Plan up to 2025, as described at Capital Markets Day.

And from the Financial Department we will work tirelessly to support this

strategic roadmap, focusing on debt and cash generation, and prioritizing the development of our businesses.

Ladies and gentlemen shareholders, we look to the future with optimism, but at the same time with a sense of responsibility. With a firm momentum as well as the resolve required by the global environment in which we compete. And at all times with the goal of focusing on promoting the growth of the Company, which would not be possible without your firm support and trust.

Thank you very much.



Annual General Shareholders' Meeting 2023

Carlos Núñez, Executive Chairperson of PRISA MEDIA

Madrid, JUNE 27, 2023

Thank you very much, Mr. Chairperson.

Ladies and gentlemen of the Board of Directors, ladies and gentlemen shareholders.

I would like here to share with you the results of this past year, and, indeed, of the past two years during which I have served as Executive Chairperson of PRISA's media arm.

Over these two years, and in this past one in particular, PRISA Media has undergone a profound transformation:

Firstly, it has increased its activity.

Secondly, it has increased its profitability.

And thirdly, it has widened its lead, both quantitatively and qualitatively, in the Spanish-language media market.

But before talking about what has been achieved and the challenges that lie ahead, I would like to talk about something that, perhaps, may not be so tangible, but is essential, all the same, if we are to look to the future with confidence.

I would like to talk to you about the real engines that drive PRISA Media.

I am referring to our brands, our teams and the enormous talent that our professionals possess. I am referring to the feeling of belonging and the total involvement of the vast majority of people who are part of this great

collective project.

These, then, are the engines that take us along the path we have set for ourselves.

And I know that we are on the right track when we observe the public's satisfaction in Cadena SER, Caracol Radio, LaW, Radiópolis and Iberoamericana Radio Chile every time media surveys reaffirm their indisputable leadership.

I know that we are on the right track when we see the constant growth in subscriptions to the world's best newspaper in Spanish, *EL PAÍS*, which is light years ahead of its competitors, all while maintaining audience levels and with a much higher degree of reader loyalty than other newspapers.

I know that we are on the right track when the sports newspaper *AS* outpaces its main competitor in digital audiences, all while offering serious, reliable and focused news and information, which is the only way to consolidate a position as the leading sports newspaper in Spanish-language markets.

We were clearly on the right track when we successfully deployed, in record time, the technological infrastructure that will allow us to achieve a key competitive advantage and that will enable us to operate in the coming digital advertising ecosystem.

I have no doubts that we are on the right track in light of the brilliant commemoration of the 45th anniversary of *Cinco Días*, which was celebrated at both at an institutional level, with His Majesty the King taking a leading role, and at a business level. And that it has served as the launchpad for the PRISA Media business and finance news project, which brings together under the same umbrella all our products in this area, including *Cinco Días*, the Economy section of *EL PAÍS* and the Business supplement.

We are on the right track.

On track is PRISA Audio, for instance, together with Podium and the development of podcasts for our own media and for third parties. This division continues to enjoy strong growth and has established itself as clear leader in the streaming and podcast market in Spanish.

Thanks to admirable tenacity, PRISA Video is also on the right track. Together with La Coproductora and Taller de Ideas, this department is key to the modernization of our journalistic narrative and the creation of new audiovisual products, such as coverage of the World Cup in Qatar or the

coverage of the recent electoral campaigns in Spain.

The young newsroom at Huffington Post is very enthusiastically on the right track, and in a very short time it has risen to the top of the audience rankings.

We are on the right track in music radio, with Los40 as our global flagship. It continues to connect with young audiences, and it remains a major influencer and opinion leader – despite being almost 60 years old.

And I know that we are on the right track when we are the go-to partner for the vast majority of companies that operate in the media sector when it comes to innovating and advancing together.

Finally, we are on the right track when we see the growth and ambition of our media in the Americas, which continue striving to expand their leads in the countries where they operate.

However, it's not just about audiences.

Our media in the Americas and in Spain are also playing a fundamental role by promoting debate at the highest level and by leading the public conversation on the enormous challenges facing democracies.

In summary, ladies and gentlemen shareholders, the engines of PRISA Media are ensuring that we are moving forward on the right track and at the fastest possible speed.

The mission of the management team that I lead is to ensure that these engines, that is, our brands, our teams and our talent, produce objective results, that they drive audience figures and generate a better return on our business operations year after year.

And all this with a long-range vision and a strategy aimed at generating the very best content, at building at a digital scale and at getting to know our audiences better in order to offer the best possible value propositions to our advertisers.

And always with a purpose. Our *raison d'être* is to bring clarity to a complex world. To strengthen dialogue via our unwavering commitment to knowledge. To accompany and to entertain. In short, we exist to contribute to a better society.

However, these are tough times. The content offer is intensely fragmented like never before. We are witnessing a high degree of inequality when it comes to distribution across the value chain between content producers and

consumers, with a digital ecosystem, moreover, that's teeming with intermediaries – who leverage our audiences to develop their businesses – and those who create unverified content or content that is outright biased, and which all too often circulates faster than reliable and rigorous news and information.

In order to overcome all these difficulties, growing cooperation and interaction between the different divisions of PRISA Media will be decisive. Collaboration between individual leading brands strengthens the parts as well as the whole, because together we are undoubtedly even stronger.

Now let me offer you our concrete results.

In March 2022, we celebrated the first ever Investor Day in the history of PRISA. There, we presented our business plan to the market, and what we said there on that occasion is precisely what we are doing and what we are accomplishing.

So, by way of illustration:

PRISA Media's average monthly digital audience last year was 231 million unique users.

There was a significant increase in digital audio, with more than 80 million streaming hours per month and more than 45 million audio downloads. We are already the second largest audio producer worldwide, according to Triton.

We're also firmly committed to video, and we have closed the year with more than 113 million views per month.

Digital video and audio complement our consolidated presence in offline channels, where we have achieved more than 23 million daily listeners and more than 1.2 million daily readers for our print titles.

In 2022, the print edition of *EL PAÍS* continued to gain market share compared to our competitors, reaching 27% of the total circulation of all the newspapers in Spain. On Sundays, specifically, we account for 50% of the national press market: out of every two newspaper copies sold, one is *EL PAÍS*. Meanwhile, sports daily *AS* has consolidated its share at 33%.

Radio also brought us some very good news last year. SER, Los40 and Cadena Dial all increased their number of listeners in Spain, which together add up to more than 9.3 million. Our radio stations in Colombia and Chile are also growing quickly, as they continue to expand their market share. Together

with those from Mexico, they have an audience of 13.7 million in Latin America.

This solid audience figure is reinforced by the more than 145 million followers of our media on social networks.

The efforts we have made to increase the number of subscribers to *EL PAÍS* deserve a very special mention. We closed 2022 with more than 266,000 subscribers. And just a few weeks ago we surpassed the milestone figure of 300,000 subscribers, after just three years of operation.

This enormously positive operating performance has had a direct impact on our results. Despite the difficulties – because the invasion of Ukraine has also affected us, of course – and the rise in energy prices, and high inflation, and the consequent impact of advertising spending.

Even with all these difficulties, PRISA Media has generated more than 404 million euros in revenue, which represents growth of 5% compared to 2021.

Since we have also successfully controlled costs, which were 5% lower than the previous year, we have managed to generate EBITDA of 48 million euros, which is almost five times higher than EBITDA registered in 2021 and represents growth of 24% for adjusted EBITDA.

In short: yes, we have followed through on what we announced to investors on that day in March 2022. We have met our targets for revenue growth and EBITDA. We have met our subscriber targets. We have met audience targets. And we have achieved all of this because we have focused and concentrated on management, we have focused on deploying the full potential of PRISA Media through a range of editorial, technological and sales initiatives.

And at the very same time – and I am finishing up now – we are helping to lay the foundations for the future of the media sector. We are a key, structural player in the sector, and we set the pace. And indeed, we do so in three main areas:

Firstly, by leading the conversation and taking the initiative so that we can correct market inefficiencies, ensure sustainable and balanced competition, and contribute to a sensible organization of the sector.

Secondly, by advocating for the implementation of an independent measurement system for digital subscriptions, a true, quality metric for newspapers. It is not acceptable that the media demand accountability and transparency from public and private powers but, passively, they do not

accept, in turn, being held accountable and instead hide behind opacity when it comes to figures. If we already audit figures for print media, why not with digital subscribers? Why not do so for the owners of media? Why not do so for their sources of financing?

And thirdly, by pushing for the sustainability of democratic systems to be considered as one more factor in ESG, and on par with environmental, social impact and good governance criteria. Democratic sustainability that inevitably needs serious, solvent, independent media outlets that do true journalism. And that, in turn, means that any spending on advertising aimed at the audiences of these media must be a lever for contributing to ESG criteria and thus prioritized over other advertising alternatives. Why isn't a Return on Reputation measured in the same way that a Return on Investment is measured?

Ladies and gentlemen shareholders, members of the Board of Directors of PRISA, Mr. Chairperson:

Thank you for the trust you place in the management team that I have the honor of leading. I assure you that this team has a very clear destination in mind, a path that is well marked out and all the commitment and enthusiasm necessary to follow it successfully.

Thank you so much.



Annual General Shareholders' Meeting 2023
Francisco Cuadrado, Executive Chairperson of
SANTILLANA

Madrid, JUNE 27, 2023

Good morning, ladies and gentlemen shareholders.

It is an honor for me to appear here before you today to share with you the performance of Santillana Group during financial year 2022, as well as our plans for the future.

The good results that we registered in 2022 lead me to two initial reflections. Firstly, we may confirm that the company's strategy is the right one; and secondly, we can be confident of meeting the objectives of the 2022-2025 Strategic Plan.

A year ago, at this same meeting, we were faced with a Basic Education market that was still very much affected by the effects of the Covid-19 pandemic. Fortunately, during 2022 we operated in a much more normalized market, as the pandemic restrictions were lifted. The main characteristics have been as follows:

A recovery in the number of students in the education sector, particularly in the private sector, as we returned to face-to-face school.

The main Latin American governments have continued apace with their programs for the acquisition of learning materials for state schools.

There have been elections in several countries that are key for Santillana, such as Brazil, Colombia and Chile, with significant changes in government, a factor that is always to be considered in our business.

We have found ourselves in an economic environment characterized by high inflation, which has had an impact on production and logistical costs, accompanied by significant increases in interest rates and a corresponding and very significant increase in financial costs.

In this environment, Santillana has bounced back with dynamism, leveraging itself on the strategy designed by the organization and whose results we will now outline.

In the private sector there has been strong growth, with revenues up by 43% and EBITDA up by 56%. We should highlight the robust performance of subscription models, where we reached 2.6 million subscriptions, thereby confirming that the company strategy of prioritizing this business area was indeed the right one.

The public-sector market has seen revenues remain steady for yet another year, confirming its resilience. It remains a powerful revenue source for the company.

As we pointed out, during 2022 the company has continued apace with its special focus on the private sector.

There was strong growth in the aforementioned digital subscription market, particularly for English-language learning systems, where we saw an increase of 81% in the number of subscriptions. This growth was accompanied by a high level of loyalty among our customers.

The continuous development of educational technology and the efficient use of client data have contributed to the strong performance of innovative and

quality services. This is an indisputable factor in the significant growth of results.

The new organizational structure has been fully operational from January 1, 2022. This separated the private and public sector businesses and enabled the ad hoc design and development of differentiated sales and marketing structures for each. This has also contributed to growth.

The results for financial year 2022 clearly show a significant improvement compared to the previous financial year.

EBITDA, adjusted for severance, was 102 million euros, 35% higher than in 2021. This increase was driven by revenue growth to 447 million euros, 25% higher than in 2021.

I would like to reiterate the importance of the development of subscription models, which have reached 2.6 million subscriptions and revenues of 193 million euros, 44% higher than the previous year.

I mentioned at the beginning of my talk how, in the education sector, we have suffered the impact of the increase in the prices of paper, printing and logistics – around a 30% higher unit cost – which we were only able to partially pass on to sale prices. Even so, efficient cost control has enabled us to improve our profitability, and we reached an EBITDA margin of 22.8%, with a notable 56% improvement in EBITDA in the private sector.

Of course, we're all too aware that a priority objective for PRISA is cash generation, and this year we have been able to reach the figure of 30 million euros, almost tripling the figure of the previous year.

As you well know, Sustainability and ESG criteria are a priority for the group's Strategic Plan. And at Santillana we are directly involved in a range of different areas:

Firstly, our impact on Education:

We incorporate sustainability into our educational projects, which already systematically include specific content in this regard.

With the launch of Santillana Inclusiva, we seek to ensure that education is an opportunity for all children and young people, regardless of their personal and/or social circumstances.

And the #Voy a Ser Project, especially aimed at meeting the educational needs of girls with limited resources.

Secondly, Responsible Management.

We are measuring the carbon footprint of our operations.

And we are promoting sustainable paper consumption.

And thirdly, and no less important, in the field of Talent Management.

With the promotion of training and prioritization of talent management.

With a percentage of women in management positions that amounted to 41% of the total.

And with other notable merits such as the recognition of Santillana Mexico as one of the hundred best companies to work for in that country.

The 3,400 employees who make up Santillana are firmly committed to our 2022-2025 strategic plan.

As you know, the objectives of the Santillana for 2025 are to achieve revenues of between 450 and 550 million euros and EBITDA of at least 130 million euros, with a generation of free cash flow of at least 60 million euros. These objectives look increasingly likely, judging from the results obtained in 2022, when we posted revenues of 447 million euros, adjusted EBITDA of 102 million euros and cash generation of 30 million euros. We are on the right track.

In conclusion, we remain committed to our roadmap towards 2025, whose key aspects we continue to pursue and promote:

A commitment to the growth of subscription models,

Efficient management of costs with a consequent improvement in EBITDA margins.

And a focus on cash generation, with improvements in our EBITDA conversion ratios and CAPEX efficiency.

What's more, our unwavering commitment to sustainability continues to guide and inform all our operations. We are committed to promoting the 2030 agenda in the education sector.

Ladies and gentlemen shareholders, as I explained during the presentation of Santillana's Strategic Plan, our goal is to make Santillana the leading Educational Technology company in Latin America. And today we are consolidating this position.

Thank you very much.



Annual General Shareholders' Meeting 2023

**Pablo Jiménez de Parga, Secretary of the board on
corporate governance**

Madrid, JUNE 27, 2023

I'd like here to take you through some key aspects of the Company's corporate governance since the Annual General Meeting was held last year, as well as some other matters that are submitted for your consideration today.

At the 2022 AGM, the cessation of proprietary director – a so-called *dominical* in Spanish terminology – Roberto Alcántara Rojas was approved, which created a vacancy on the Board. In September, an Extraordinary Meeting was held, at which it was agreed to appoint Mr. Andrés Varela Entrecanales as a proprietary director, thus filling the aforementioned vacancy.

Last February, the proprietary director Mr. Khalid Thani Abdullah Al Thani resigned and, to fill this vacancy, the Board agreed to the appointment, by co-optation, of Ms. Pilar Gil Miguel, Chief Financial Officer of Grupo PRISA, as an executive director of the Company. Today, the AGM is being asked to ratify this appointment by co-optation and the re-election of Ms. Pilar Gil as executive director.

The Company would thus have three executive directors. Mr. Carlos Núñez and Mr. Francisco Cuadrado, the heads and Executive Chairpersons of PRISA Media and Santillana, respectively. And Ms. Gil, in an executive role at the PRISA Corporate Center upon which various areas of enormous strategic importance for the Company depend, both hierarchically and functionally.

Additionally, due to the end of the tenures of the proprietary directors Mr.

Joseph Oughourlian, Amber Capital UK LLP and Mr. Manuel Polanco Moreno, as well as that of the independent director Ms. Béatrice de Clermont-Tonnerre, this meeting is asked to re-elect Messrs. Oughourlian and Polanco and Ms. de Clermont-Tonnerre. With regard to the proprietary director Amber Capital UK LLP, as this is a legal person, in accordance with current legislation it can no longer be re-elected as a director. Instead, the appointment, as proprietary director, of Mr. Miguel Barroso Ayats is being proposed.

Meanwhile, since the independent director Ms. María Teresa Ballester has submitted her resignation as a director of the Company with effect from today, the appointment of Ms. Isabel Sánchez García as an independent director is being proposed to fill said vacancy on the Board. In addition, there is a proposal to increase the number of members of the Board of Directors from 14 to 15, with the addition of Mr. Fernando Carrillo Flórez as an independent director.

Finally, on May 31, the independent director Mr. Rosauro Varo, who was Deputy Chairperson of the Board, presented his resignation. This Shareholders' Meeting had already been convened at that point in time, so a proposal to appoint a new director in his stead could not be included in the agenda. Consequently, there is currently a vacancy on the Board.

Therefore, if all the proposals for re-election and appointment of directors included in the agenda are approved, the number of members of the Board would be set at 15 and there would be a vacancy to be filled as a result of the departure of Mr. Varo.

The Board would have six female directors, fulfilling the goal that the number of women directors be at least 40% and thus meeting the Company's commitment to the appointment of women to its governing bodies to achieve a balance with regard to gender diversity.

I would now like to turn to the proposals that are submitted to this Shareholders' Meeting regarding remuneration.

As a consequence of the appointment of Ms. Pilar Gil as executive director, this meeting is asked to endorse the medium-term incentive, payable in

Company shares, of which Ms. Gil has been a beneficiary since her appointment as PRISA's Chief Financial Officer.

Likewise, the approval of a new Remuneration Policy for directors is being submitted for your approval, for the years 2023, 2024 and 2025, with the inclusion in said Policy of the remuneration of the new executive director. Other adjustments are also proposed to ensure that the remuneration system for directors can be adapted to possible reorganizations in the distribution of responsibilities within the Board of Directors, as well as to any other circumstances that might be decisive when granting an extraordinary incentive for executive directors.

There is also a proposal to delegate to the Board the power to increase the share capital, to issue bonds and other fixed-income securities of a similar nature, promissory notes and preferred stock. With these proposals, it is intended to renew, for a new period of five years, authorizations similar to those that were approved at the June 2021 and June 2022 AGMs.

The Board of Directors considers it highly advantageous to be vested with the delegated powers admitted in current regulations so that it is at all times in a position to raise funds in the markets that might be necessary for the proper management of the company's interests or to make investments. The purpose is, therefore, to provide the Board with the room for maneuver required by the competitive environment in which the Company operates, and where the success of an operation often depends on the possibility of carrying it out promptly, without the delays and costs involved in holding an Extraordinary General Meeting. We have a very recent example: in February of this year, the Board, making use of the delegation of said powers (conferred on it at the last ordinary shareholders' meeting), issued 130 million euros in mandatory convertible bonds – into newly issued PRISA shares – with recognition of the preferential subscription right of PRISA shareholders. The operation was a success and the bonds issued were fully subscribed (they were, in fact, oversubscribed). This has made it possible to reduce part of the Company's syndicated financial debt and thus mitigate the negative effects of the continuous rises in interest rates.

It is also proposed to renew the authorization for the derivative acquisition of our own shares, subject to legal limits and requirements.

And, finally, this AGM is informed of modifications that have been made to the Regulations of the Board.

In a different vein, I would like to draw your attention to the Annual Corporate Governance Report for the 2022 financial year, which provides detailed information on the degree of compliance with the recommendations contained in the CNMV's Unified Code of Good Governance, which is very satisfactory. Specifically, as of December 31, 2022, of the 64 recommendations of the Code, the Company was in full compliance with 57 and in partial compliance with 2 (although this is now set to fall to just 1, with the goal regarding gender diversity on the Board having now been met). Five did not apply and there was no recommendation of the Good Governance Code that was not complied with.

All matters relating to the governance of the Company are reported in detail in the mandatory reports that the Board of Directors has made available to shareholders when this Shareholders' Meeting was called.