



# Auditor's Report on Atresmedia Corporación de Medios de Comunicación , S.A.

**(Together with the annual accounts and directors' report of Atresmedia Corporación de Medios de Comunicación, S.A. for the year ended 31 December 2023)**

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*



KPMG Auditores, S.L.  
Paseo de la Castellana, 259C  
28046 Madrid

## **Independent Auditor's Report** **on the Annual Accounts**

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

To the Shareholders of Atresmedia Corporación de Medios de Comunicación, S.A.

### **REPORT ON THE ANNUAL ACCOUNTS**

#### **Opinion**

---

We have audited the annual accounts of Atresmedia Corporación de Medios de Comunicación, S.A. (the "Company"), which comprise the balance sheet at 31 December 2023, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2 to the annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

#### **Basis for Opinion**

---

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Recognition and recoverability of deferred tax assets (Euros 177,811 thousand)

See notes 2, 4.8 and 17 to the annual accounts

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The recognition of deferred tax assets entails a high level of judgement by Company management in assessing the probability and sufficiency of future taxable profits and reversals of taxable temporary differences.</p> <p>Due to the significance of the balance of deferred tax assets, the high level of judgement regarding the key assumptions and estimates used and the uncertainty associated therewith, the recovery of the aforementioned assets has been considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>— We assessed the design and implementation of the most relevant controls established by the Company over the recognition and measurement of deferred tax assets.</li><li>— We evaluated the key assumptions used to estimate future taxable profits within the time limit established in the financial reporting framework applicable to the Company, and the estimated reversals of taxable temporary differences, comparing these assumptions and estimates with historical data.</li><li>— We considered the sufficiency of future taxable profits to offset deferred tax assets within the time limit established in the financial reporting framework applicable to the Company.</li><li>— We assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.</li></ul>



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

<b>Revenue (Euros 698,711 thousand)</b>	
See notes 4.14, 19.1 and 21.1 to the annual accounts	
<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Almost all of the Company's revenue relates to advertising sales to Group companies. Accounting legislation generally requires that these transactions be recognised at the fair value of the consideration received. Any difference between this value and the agreed amount is recognised in accordance with the underlying economic substance.</p> <p>Determining the prices applied in advertising sales transactions between Group companies and the fair value of these transactions requires a high level of judgement due to the inherent difficulty of estimating this value.</p> <p>In view of the significance of the volume of advertising sales to Group companies and the high level of judgement required to estimate the fair value of these transactions, this has been considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>– We assessed the design and implementation of the key controls relating to the process of identifying, measuring and documenting transactions with related parties.</li><li>– We evaluated, together with our specialists, the reasonableness of the methodology used by the Company to determine the prices applied in advertising sales transactions with Group companies, as well as the documentation confirming that these transactions have been carried out at arm's length.</li><li>– We obtained confirmation of advertising sales transactions between Group companies performed during the year.</li><li>– We assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.</li></ul>

## Other Information: Directors' Report

Other information solely comprises the 2023 directors' report, the preparation of which is the responsibility of the Company's Directors and which does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not encompass the directors' report. Our responsibility regarding the information contained in the directors' report is defined in the legislation regulating the audit of accounts, as follows:

- Determine, solely, whether the non-financial information statement and certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.
- Assess and report on the consistency of the rest of the information included in the directors' report with the annual accounts, based on knowledge of the entity obtained during the audit of the aforementioned annual accounts. Also, assess and report on whether the content and presentation of this part of the directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.



*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the directors' report is consistent with that disclosed in the annual accounts for 2023, and that the content and presentation of the report are in accordance with applicable legislation.

### **Directors' and Audit Committee's Responsibility for the Annual Accounts** ---

The Directors are responsible for the preparation of the accompanying annual accounts in such a way that they give a true and fair view of the equity, financial position and financial performance of the Company in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the preparation and presentation of the annual accounts.

### **Auditor's Responsibilities for the Audit of the Annual Accounts** ---

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the audit committee of Atresmedia Corporación de Medios de Comunicación, S.A. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the entity's audit committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee of the entity, we determine those that were of most significance in the audit of the annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **European Single Electronic Format**

---

We have examined the digital file of Atresmedia Corporación de Medios de Comunicación, S.A. for 2023 in European Single Electronic Format (ESEF) comprising an XHTML file with the annual accounts for the aforementioned year, which will form part of the annual financial report.



*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

The Directors of Atresmedia Corporación de Medios de Comunicación, S.A. are responsible for the presentation of the 2023 annual financial report in accordance with the format requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the “ESEF Regulation”). In this regard, they have incorporated the Annual Corporate Governance Report and the Annual Report on Directors’ Remuneration by means of a reference thereto in the directors’ report.

Our responsibility consists of examining the digital file prepared by the Company’s Directors, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the annual accounts included in the aforementioned digital file fully corresponds to the annual accounts we have audited, and whether the annual accounts have been formatted, in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital file examined fully corresponds to the audited annual accounts, and these are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

#### **Additional Report to the Audit Committee**

---

The opinion expressed in this report is consistent with our additional report to the Company's audit committee dated 28 February 2024.

#### **Contract Period**

---

We were appointed as auditor by the shareholders at the general meeting held on 26 April 2023 for a period of one year, from the year commenced 1 January 2023.

Previously, we had been appointed for a period of seven years, by consensus of the shareholders at their general meeting, and have been auditing the annual accounts since the year ended 31 December 2016.

KPMG Auditores, S.L.  
On the Spanish Official Register of  
Auditors (“ROAC”) with No. S0702

*(Signed on original in Spanish)*

*This report corresponds  
to stamp number  
01/24/00393 issued by  
the Spanish Institute of  
Registered Auditors  
(ICJCE)*

On the Spanish Official Register of Auditors (“ROAC”) with No. 17564



**ATRESMEDIA**

**Atresmedia Corporación de Medios  
de Comunicación, S.A.**

Financial statements for the year ended 31 December  
2023



## **CONTENTS**

Balance sheet	1
Statement of profit or loss	3
Statement of changes in equity (Statement of recognised income and expense)	4
Statement of changes in equity (Statement of total changes in equity)	5
Statement of cash flows	6

### **Notes**

Note 1	Corporate information	7
Note 2	Basis of preparation	8
Note 3	Distribution of profit	11
Note 4	Accounting policies	12
Note 5	Intangible assets	30
Note 6	Property, plant and equipment	31
Note 7	Leases	32
Note 8	Financial instruments by category	34
Note 9	Non-current and current investments	35
Note 10	Information on the nature and extent of risks arising from financial instruments	41
Note 11	Derivative financial instruments	42
Note 12	Inventories	45
Note 13	Equity and shareholders' equity	46
Note 14	Provisions and contingencies	48
Note 15	Non-current and current payables	51
Note 16	Trade payables	53
Note 17	Tax matters	54
Note 18	Foreign currencies	62
Note 19	Revenue and expenses	63
Note 20	Recognition of non-financial and other grants related to assets	65
Note 21	Related party transactions and balances	65
Note 22	Other disclosures	69
Note 23	Events after the reporting period	70

### **Management report**

Management report
Statement of non-financial information
Annual corporate governance report
Annual report on director remuneration

**BALANCE SHEET AS AT 31 December 2023**

EUR thousand	NOTES	31/12/23	31/12/22
<b>ASSETS</b>			
<b>Intangible assets</b>	<b>5</b>	<b>24,880</b>	<b>32,420</b>
Licences and trademarks		19,072	25,955
Computer software		5,808	6,388
Other intangible assets		—	77
<b>Property, plant and equipment</b>	<b>6</b>	<b>31,071</b>	<b>29,700</b>
Land and buildings		18,868	19,748
Plant and other items of property, plant and equipment		11,267	9,921
Property, plant and equipment in progress		936	31
<b>Non-current investments in group companies and associates</b>	<b>9.3 and 21.2</b>	<b>183,099</b>	<b>153,347</b>
Equity instruments		132,859	131,291
Loans to companies		50,240	22,056
<b>Non-current investments</b>	<b>9.1</b>	<b>148,533</b>	<b>174,220</b>
Equity instruments		144,440	159,706
Derivatives		4,015	14,437
Other financial assets		78	77
<b>Deferred tax assets</b>	<b>17.1</b>	<b>177,811</b>	<b>141,947</b>
<b>NON-CURRENT ASSETS</b>		<b>565,394</b>	<b>531,634</b>
<b>Inventories</b>	<b>12</b>	<b>278,294</b>	<b>278,144</b>
Programme rights		269,569	266,873
Raw and other materials		8,121	10,723
Advances to suppliers		604	548
<b>Trade and other receivables</b>		<b>219,673</b>	<b>221,013</b>
Trade receivables		17,448	20,579
Trade receivables from group companies and associates	<b>21.2</b>	182,733	180,051
Other receivables		1,613	1,599
Employee receivables		54	131
Current tax assets	<b>17</b>	17,774	18,584
Other receivables from public authorities	<b>17</b>	51	69
<b>Current investments in group companies and associates</b>	<b>21.2</b>	<b>15,410</b>	<b>42,411</b>
Loans to companies		15,410	42,411
<b>Current investments</b>		<b>9,232</b>	<b>81,085</b>
Derivatives	<b>8 and 11</b>	1,538	3,257
Other financial assets	<b>9.2</b>	7,694	77,828
<b>Current prepayments and accrued income</b>		<b>311</b>	<b>713</b>
<b>Cash and cash equivalents</b>		<b>200,517</b>	<b>165,221</b>
Cash		200,517	165,221
<b>CURRENT ASSETS</b>		<b>723,437</b>	<b>788,587</b>
<b>TOTAL ASSETS</b>		<b>1,288,831</b>	<b>1,320,221</b>

The accompanying Notes 1 to 23 are an integral part of the balance sheet as at 31 December 2023.

**BALANCE SHEET AS AT 31 December 2023**

EUR thousand	NOTES	31/12/23	31/12/22
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>	<b>13</b>		
<b>Capital</b>		<b>207,604</b>	<b>207,604</b>
Registered share capital		169,300	169,300
Share premium		38,304	38,304
<b>Reserves</b>		<b>203,401</b>	<b>199,822</b>
Legal and bylaw reserves		42,474	42,474
Other reserves		160,927	157,348
<b>Treasury shares and own equity instruments</b>		<b>(6,168)</b>	<b>(6,168)</b>
<b>Profit for the year</b>		<b>159,397</b>	<b>93,650</b>
<b>Interim dividend</b>	<b>3</b>	<b>(40,532)</b>	<b>(40,532)</b>
<b>Valuation adjustments</b>		<b>117,721</b>	<b>134,077</b>
<b>Grants, donations and bequests received</b>	<b>13.4</b>	<b>12,311</b>	<b>6,065</b>
<b>EQUITY</b>		<b>653,734</b>	<b>594,518</b>
<b>Non-current payables</b>		<b>203,181</b>	<b>223,326</b>
Non-current provisions	<b>14</b>	41,299	38,125
Bonds and other marketable debt securities	<b>15.1</b>	113,122	117,195
Bank borrowings	<b>15.1</b>	48,527	67,917
Derivatives	<b>11</b>	61	72
Other non-current payables	<b>15.1</b>	172	17
<b>Non-current payables to group companies and associates</b>	<b>21.2</b>	<b>2</b>	<b>2</b>
<b>Deferred tax liabilities</b>	<b>17.6</b>	<b>10,252</b>	<b>10,057</b>
<b>NON-CURRENT LIABILITIES</b>		<b>213,435</b>	<b>233,385</b>
<b>Current provisions</b>	<b>14</b>	<b>15,935</b>	<b>16,078</b>
<b>Bonds and other marketable debt securities</b>	<b>15.2</b>	<b>2,711</b>	<b>74,787</b>
<b>Bank borrowings</b>	<b>15.2</b>	<b>20,523</b>	<b>20,470</b>
<b>Financial derivatives</b>	<b>11</b>	<b>142</b>	<b>84</b>
<b>Current payables to group companies and associates</b>	<b>21.2</b>	<b>103,727</b>	<b>85,830</b>
<b>Trade and other payables</b>		<b>278,624</b>	<b>295,069</b>
Payable to suppliers	<b>16</b>	213,736	242,639
Payable to suppliers, group companies and associates	<b>21.2</b>	28,934	27,959
Other payables		277	32
Employee receivables		14,445	13,546
Other payables to public authorities	<b>17.1</b>	20,496	9,944
Advances from customers		736	949
<b>CURRENT LIABILITIES</b>		<b>421,662</b>	<b>492,318</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,288,831</b>	<b>1,320,221</b>

The accompanying Notes 1 to 23 are an integral part of the balance sheet as at 31 December 2023.

**STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023**

EUR thousand	NOTES	31/12/23	31/12/22
<b>CONTINUING OPERATIONS</b>			
<b>Revenue</b>	<b>19.1</b>	<b>698,711</b>	<b>692,206</b>
Advertising net revenue		698,711	692,206
<b>Procurements</b>	<b>19.2</b>	<b>(348,065)</b>	<b>(345,673)</b>
Programming costs and other		(633,470)	(616,494)
Raw materials and other consumables used		(2,664)	(2,058)
Inventories		288,069	272,879
<b>Other operating income</b>	<b>19.1</b>	<b>75,516</b>	<b>73,141</b>
Non-core and other current operating income/Other services		75,516	73,141
<b>Personnel costs</b>		<b>(56,468)</b>	<b>(53,082)</b>
Salaries and wages		(48,464)	(46,049)
Employee benefits expense	<b>19.4</b>	(8,004)	(7,033)
<b>Other operating expenses</b>	<b>19.5</b>	<b>(231,819)</b>	<b>(229,319)</b>
External services		(230,237)	(226,796)
Taxes other than income tax		(926)	(898)
Losses, impairment and change in trade provisions		(656)	(1,625)
<b>Depreciation and amortisation</b>	<b>5 and 6</b>	<b>(17,802)</b>	<b>(19,211)</b>
<b>Recognition of non-financial and other grants related to assets</b>	<b>20</b>	<b>7,918</b>	<b>1,724</b>
<b>Provision surpluses</b>	<b>14</b>	<b>2,224</b>	<b>5,194</b>
<b>Impairment and gains/(losses) on disposals of non-current assets</b>	<b>6</b>	<b>(7)</b>	<b>5</b>
Gains/(losses) on disposals and other		(7)	5
<b>OPERATING PROFIT</b>		<b>130,208</b>	<b>124,985</b>
<b>Finance income</b>	<b>19.6</b>	<b>8,053</b>	<b>10,150</b>
Dividends		—	<b>8,350</b>
- Group companies and associates	<b>21.1</b>	—	8,350
Marketable securities and other financial instruments		<b>8,053</b>	<b>1,800</b>
- Group companies and associates	<b>21.1</b>	1,967	953
- Other		6,086	847
<b>Finance costs</b>	<b>19.6</b>	<b>(9,820)</b>	<b>(8,448)</b>
On payables to group companies and associates	<b>21.1</b>	(76)	(118)
On payables to third parties		(9,744)	(8,330)
<b>Changes in fair value of financial instruments</b>	<b>19.7</b>	<b>(561)</b>	<b>680</b>
Financial assets and liabilities held for trading and other		(561)	680
<b>Exchange differences</b>	<b>18</b>	<b>821</b>	<b>73</b>
<b>Impairment and gains/(losses) on disposal of financial instruments</b>		<b>2,268</b>	<b>(2,317)</b>
Impairment and losses	<b>9.3</b>	(7,718)	(2,317)
Gains/(losses) on disposals and other	<b>9.1</b>	9,986	—
<b>NET FINANCE INCOME/(EXPENSE)</b>		<b>761</b>	<b>138</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>130,969</b>	<b>125,123</b>
Income tax expense	<b>17.4</b>	28,428	(31,473)
<b>PROFIT FOR THE YEAR</b>		<b>159,397</b>	<b>93,650</b>

The accompanying Notes 1 to 23 are an integral part of the statement of profit or loss for the year ended 31 December 2023.

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023**

**A) STATEMENT OF RECOGNISED INCOME AND EXPENSE**

EUR thousand	31/12/23	31/12/22
<b>PROFIT FOR THE YEAR (I)</b>	<b>159,397</b>	<b>93,650</b>
<b>Income and expense recognised directly in equity</b>		
- Measurement of financial instruments (Note 9.1)	(13,215)	117,277
- Tax effect	165	1,012
- Cash flow hedges	(2,701)	5,288
- Tax effect	675	(1,322)
- Grants, donations and bequests received (Note 13.4)	16,247	9,811
- Tax effect	(4,062)	(2,453)
<b>TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)</b>	<b>(2,891)</b>	<b>129,613</b>
<b>Amounts transferred to profit or loss</b>		
- Cash flow hedges	(1,708)	(2,153)
- Tax effect	427	538
- Grants, donations and bequests received	(7,918)	(1,724)
- Tax effect	1,980	431
<b>TOTAL AMOUNTED TRANSFERRED TO PROFIT OR LOSS (III)</b>	<b>(7,219)</b>	<b>(2,908)</b>
<b>TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)</b>	<b>149,287</b>	<b>220,355</b>

Notes 1 to 23 to the accompanying financial statements are an integral part of the statement of recognised income and expense for the year ended 31 December 2023.

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023**

**B) STATEMENT OF TOTAL CHANGES IN EQUITY**

	Capital	Share premium	Reserves	Interim dividend	Treasury shares	Profit for the year	Valuation adjustments	Grants received	Total equity
<b>CLOSING BALANCE AT 1/1/22</b>	<b>169,300</b>	<b>38,304</b>	<b>196,247</b>	<b>(40,532)</b>	<b>(6,168)</b>	<b>98,150</b>	<b>13,437</b>	<b>—</b>	<b>468,738</b>
<b>Total recognised income and expense</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>93,650</b>	<b>120,640</b>	<b>6,065</b>	<b>220,355</b>
<b>Distribution of profit</b>									
Distribution of interim dividends	—	—	—	(40,532)	—	—	—	—	(40,532)
Distribution of prior year dividends	—	—	—	40,532	—	(94,575)	—	—	(54,043)
<b>Other changes in equity</b>									
Transfers between equity items	—	—	3,575	—	—	(3,575)	—	—	—
<b>CLOSING BALANCE AT 31/12/22</b>	<b>169,300</b>	<b>38,304</b>	<b>199,822</b>	<b>(40,532)</b>	<b>(6,168)</b>	<b>93,650</b>	<b>134,077</b>	<b>6,065</b>	<b>594,518</b>
<b>Total recognised income and expense</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>159,397</b>	<b>(16,356)</b>	<b>6,246</b>	<b>149,287</b>
<b>Distribution of profit</b>									
Distribution of interim dividends	—	—	—	(40,532)	—	—	—	—	(40,532)
Distribution of prior year dividends	—	—	—	40,532	—	(90,071)	—	—	(49,539)
<b>Other changes in equity</b>									
Transfers between equity items	—	—	3,579	—	—	(3,579)	—	—	—
<b>CLOSING BALANCE AT 31/12/23</b>	<b>169,300</b>	<b>38,304</b>	<b>203,401</b>	<b>(40,532)</b>	<b>(6,168)</b>	<b>159,397</b>	<b>117,721</b>	<b>12,311</b>	<b>653,734</b>

Notes 1 to 23 to the accompanying financial statements are an integral part of the statement of recognised income and expense for the year ended 31 December 2023.

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023**

EUR thousand	31/12/23	31/12/22
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES (I)</b>	<b>136,341</b>	<b>92,285</b>
Profit for the year before tax	130,969	125,123
Adjustments for:	17,603	20,965
- Depreciation and amortisation	17,802	19,211
- Impairment losses	(2,268)	2,317
- Changes in provisions	555	1,897
- Proceeds from disposals of non-current assets	7	(5)
- Finance income	(8,053)	(10,150)
- Finance costs	9,820	8,448
- Exchange differences	(821)	(73)
- Changes in fair value of financial instruments	561	(680)
<b>Working capital changes</b>	<b>(4,352)</b>	<b>(42,212)</b>
- Inventories	(149)	5,937
- Trade and other receivables	2,791	(6,772)
- Trade and other payables	(27,172)	(39,789)
- Other current assets and liabilities	20,178	(1,588)
<b>Other cash flows from operating activities</b>	<b>(7,879)</b>	<b>(11,591)</b>
- Interest paid	(1,065)	(6,302)
- Dividends received	-	8,350
- Income tax received/(paid)	(6,814)	(13,639)
<b>NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES (II)</b>	<b>61,646</b>	<b>(97,275)</b>
Payments for investments	(18,718)	(97,275)
- Group companies and associates	-	(13,016)
- Property, plant and equipment and intangible assets	(11,640)	(9,259)
- Other financial assets	(7,078)	(75,000)
Proceeds from sale of investments	80,364	-
- Group companies and associates	2,739	-
- Other financial assets	77,625	-
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES (III)</b>	<b>(162,691)</b>	<b>(86,885)</b>
Proceeds from and payments for financial liability instruments	(72,620)	7,691
- Redemption and repayment of bank borrowings	(88,142)	(9,357)
- Proceeds from issue of borrowings from group companies and associates	15,522	17,048
Dividends and interest on other equity instruments paid	(90,071)	(94,576)
- Dividends	(90,071)	(94,576)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV)</b>	<b>35,296</b>	<b>(91,875)</b>
Cash and cash equivalents at beginning of year	165,221	257,096
Cash and cash equivalents at end of year	200,517	165,221

Notes 1 to 23 to the accompanying financial statements are an integral part of the statement of cash flows for the year ended 31 December 2023.

## **Atresmedia Corporación de Medios de Comunicación, S.A.**

Notes to the financial statements for the year ended 31 December 2023

### **1. Corporation information**

Atresmedia Corporación de Medios de Comunicación, S.A. (the "Company") was incorporated on 7 June 1988 under the name Antena 3 de Televisión, S.A. It changed its corporate name in 2013. Its registered address and address for tax purposes is Avenida Isla Graciosa, 13, San Sebastián de los Reyes (Madrid). The company is on file at the Madrid Mercantile Register under page M-34473.

From 29 October 2003, its shares are traded on the Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Spanish Stock Market Interconnection System (SIBE).

The Company's shareholders at the 2012 General Meeting approved the merger by absorption of Gestora de Inversiones Audiovisuales La Sexta, S.A., a nationwide television operator. This resolution was contingent on securing the related administrative authorisations. Once the authorisations were obtained, the merger was carried out and placed on file at the Madrid Mercantile Register on 30 October 2012 and the absorbed company was extinguished and all its assets and liabilities transferred en bloc to the Company.

Atresmedia Corporación de Medios de Comunicación, S.A.'s core business, according to its corporate objects, is the provision of audiovisual media services in any type of broadcasting.

Specifically, it holds three national audiovisual television licenses, all with the related concessions for use of public radioelectric domain. The Company has acquired the following licences:

- 1) Nationwide audiovisual media licence, awarded directly under the concession for the indirect management of the public television to Antena 3 de Televisión, S.A. pursuant to a resolution of the Spanish Cabinet of 25 August 1989 in a tender held in accordance with Private Television Law 10/1988, of 3 May.
- 2) Nationwide audiovisual media licence, awarded originally under the concession for the indirect management of the public television to Gestora de Inversiones Audiovisuales La Sexta, S.A. (which was extinguished after the merger by absorption) pursuant to a resolution of the Spanish Cabinet of 29 July 2005 in a tender held in accordance with Private Television Law 10/1988, of 3 May.

Pursuant to a resolution by the Spanish Cabinet on 10 June 2010 and as provided for in General Audiovisual Media Law 7/2010 (LGCA), of 31 March, now repealed, these two concessions were transformed into licenses for the provision of audiovisual media services, both for 15 years; i.e. to 2025, with automatic renewal for the same periods, provided the requirements of Article 29 of the prevailing General Audiovisual Media Law 13/2022 of 7 July are met.

On 5 October 2012, in execution of the agreed merger by absorption, the Spanish Cabinet resolved to authorise the transfer to the Company of the audiovisual media licence held by Gestora de Inversiones Audiovisuales La Sexta, S.A. and the assignment for private use of the associated public radioelectric domain.

By virtue of these two licences, Atresmedia Corporación de Medios de Comunicación, S.A. operates the following digital terrestrial television channels directly: Antena 3 (also available in high definition), la Sexta (also available in high definition), Neox, Nova and Mega.



- 3) Nationwide audiovisual media license awarded pursuant to a resolution of the Spanish Cabinet on 16 October 2015 concluding the tender held in accordance with then prevailing LGCA 7/ 2010, authorising the Company to operate a high definition public television channel. This licence, operated by the Company directly, is valid for 15 years from the award; i.e. until 2030. Under it, the Company broadcasts the Atreseries channel.

Atresmedia Corporación de Medios de Comunicación, S.A. broadcasts content through its digital platform, Atresplayer, and other channels outside Spain, such as Antena 3 Internacional, Atreseries and ¡HOLA! TV. Other activities include the production and marketing of content, telesales and licenses.

Atresmedia and Telefónica signed entered into an agreement in September 2019 to create fiction content in Spanish worldwide, which culminated in a 50-50 joint venture between the groups to produce audiovisual content for Atresmedia and Movistar+, as well as for third-party operators. The pertinent authorisations were obtained in 2020, especially from the antitrust authorities.

The Company is the head of a group of subsidiaries and is obliged under current legislation to prepare, in addition to its own separate financial statements, consolidated financial statements, which also include its interests in joint ventures and investments in associates.

The consolidated financial statements for 2023 were authorised for issue by the Board of Directors at a meeting held on 28 February 2024.

The financial statements for 2022 were approved by shareholders at the General Meeting held on 26 April 2023, without modifications.

The key financial highlights of the 2023 consolidated financial statements prepared under IFRS-EU are: total assets of EUR 1,464 million, equity of EUR 760 million, revenue of EUR 971 million, and profit for the year of EUR 171 million.

Given the Company's activities, it has no environmental liabilities, expenses, assets, provisions or contingencies that could have a significant effect on its equity, financial position and results of operations. Therefore, no specific environmental disclosures have been included in these notes to the financial statements.

## **2. Basis of preparation**

### ***Financial reporting framework applicable to the Company***

The accompanying financial statements were prepared by the Company's directors in accordance with the financial reporting framework applicable to the Company, which is set out in:

- a) The Spanish Commercial Code and other company law.
- b) The Spanish General Accounting Plan (*Plan General Contable*) approved by Royal Decree 1514/2007, as amended by Royal Decree 1/2021, of 12 January, and its industry adaptations, and the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores or "CNMV") Circular 1/2008, of 30 January, on the periodic information of issuers whose securities are admitted to trading on regulated markets.
- c) The mandatory rules approved by the Spanish Accounting and Auditing Institute implementing the Spanish General Accounting Plan and the relevant secondary

legislation, in addition to the mandatory rules approved by the Spanish National Securities Market Commission.

d) All other applicable Spanish accounting legislation.

The accounting policies and standards used by the Company in the preparation of the annual financial statements were the same as those applied in the year ended 31 December 2022.

### ***True and fair view***

The accompanying financial statements were obtained from the Company's accounting records and are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, give a true and fair view of the Company's equity, financial position, results of operations and cash flows for the year. These financial statements, which were authorised for issue by the Company's directors, will be submitted for approval by shareholders at the General Meeting. They are expected to be approved without any changes. The financial statements for 2022 were approved at the General Meeting held on 26 April 2023.

### ***Non-mandatory accounting principles applied***

No non-mandatory accounting principles were applied. The directors prepared these financial statements taking into account all the mandatory accounting principles and standards with a significant effect thereon. All mandatory accounting principles were applied.

### **Critical issues regarding the measurement and estimation of uncertainties**

The accompanying financial statements were prepared using estimates by the Company's directors to measure certain of the assets, liabilities, revenue, expenses and obligations recognised therein. Basically, these estimates relate to:

- Where there are indications of impairment, the Company tests its investments in group companies and associates for impairment. The determination of the recoverable amount of these investments entails the use of estimates by management. The Company uses discounted cash flow methods to determine these values. The key assumptions and sensitivity analysis are detailed in Note 9. The Company also measures certain investments in group companies and associates using the indirect method based on the underlying carrying amount of the investment plus the unrealised gains existing at the date of estimation where this method provides better evidence of the recoverable amount considering the activity and specific situation of each investment.
- The fair value of equity instruments classified as financial assets is subject to uncertainties arising from the determination or estimation of benchmark market values. The directors' base these estimates on the business plans of the investees or the existence of possible commitments, rights or set-price repurchase or capitalisation agreements.
- The estimation of the useful life of certain intangible assets, such as trademarks and property, plant and equipment, is highly subjective, but supported by industry knowledge obtained from past experience and market reports. Notes 4.1 and 4.2 indicate the useful lives considered for each type of intangible asset and property, plant and equipment.
- Calculations of programming costs and any type of audiovisual right for both in-house and acquired programmes in each year require the application of relevant

estimates that best reflect the pattern of consumption. The main estimate used by the Company is the number of showings aired based on showings contracted, as detailed in Note 4.6.

- The Company performs estimates to calculate impairment losses on in-house programmes and on rights to acquired programmes in order to recognise the required impairment losses on such assets. These impairment losses require the use of estimates of future showings of the various types of products and are based on past experience.
- The Company assesses the recoverability of the tax assets based on the estimated future tax bases calculated using the business plan of the tax group of which the Company is the head, the periods considered to be reasonable and tax legislation in force at any given time (see Note 4.8). In this regard, in assessing the recoverability of tax credits, the Company's directors considered the ruling of Spain's Constitutional Court of 18 January 2024 on Royal Decree-Law 3/2016 referred to in Notes 17.4 and 17.7). In their opinion, this ruling rendered that Royal Decree-Law null retrospectively from its publication in 2016, so effectively the amendments to corporate income tax put before the courts and declared null and void by virtue of that ruling had never been in force. As a result of this interpretation, at 31 December 2023, those articles can be considered null in assessing the accounting treatment to apply regarding the recognition of current and deferred tax assets and liabilities.
- The Company is subject to regulatory and legal procedures. If it is probable that an obligation at year-end will give rise to an outflow of resources, a provision is recognised provided the amount can be reliably estimated. Legal proceedings usually involve complicated matters and are subject to substantial uncertainty. Consequently, the directors make a significant judgement when determining whether it is probable that the process will result in an outflow of resources and estimating the amount, based on criteria determined by the various expert advisors on the matters analysed (see Notes 4.10 and 14).

Although these estimates were made based on the best information available at year-end 2023, future events may require these estimates to be modified (upwards or downwards) in subsequent reporting periods. Changes in accounting estimates would be applied prospectively.

At year-end, the Company had positive working capital of EUR 301,775 thousand (2022: EUR 296,269 thousand). Excluding programme rights expected to be amortised in more than one year (see Note 12), working capital at year-end would still be positive at EUR 238,204 thousand (2022: EUR 208,197 thousand).

### ***Significant judgements in applying accounting principles***

The Company considers that it exercises control over an investee when it has sufficient power to govern its financial and operating policies so as to obtain benefits from its activities. It does not exercise control over the associates that are 50% owned, or less, because under the shareholders agreements it has no powers to participate in the associates' financial and operating policies.

### ***Comparative information***

For comparative purposes, the financial statements present, for each of the items of the balance sheet, the statement of profit or loss, the statement of changes in equity, the statement of cash flows and in the notes thereto, in addition to the figures for 2023, those of the previous year.

### **Aggregation of items**

Certain items in the balance sheet, the statement of profit or loss, the statement of changes in equity and the statement of cash flows have been aggregated with other items to make them easier to understand. However, whenever the amounts involved are material, the information is disclosed separately in the related notes.

### **Changes in accounting policies**

There were no significant changes in accounting policies in 2023 relative to the criteria followed in 2022.

### **Correction of errors**

No material errors were detected in the accompanying financial statements requiring the restatement of amounts included in the 2022 financial statements.

### **Functional and presentation currency**

The financial statements are presented in thousands of euros (EUR) rounded to the nearest thousand. The euro is the Company's functional and presentation currency.

## **3. Distribution of profit**

Distribution of 2023 profit proposed by the directors of the Company to be submitted for approval by shareholders at the General Meeting (in EUR thousand):

	<b>2023</b>
Interim dividend paid in 2023 (EUR 0.18/share)	40,532
Maximum final dividend (EUR 0.24/share)	54,043
To voluntary reserves	64,822
<b>Total</b>	<b>159,397</b>

The Company's Board of Directors, at the meeting held on 22 November 2023, resolved to distribute out of the Company's profit for 2023 a gross amount of eighteen euro cents (EUR 0.18) for each of the shares entitled to receive this interim dividend, representing a total of EUR 40,532 thousand, recognised under "Equity - Interim dividend" in the balance sheet.

The provisional accounting statement prepared in accordance with legal requirements evidencing the existence of sufficient liquidity for the distribution of the dividends is as follows:

**LIQUIDITY STATEMENT FOR THE PAYMENT OF THE 2023 INTERIM DIVIDEND**

	<b>EUR thousand</b>
<b>Liquidity at 31 October 2023</b>	<b>278,494</b>
Projected cash until 31 October 2024	
Operating activities from November 2023 to October 2024	83,925
Financing activities from November 2023 to October 2024	85,566
Projected payment of 2023 interim dividend	(40,532)
<b>Projected liquidity at 31 October 2024</b>	<b>407,453</b>

The proposed distribution of the profit for 2022 approved by shareholders at the General Meeting held on 26 April 2023 is disclosed in the statement of changes in equity.

#### **4. Accounting policies**

The principal accounting policies used by the Company in preparing its financial statements for 2023 and 2022, in accordance with the Spanish General Accounting Plan (Plan General de Contabilidad), were as follows:

##### **4.1 Intangible assets**

As a general rule, intangible assets are measured initially at cost of acquisition or production. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment. These assets are amortised over their useful lives.

##### *Licences and trademarks*

This item includes the amounts relating to the licence and the trademark identified in the purchase price allocation process arising from the merger with Gestora de Inversiones Audiovisuales La Sexta, S.A. carried out in 2012.

The trademark is amortised on a straight-line basis over its estimated useful life of 20 years.

Since 1 January 2016, the licence, which in prior years was considered to have an indefinite useful life, has been amortised over 10 years in accordance with Royal Decree 602/2016, of 2 December, which modified the measurement criteria for intangible assets and states that asset are amortised over a period of 10 years when the useful lives of the assets cannot be estimated reliably.

##### *Computer software*

The Company recognises in this item costs incurred to acquire from third parties or develop the basic computer systems used in the Company's management.

Computer system maintenance costs are recognised with a charge to profit or loss for the year in which they are incurred.

Computer software is amortised on a straight-line basis over a period of between three and five years from the entry into service of each application, on the basis of its estimated useful life.

#### **4.2 Property, plant and equipment**

Property, plant and equipment are measured initially at cost of acquisition or production, and subsequently reduced by the related accumulated depreciation and any impairment losses, as indicated in this note.

Expenses for repairs and maintenance of items of property, plant and equipment are taken to the statement of profit or loss in the year incurred. However, costs incurred to improve items which increase capacity or efficiency, or extend the useful life of the asset are capitalised as an increase in the cost of the related asset.

The Company depreciates property, plant and equipment using the straight-line method at annual rates based on the following years of estimated useful life of the related assets:

	<b>Years of estimated useful life</b>
Buildings	33
Plant	5 to 8
Computer hardware	3 to 5
Other fixtures	6 to 10
Other items of property, plant and equipment	6 to 10

#### **4.3 Impairment of intangible assets and property, plant and equipment**

The Company assesses the existence of indications of potential impairment of the non-financial assets subject to amortisation and depreciation, in order to check whether carrying amount exceeds recoverable amount, understood to be the higher of fair value less costs of disposal and value in use.

For property, plant and equipment, impairment is calculated item by item, on an individual basis.

Where an impairment loss subsequently reverses (not permitted in the specific case of goodwill), the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised as income.

#### **4.4 Operating leases**

Income and expenses from operating leases are taken to profit or loss for the reporting period in which they are accrued.

Any payment received or made on entering into an operating lease is considered as revenue received in advance or a prepayment and taken to profit or loss over the lease term in accordance with the pattern of economic benefits transferred or received.

The leases in which the Company is a lessor consist basically of facilities which the Company has leased to companies in its group.

## **4.5 Financial instruments**

### *Recognition and classification of financial instruments*

The Company classifies financial instruments on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument.

It recognises a financial instrument when it becomes a party to the contractual or legal provisions of the instrument as issuer, investor or acquirer.

The Company recognises debt instruments from the date on which the legal right to receive, or the legal obligation to pay, cash arises.

The Company recognises derivative financial instruments, including forward contracts, from the trade date, except for those that prevent the Company from derecognising the financial assets transferred, which are recognised as stipulated in that rule.

For measurement purposes, the Company classifies financial instruments in the categories of financial assets and liabilities at fair value through profit or loss, separating those designated initially as held for trading or mandatorily measured at fair value through profit or loss, financial assets and liabilities measured at amortised cost and financial assets at fair value through equity, separating equity instruments designated as such from the rest of the financial assets, and financial assets measured at cost. The Company classifies financial assets at amortised costs and fair value through equity, except equity instruments designated as such in accordance with the business model and the contractual cash flow characteristics. The Company classifies financial liabilities as measured at amortised cost, except those designated as at fair value through profit or loss and those held for trading.

The Company classifies a financial asset or liability as held for trading if:

- it is originated, acquired, issued or incurred principally for the purpose of selling or repurchasing it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated hedging instrument; or
- it is an obligation that the Company has to deliver financial assets borrowed by a short seller

The Company classifies a financial asset at amortised cost, even if it is admitted to trading, if it is held within a business model whose objective is to hold the investment in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Company classifies a financial asset at fair value through equity if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

The business model is determined by the Company's key management personnel at a level that reflects how groups financial assets are managed together to achieve a

particular business objective. The Company's business model refers to how it manages its financial assets in order to generate cash flows.

Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows are managed to realise cash flows by collecting contractual payments over the life of the instrument. The Company manages the assets held within the portfolio to collect those particular contractual cash flows. In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, the Company considers the frequency, value and timing of sales in prior periods, the reasons for those sales and expectations about future sales activity. However, sales in themselves do not determine the business model and therefore cannot be considered in isolation. Instead, information about past sales and expectations about future sales provide evidence related to how the Company's stated objective for managing the financial assets is achieved and, specifically, how cash flows are realised. The Company considers information about past sales within the context of the reasons for those sales and the conditions that existed at that time as compared to current conditions. For these purposes, the Company considers that trade debtors and receivables that will be transferred to third parties and that will not result in their derecognition are held in this business model.

Although the objective of the Company's business model may be to hold financial assets in order to collect contractual cash flows, it need not hold all of those instruments until maturity. Thus, the Company's business model is to hold financial assets to collect contractual cash flows even when sales of financial assets occur or are expected to occur in the future. The Company understands that this requirement is met when sales are due to an increase in the financial assets' credit risk. In the rest of the cases, the sales are insignificant both individually and in aggregate, whether they are frequent or infrequent.

The financial assets that are held within a business model whose objective is achieved by both holding assets to collect contractual cash flows and selling them are managed to realise cash flows by collecting contractual payments and selling them in accordance with the Company's various needs. In this type of business model, the Company's key management personnel have made a decision that both collecting contractual cash flows and selling financial assets are integral to achieving the objective of the business model. Compared to the previous business model, this business model will typically involve greater frequency and value of sales.

The contractual cash flows that are payments of principal and interest on the principal amount outstanding are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest. However, in such an arrangement, interest can also include consideration for other basic lending risks (for example, liquidity risk) and costs (for example, administrative costs) associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement.

On initial recognition, the Company designates equity instruments that are neither held for trading nor are measured at cost as measured at fair value through equity.

In any case, the Company classifies the following financial assets at cost:

- a. Equity investments in group companies, jointly controlled entities and associates.
- b. Equity investments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument or cannot be estimated reliably, and derivatives in which the underlyings are these investments.
- c. Contributions made as a result of joint account contracts or similar agreements.



Financial assets and liabilities that are contingent consideration arising in a business combination are classified as financial assets and liabilities measured at fair value through profit or loss.

The Company, at initial recognition, designates a financial liability as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency (i.e. accounting mismatch) that would otherwise arise from measuring the assets or liabilities or recognising the gains and losses on them on different bases, of a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about the group is provided internally on that basis to the Company's key management personnel.

The Company classifies the rest of its financial liabilities, except financial guarantee contracts, commitments to provide a loan at a below-market interest rate, and financial liabilities that arise when a transfer of financial assets does not qualify for derecognition or when the continuing involvement approach applies, such as financial liabilities at amortised cost.

*Financial assets and liabilities at amortised cost*

Financial assets and liabilities at amortised cost are recognised initially at fair value, plus or minus transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method.

*Financial assets at fair value through equity*

Financial assets at fair value through equity are initially measured at fair value plus directly attributable transaction costs.

After initial recognition, financial assets classified in this category are measured at fair value and any gain or loss is accounted for in income and expense recognised in equity, except for impairment losses and foreign exchange gains and losses on debt instruments. On disposal of the financial assets, amounts recognised in equity or the impairment loss are taken to profit or loss.

*Financial assets and liabilities at fair value through profit or loss*

The Company recognises financial assets and liabilities at fair value through profit or loss initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability are recognised as an expense as incurred.

The fair value of a financial instrument at initial recognition is normally the transaction price, unless the price contains different elements of the instrument, in which case the Company determines its fair value. If the Company determines that the fair value of an instrument differs from the transaction price, it recognises the difference as a gain or loss, only where the value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. In the rest of the cases, the Company recognises the difference in profit or loss to the extent that it arises from a change in a factor that market participants would take into account when pricing the asset or liability.

After initial recognition, the instruments are measured at fair value through profit or loss. Changes in fair value include the interest and dividend component. Fair value is not reduced by transaction costs incurred on sale or disposal.

*Financial assets and liabilities measured at cost*

Investments in equity instruments whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost. However, any time the Company has a more reliable measure of the financial asset or liability on a lasting basis, the asset or liability is measured at fair value, with any gains or losses recognised in profit or loss in accordance with their classification.

The Company measures investments included in this category at cost, which is the fair value of the consideration given or received, plus or minus directly attributable transactions costs, and minus any accumulated impairment losses.

*Investments in group companies, associates and jointly controlled entities*

Group companies are companies over which the Company, either directly or indirectly through subsidiaries, exercises control according to art. 42 of the Spanish Code of Commerce, or when the companies are controlled by any means by one or more natural or legal person acting jointly or under single management by contractual or bylaw-stipulated agreement.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, considering for these purposes potential voting rights that may be exercised or converted at the end of the reporting period held by the Company or another party.

Associates are investees over which the Company exercises significant influence either directly or indirectly via other subsidiaries. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Assessment of the existence of significant influence takes into account potential voting rights that are exercisable or convertible at the end of each reporting period, including potential voting rights held by the Company or another entity.

Jointly controlled entities are those which are jointly managed by the Company or one or more group companies, including parent entities or controlling individuals, and one or more third parties.

Investments in group companies, associates and jointly controlled entities are initially recognised at cost, which is the fair value of the consideration given, including transaction costs incurred in investments in associates and jointly controlled entities, and subsequently at cost less accumulated impairment losses. However, in acquisitions of investments in group companies that are not considered a business combination, transaction costs are also included in the acquisition cost. Investments in group companies acquired before 1 January 2010 include transaction costs in the acquisition cost.

The amount of any additional consideration whose payment is contingent on future events or compliance with certain conditions is recognised at its acquisition-date fair value.

Contingent consideration is classified in accordance with the underlying contractual terms and conditions as a financial liability, an equity instrument or a provision.

*Reclassifications of financial instruments*

The Company reclassifies financial assets when it changes its business model for managing them, or when it meets or no longer qualifies for classification as an investment in group companies, jointly controlled entities or associates, or the fair value of an investment is no longer or becomes reliable, except for equity instruments

classified at fair value through equity, which cannot be reclassified. The Company does not reclassify financial liabilities.

If the Company reclassifies a financial asset out of the amortised cost measurement category and into the fair value through profit or loss measurement category, it recognises any gains or losses between the fair value and the carrying amount in profit or loss. From that moment, the Company does not separately recognise the interest on the financial asset.

If the Company reclassifies a financial asset out of the fair value through profit or loss measurement category and into the amortised cost measurement category, it considers the new carrying amount for applying the effective interest rate method and the recognition of impairment losses.

If the Company reclassifies a financial asset out of the amortised cost measurement category and into the fair value through equity category, it recognises any gains or losses between the fair value and the carrying amount in equity. The effective interest rate and measurement of impairment losses are not adjusted as a result of the reclassification. However, the cumulative amount of impairment losses is recognised in equity and disclosed in the notes.

If the Company reclassifies a financial asset out of the fair value through equity measurement category and into the amortised cost measurement category, the financial asset is reclassified at its fair value. The amount deferred in equity is adjusted against the carrying amount of the asset. The effective interest rate and measurement of impairment losses are not adjusted as a result of the reclassification. However, the Company recognises at that time any accumulated impairment loss separate from the gross amount of the financial asset.

If the Company reclassifies a financial asset out of the fair value through profit or loss measurement category and into the fair value through equity measurement category, the effective interest rate and impairment losses are determined by reference to the fair value at the reclassification date. Equity instruments cannot be reclassified.

If the Company reclassifies a financial asset out of the fair value through equity measurement category and into the fair value through profit or loss measurement category, the amount deferred in equity is reclassified to profit or loss. From that moment, the Company does not separately recognise the interest on the financial asset.

#### *Interest and dividends*

The Company recognises interest and dividends accrued on financial assets after acquisition as income in profit or loss.

The Company recognises interest of financial assets measured at amortised cost using the effective interest method and dividends when the Company's right to receive payment is established.

If distributed dividends are clearly derived from profits generated prior to the acquisition date because amounts have been distributed which are higher than the profits generated by the investee or of its investees since acquisition, the carrying amount of the investment is reduced. These criteria are applied irrespective of the measurement criteria of equity instruments. Therefore, for equity instruments measured at fair value, the value of the investment is also reduced and the subsequent increase in value is recognised in profit or loss or in equity, depending on the classification of the instruments.

#### *Derecognition of financial assets*

The Company applies criteria of derecognition of financial assets to a part of a financial asset or a part of a group of similar financial assets, or a financial asset or a group of similar financial assets.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. In addition, financial assets for which the Company retains the contractual rights to receive the cash flows are only derecognised when it assumes contractual obligations to pay the cash flows to one or more recipients and the following requirements are met:

- Payment of the cash flows is dependent on prior collection;
- The Company may not sell or pledge the financial asset; and

The cash flows collected on behalf of the eventual recipients are remitted without any material delay. The Company is not entitled to reinvest the cash flows. Investments in cash and cash equivalents made by the Company during the settlement period, i.e. between the collection date and the date of required remittance agreed with the eventual recipients, are excluded from the application of this criterion, provided that the interest earned is passed to the eventual recipients.

On derecognition of a financial asset in its entirety, the gain or loss is determined as the difference between the carrying amount of the asset, and the consideration received net of transaction costs, including any new asset obtained less any liability assumed. In addition, any amounts deferred in equity are reclassified to profit or loss.

#### *Impairment of financial assets*

A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event or events has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company recognises any necessary valuations allowances for impairment of financial assets at amortised cost as a result of a reduction or delay in the estimated future cash flows due to debtor insolvency.

Equity investments are considered to be impaired when the carrying amount will not be recovered due to a significant or prolonged decline in the fair value.

In any event, the Company considers that financial assets measured at fair value through equity are impaired after a decline of a year and a half and of forty percent of its quoted price with no recovery in value.

However, where there is a decline in the fair value of those instruments and a subsequent recovery above the quoted reference price, the period of one and a half years begins from the date on which, after that recovery, there is a new prolonged decline in the quoted price, unless the recovery in fair value was the result of an isolated and immaterial event, in which case the year and a half runs from the first decline. The same criteria are applied to determine whether there has been a decline of forty percent in the quoted price. For these purposes, the quoted reference price is understood to be the initial measurement of the asset or, in the event of several acquisitions, the weighted average price of a group of identical assets.

- Impairment of investments in group companies, associates and jointly controlled entities measured at cost

Impairment is calculated by comparing the carrying amount of the investment with its recoverable amount. The recoverable amount is the higher of the present value of the future cash flows from the investment and fair value less costs to sell. The investee's equity is taken into consideration, adjusted for any unrealised gains existing at the measurement date (including any goodwill), unless better evidence of the recoverable amount investment is available.

The present value of the future cash flows from the investment are calculated based on the Company's share of the present value of the future cash flows expected to be received from the ordinary course of business and its disposal, or the estimated cash flows expected to be received from the distribution of dividends and the disposal of the investment.

Reversals of impairment losses when the recoverable amount is increased are recognised up to the limit of the carrying amount of the investment that would have been disclosed had the impairment loss not been recognised.

#### *Derecognition and modifications of financial liabilities*

The Company derecognises a financial liability, or part of a financial liability, when it discharges the obligation or is legally released from primary responsibility for the obligation through a judicial proceeding or by the creditor.

An exchange between the Company and the counterparty of debt instruments with substantially different terms and substantial modifications of the terms of initially recognised liabilities are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The Company considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

#### *Hedge accounting*

Derivative financial instruments are measured initially using the same criteria as for financial assets and financial liabilities. Derivative financial instruments that do not qualify for hedge accounting, as explained below, are classified and measured as financial assets and financial liabilities at fair value through profit or loss. Derivative financial instruments which qualify for hedge accounting are initially measured at fair value, plus any transaction costs that are directly attributable to the acquisition, or less any transaction costs directly attributable to the issue of the financial instruments. However, transaction costs are subsequently measured in profit or loss to the extent that they do not form part of the effective change of the hedge.

All the derivatives held by the Company at 31 December 2023 and 2022 were OTC derivatives, whose prices are not quoted on active futures and options markets. Therefore, it is necessary to apply generally accepted valuation techniques, based on objective market data, used in the measurement of financial instruments of this nature.

- *Foreign currency hedges*

The derivative financial instruments held by the Company companies are basically cash flow hedges arranged to mitigate the exposure of the cash flows associated with external production rights to fluctuations in the USD/EUR exchange rate.

Foreign currency hedging contracts are measured using the spot exchange rate and the forward interest rate curves of the related currencies. The “market” foreign currency hedge is calculated at year-end and is compared with the price of the foreign currency hedge entered into.

- *Interest rate hedges*

For the syndicated financing arranged, the Parent entered into interest rate swaps (IRSs) to fix the finance cost arising from the floating rates applicable to each of the tranches of this financing. For the syndicated financing, it entered into cash flow hedges (CAP) to minimise interest rate risk.

With IRSs, the parties agree to swap, on predetermined dates, the cash flows resulting from applying an interest rate to a nominal amount. The rate applied to the payments of a portion is fixed, whereas the other portion is a floating rate (based on a benchmark rate).

- *Cross currency swaps*

The Group uses cross currency swaps that swap capital and interest flows in dollars for other capital and interest flows in euros, fixing the exchange rate and half-yearly coupons of the debt from bonds and debentures at a fixed rate in euros. These are cash flow hedges that hedge exposure to the currency and interest rate risk of the cash flows related to the hedged underlying.

Hedging instruments are recognised in the balance sheet at fair value, with the portion of any gain or loss on the hedging instrument determined to be effective recognised directly in equity, in accordance with hedge accounting.

For foreign currency hedges, when the term of the broadcasting rights designated as a hedged item commences, the related gains or losses on the derivative that were recognised in equity are included in the initial carrying amount of the asset. Any changes in fair value of the hedging instrument from then are recognised directly in profit or loss for the year.

The Company measures the effectiveness of these cash flow hedges by analysing the extent to which changes in the fair value or the cash flows of the hedging instrument offset changes in the fair value or the cash flows of hedged items attributable to the hedged risk. The fair value measurement method is based on the present value of the estimated future contractual cash flows by the parties to the hedging instrument. This determination is made using the European Central Bank's benchmark exchange rate on the closing date, the quoted prices of swaps at the measurement date, interest rates prevailing on the measurement, credit risk and generally accepted techniques in the market. For effective hedges, the gain or loss on the hedging instrument is recognised temporarily in equity and taken to profit or loss in the periods in which the hedged transaction affects profit or loss.

When the hedge no longer meets the criteria for hedge accounting and the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss.

#### **4.6 Inventories**

##### Programme rights

Programme rights and inventories are measured, based on their nature, as follows:

- 1. Inventoriable in-house productions (programmes produced to be rerun, such as fiction series) are measured at acquisition and/or production cost, which includes both



external costs billed by third parties for programme production and for the acquisition of resources, and internal production costs calculated by applying previously determined internal rates on the basis of the time during which operating resources are used in production. The costs incurred in producing the programmes are recognised, based on their nature, under the appropriate headings in the statement of profit or loss and are included under "Programme rights" in the balance sheet with a credit to "Procurements - Inventories" in the accompanying statement of profit or loss.

Amortisation of these programmes is recognised under "Programming costs and other" in the statement of profit or loss, on the basis of the number of showings. Following the analyses performed by the Company of actual showings of this type of programme, series broadcast weekly are amortised at 99% of the production cost when the first showing of each episode is broadcast and at 1% when the broadcast is repeated. Series broadcast daily are amortised in full when first broadcast. In any event, the maximum period for the amortisation of programmes is three years, after which the unamortised amount is written off. These digital programmes are amortised on a straight-line basis over a period of three years from when the programme is available on the related platform.

- 2. Non-inventoriable in-house productions (programmes produced to be shown only once) are measured using the same methods and procedures as those used to measure inventoriable in-house productions. Programmes produced and not shown are recognised at year-end under "Programme rights - In-house productions and productions in progress" in the balance sheet. The cost of these programmes is recognised as an expense under "Programming costs and other" in the statement of profit or loss at the time of the first showing.

- 3. Rights on external productions (films, series and other similar productions) are measured at acquisition cost. These rights are deemed to have been acquired when the term of the right commences for the Company. Payments made to external production distributors prior to the commencement of the term of the rights are recognised under "Advances to suppliers" in the balance sheet.

The amortisation of the rights is recognised under "Programming costs and other" in the statement of profit or loss, on the basis of the number of showings, at the rates shown below, which are established on the basis of the number of showings contracted:

FILMS	Number of showings contracted		
	1	2	3 or more
1st showing	100%	50%	50%
2nd showing	—	50%	30%
3rd showing	—	—	20%

SERIES	Number of showings contracted	
	1	2 or more
1st showing	100%	50%
2nd showing	—	50%

There are no assets specifically acquired to be amortised within a period of over 12 months. All the programme assets are subject to amortisation, i.e. included in the operating cycle, once they are recognised as assets. It is not possible to know which specific assets will be amortised beyond a period of 12 months. However, detailed analyses of future programming for that period are performed and the results are used to assess the need to recognise any impairment. The programming policy has differing degrees of specificity depending on when the programme schedules are prepared. The Company estimates the total amount which would be amortised beyond that year, based on past experience and the approximate estimate of amortisation.

- 4. Live broadcasting rights are measured at cost. The cost of these rights is recognised as an expense under "Programming costs and other" in the statement of profit or loss at the time of broadcast of the event on which the rights were acquired.

#### Raw and other materials

Dubbings, sound tracks, titles and signature tunes of external productions are stated at acquisition or production cost. The amortisation of rights is recorded under "Programming costs and other" in the statement of profit or loss at the time of the showing, using the same methods as those used for external productions.

Other inventories are recorded at acquisition cost and are allocated to profit or loss by the effective or actual amortisation method over the production period.

#### Impairment losses on programme rights

The Company recognises an impairment allowance to reduce the unamortised value of in-house productions and of the rights on external productions which it considers will not be shown. When these rights expire, the valuation adjustments are applied to cancel the costs.

#### Classification of programmes

In accordance with the Spanish National Chart of Accounts, programme inventories are classified as current assets on the basis of the normal operating cycle and standard practice in the industry in which the Company operates. However, programmes are amortised over several years (see Note 12).

### **4.7 Foreign currency transactions**

The Company's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognised by applying the exchange rates prevailing at the dates of the transactions.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses are recognised directly in the statement of profit or loss in the year in which they arise.

Monetary assets and liabilities measured at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The resulting gains or losses are recognised in equity or in profit or loss by applying the same methods as those used to recognise changes in fair value, as described in Note 4.5 on financial instruments.

### **4.8 Income tax**

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

Current tax is the amount of taxes payable by the Company as a result of income tax or other tax settlements for a period. Deductions and other tax relief applicable to payable taxes, excluding withholdings and payments on account, and the carry forward of tax losses and unused tax credits from prior years applied in the current reporting period are accounted for as a reduction in current tax.

Deferred tax expense or income relates to the recognition and settlement of deferred tax assets and liabilities. These include temporary differences, identified as the amounts expected to be payable or recoverable arising from the differences between the carrying amounts of assets and liabilities and their tax bases, as well as the carry forward of



unused tax losses and unused tax credits These amounts are measured by applying to the relevant temporary difference or tax credit the tax rate at which they are expected to be realised or settled.

Current and deferred tax expense (income) are recognised in profit or loss except where they relate to a transaction or event which is recognised in the same or a different period in equity or arise from a business combination.

The Company began filing consolidated tax returns in 2001 with other Group companies indicated in Note 17.

In addition to the aforementioned parameters used for the purposes of individual taxation, the determination of the income tax expense of the companies filing consolidated tax returns also takes into account the following:

- The temporary and permanent differences arising as a result of the elimination of the results of intra-Group transactions in the process used to calculate consolidated taxable profit or tax loss.
- The tax credits and tax relief of each company in the consolidated tax group; for these purposes, the tax credits or tax relief are allocated to the company that performed the activity or obtained the income required to give entitlement to the tax credit or tax relief.
- The temporary differences arising as a result of the elimination of the results of intra-tax group transactions are recognised in the company that has generated the result and are measured at the tax rate applicable to it.

The portion of the tax losses reported by certain Group companies that has been offset by the other consolidated Group companies gives rise to the recognition of a reciprocal receivable and payable between the companies that reported the losses and the companies that offset them. If there are any tax losses that cannot be offset by the other consolidated Group companies, the carry forward of the related unused tax losses are recognised as deferred tax assets, considering the tax group to be the taxpayer for their recovery.

The Company, as Parent of the Group, recognises the total consolidated income tax payable (or recoverable) with a charge (credit) to tax receivable from or tax payable to Group companies and associates.

The payables to or receivables from subsidiaries are recognised with a credit or charge, respectively, to payables to and receivables from Group companies and associates.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable income (tax loss).

Deferred tax assets are only recognised to the extent that it is considered probable that the Company will have future taxable income to enable their application.

Deferred tax assets and liabilities relating to items recognised directly in equity are recognised in equity.

Recognised deferred tax assets are reassessed at the end of each reporting period and the appropriate adjustments are made where there are doubts as to their future recoverability. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Unless the presumption is rebutted, it is considered unlikely that the Company will have sufficient future taxable profits when it is foreseen that the assets will be recovered within a period of more than 10 years from the reporting date, independently of the nature of the deferred tax asset, or in the case of tax credits and other tax benefits not yet used for tax purposes due to not having sufficient tax payable, when, having carried out the activity giving rise to that tax credit or tax relief or having obtained the income giving rise to that tax credit or tax relief, there are reasonable doubts as to the fulfilment of the requirements to effectively use them.

The Company only recognises deferred tax assets from the carry forward of tax losses to the extent that it is likely that taxable future profit will be obtained to enable such tax losses to be utilised within a period not exceeding the term provided for in the applicable tax legislation, with a maximum limit of 10 years, unless there is evidence that their recovery is likely within a period of more than 10 years, where tax legislation allows them to be offset within a period of more than 10 years or sets no time limit for their offset.

Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union has yet to be transposed into Spanish law, which will apply to tax periods beginning on or after 31 December 2023.

The IASB has established exceptions to avoid entities developing diverse interpretations of IAS 12 due to the complexity of the tax law and potential differences in the timing of enactment of new laws in different jurisdictions. The amendments introduced include a temporary exception from accounting for deferred taxes arising from the implementation of the OECD's Pillar Two rules, as well as specific disclosure requirements for affected entities.

The Company has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The scope of Pillar Two for the Company is limited to Spanish territory. The Company performed an assessment aimed at reviewing safe harbours and the tax rate and does not expect having an effective tax rate below the global minimum tax rate established in the GloBE rules to have any significant impacts.

#### **4.9 Revenue and expenses**

The Company performs an extensive analysis of the various classes of customer contracts covered by identifying the performance obligations for each contract type as provided for in the standard, and verifying the approaches for determining the transaction price and its allocation to each of the obligations, and recognising the revenue upon satisfaction of the obligation of the contract.

For advertising revenues from television and digital, which make up more than bulk of the Company's revenue, the performance obligation is met when the advertising campaign is broadcast, which is when the related revenue is recognised. The accounting standard requires allocation of the transaction price on a stand-alone selling price basis, which can affect the amount and the timing of revenue recognition.

For other business lines, including audiovisual distribution and the sale of content, customer contracts generally have a large variety of performance obligations, from contracts involving production services to multi-year licensing agreements, as well as ancillary rights and services, and distribution activities. Application of the accounting standard requires the Company to assess the nature of its promise in contracts (access or usage rights) to determine whether the licences grant a right to access content

(revenue recognised over time) or a right to use content (revenue recognised at a point in time). The Company has determined that most of the licences granted are licences for which revenue is recognised when the customer obtains control. In addition, variable consideration is recognised based on the best estimate in accordance with the entity's experience.

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment is established. In any event, interest and dividends accrued on financial assets after acquisition are recognised as income.

The Company's expenses are recognised on an accrual basis.

#### **4.10 Provisions and contingencies**

In preparing the financial statements, the Company's directors made a distinction between:

- Provisions: the Company recognises provisions when it has a present obligation (legal or constructive) as a result of a past event, and a reliable estimate can be made of the amount of the obligation.
- Contingent liabilities: possible obligations arising from past events, whose future existence will be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company.

The financial statements include all provisions for which it is considered more likely than not that the corresponding obligation will have to be settled. Contingent liabilities are not recognised in the financial statements, but rather are disclosed in the notes to the financial statements, unless the possibility of an outflow of resources is considered to be remote.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation or transfer it, taking into account the information available on the event and its consequences. Adjustments arising from the discounting of the provision are recognised as a finance expense when accrued.

Reimbursement receivable from another party on settlement of the obligation is recognised as an asset, provided that the reimbursement is virtually certain, unless there is a legal relationship whereby a portion of the risk has been externalised as a result of which the Company is not liable; in this situation, the reimbursement is taken into account for the purpose of estimating the amount of the related provision that should be recognised.

#### **4.11 Environmental assets and liabilities**

Environmental assets are deemed to be assets used on a lasting basis in the Company's operations whose main purpose is to minimise environmental impact and protect and restore the environment, including the reduction or elimination of pollution in the future.

Given the Company's activities, it has no environmental liabilities, expenses, assets, provisions or contingencies that could have a significant effect on its equity, financial position and results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

#### **4.12 Business combinations**

Business combinations are accounted for using the acquisition method, which requires determination of the acquisition date and calculation of the cost of the combination. The

acquirer recognises the identifiable assets acquired and the liabilities assumed at their acquisition-date fair value.

Goodwill or gains from a bargain purchase arising on the combination is calculated as the difference between the aggregate of the acquisition-date fair value of the recognised assets acquired and liabilities assumed and the cost of the business combination.

The cost of a business combination is the sum of:

- the acquisition-date fair value of the assets transferred, the liabilities incurred or assumed and the equity instruments issued; and
- the fair value of any contingent consideration that depends on future events or compliance with certain pre-determined conditions.

Costs related to the issue of equity instruments or the financial liabilities given as consideration for the acquired assets and liabilities are not included in the cost of the business combination.

In addition, since January 1, 2010, the cost of a business combination also does not include the fees paid to legal advisers and other professionals involved in the combination, or any costs incurred internally in this connection. These amounts are charged directly to profit or loss.

In the exceptional event that a gain from bargain purchase arises on the combination, the gain is accounted for as income in the statement of profit or loss.

If the measurement process required for the application of the acquisition method is incomplete by the end of the reporting period in which the combination occurs, the accounting is considered provisional. The provisional values may be adjusted over the necessary period to obtain the information required. This period shall not exceed one year. The effects of the adjustments made are accounted for retrospectively, with comparative information also adjusted retrospectively as necessary.

Changes in fair value of the contingent consideration are adjusted against profit or loss, except where the contingent consideration is classified as equity, in which case subsequent changes in fair value are not recognised.

#### **4.13 Grants, donations and bequests**

Spain's 2021 General State Budget Law (*Ley 11/2020, de 30 de diciembre, de Presupuestos Generales del Estado para el año 2021*) introduced financing agreements in Article 39.7 of Spain's Corporate Income Tax Law whereby taxpayers participating in the financing of Spanish feature films, short films, fiction, animation or documentary audiovisual series productions, or in the production and broadcast of live shows of performing arts and music by other taxpayers, may utilise the tax credits provided for in sections 1 and 3 of Article 36 of the Corporate Income Tax Law in accordance with the terms and conditions stipulated therein. The amount is determined under the same terms and conditions as those that would have applied to the producer, provided that they have been generated by the producer when the producer contributes amounts intended to finance all or part of the production costs.

The Company entered into financing agreements with different investors for fictional series produced in 2023 and 2022.

On 20 July 2022, the Spanish General Directorate of Taxes (Dirección General de Tributos), referring to reports from the ICAA (a Spanish government organisation supporting the film industry and audiovisual production), stipulated that the accounting treatment for this feature of the financing agreements is the same as that for a

government grant. Therefore, recognition and measurement standard 18 Grants, donations and bequests received in Spain's General Accounting Plan should be applied.

The Company accounts for grants, donations and bequests received from third parties other than owners as follows:

- a) Non-refundable grants, donations and legacies related to assets: these are measured at the fair value of the amount or the asset received, based on whether or not they are monetary grants, and recognised in equity when they are received and taken to profit or loss in proportion to the consumption of inventories following the criteria described in Note 4.6, in the period for which the grants were received or, where appropriate, on disposal of the asset or on the recognition of an impairment loss.
- b) Refundable grants: refundable grants are recognised as liabilities as long as they remain refundable.
- c) Grants related to income: these are recognised in profit or loss when they are awarded, except those earmarked to finance operating losses for future periods, in which case they are recognised initially in equity and taken to profit or loss in those periods. Those awarded to finance specific expenses are recognised as income as the finance expenses are accrued.

Meanwhile, grants, donations and bequests received from equity holders or owners are not considered income and must be recognised directly in equity, irrespective of the type of grant, provided that it is not repayable.

#### **4.14 Related party transactions**

The Company carries out all transactions with related parties at arm's length. In addition, transfer prices are adequately supported, so the Company's directors consider that there are no material risks in this connection that could lead to significant liabilities in the future.

#### **4.15 Current versus non-current classification**

Current assets are assets associated with the normal operating cycle, which in general is considered to be one year; other assets which are expected to mature, be disposed of or be realised within 12 months from the end of the reporting period; financial assets held for trading, except for financial derivatives that will be settled in a period exceeding one year; and cash and cash equivalents. All other assets are classified as non-current.

Similarly, current liabilities are liabilities associated with the normal operating cycle, financial liabilities classified as held for trading, except financial derivatives that will be settled in more than one year, and, in general, all liabilities expected to fall due or to be extinguished in the short term. All other liabilities are classified as non-current.

#### **4.16 Share-based payments**

Payments made to beneficiaries through the issue of equity instruments are recognised by applying the following criteria:

- If the equity instruments granted vest immediately upon being granted, the services received are recognised with a charge to profit or loss and an increase in "Other equity instruments";
- If the equity instruments granted vest when the beneficiaries complete a specified period of service, the services received are recognised over the vesting period with a credit to "Other equity instruments".

The Company determines the fair value of the instruments granted to beneficiaries on the grant date.

The market vesting conditions are considered when the fair value of the instrument is determined. Vesting conditions, other than market conditions, are taken into account by adjusting the number of equity instruments included in the measurement of the amount of the transaction, so that, ultimately, the amount recognised for services received is based on the number of equity instruments that eventually vest. Consequently, the Company recognises the amount for the services received over the vesting period, based on the best estimate of the number of instruments that will vest, and this estimate is revised based on the rights expected to vest.

Once the services received and the corresponding increase in "Other equity instruments" are recognised, no additional adjustments are made to equity after the vesting date, without prejudice to making the corresponding reclassifications in equity.

If the Company withholds equity instruments to pay the income tax of the beneficiary to the taxation authority, the plan is treated as having been settled in full in equity instruments, except for the portion of the instruments withheld that exceed the fair value of the tax obligation.

#### **4.17 Employee benefits**

##### Termination benefits

Termination benefits are recognised at the earlier of the date from which the Company can no longer withdraw its offer and that on which it recognises the costs of a restructuring effort that will entail the payment of termination benefits.

In respect of termination benefits as a result of employees deciding to accept an offer, the Company is deemed unable to withdraw its offer from the earlier of the date on which the employees accept the offer or the date of effectiveness of any form of restriction on the Company's ability to withdraw the offer.

In respect of involuntary termination, the Company is deemed unable to withdraw its offer when it has communicated the plan to the affected employees or their union representatives and the actions needed to complete the plan suggest that it is unlikely that there will be significant changes in its terms; the plan identifies the number of employees whose services are to be terminated, their job classification or function, their location and their expected termination date; and the termination benefits to be received by the laid-off employees have been established in sufficient detail to enable them to determine the type and amount of remuneration they will receive upon termination.

If the Company expects to settle the benefits wholly after 12 months after the end of the annual reporting period, the liability is discounted by reference to market yields on high quality corporate bonds.

#### **4.18 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and demand deposits in financial institutions. They also include other short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it has a maturity of less than three months from the date of acquisition.

## 5. Intangible assets

Reconciliation of the opening and closing balances of intangible assets recognised in the balance sheet in 2023 and 2022:

EUR thousand	Balance at 1/1/23	Additions or charges	Disposals or reductions	Transfers	Balance at 31/12/23
<b>Cost</b>					
Licences	60,666	—	—	—	60,666
Trademarks and industrial property	16,379	—	—	—	16,379
Computer software	78,340	—	(63)	3,831	82,108
Other intangible assets	2,242	—	—	—	2,242
Intangible assets in progress	—	3,831	—	(3,831)	—
	<b>157,627</b>	<b>3,831</b>	<b>(63)</b>	<b>—</b>	<b>161,395</b>
<b>Accumulated amortisation</b>					
Licences	(42,466)	(6,067)	—	—	(48,533)
Trademarks and industrial property	(8,624)	(816)	—	—	(9,440)
Computer software	(71,952)	(4,410)	63	—	(76,300)
Other intangible assets	(2,165)	(77)	—	—	(2,242)
	<b>(125,207)</b>	<b>(11,370)</b>	<b>63</b>	<b>—</b>	<b>(136,515)</b>
<b>Total</b>	<b>32,420</b>	<b>(7,539)</b>	<b>—</b>	<b>—</b>	<b>24,880</b>

EUR thousand	Balance at 1/1/22	Additions or charges	Disposals or reductions	Transfers	Balance at 31/12/22
<b>Cost</b>					
Licences	60,666	—	—	—	60,666
Trademarks and industrial property	16,379	—	—	—	16,379
Computer software	74,554	—	—	3,786	78,340
Other intangible assets	2,242	—	—	—	2,242
Intangible assets in progress	—	3,786	—	(3,786)	—
	<b>153,841</b>	<b>3,786</b>	<b>—</b>	<b>—</b>	<b>157,627</b>
<b>Accumulated amortisation</b>					
Licences	(36,399)	(6,067)	—	—	(42,466)
Trademarks and industrial property	(7,802)	(822)	—	—	(8,624)
Computer software	(66,305)	(5,647)	—	—	(71,952)
Other intangible assets	(2,089)	(76)	—	—	(2,165)
	<b>(112,595)</b>	<b>(12,612)</b>	<b>—</b>	<b>—</b>	<b>(125,207)</b>
<b>Total</b>	<b>41,246</b>	<b>(8,826)</b>	<b>—</b>	<b>—</b>	<b>32,420</b>

The Company had the following fully amortised intangible assets still in use in 2023 and 2022 (in EUR thousand):

Description	Gross carrying amount	
	2023	2022
Intellectual property	486	486
Computer software	70,662	61,630
Other intangible assets	2,242	1,550
<b>Total</b>	<b>73,390</b>	<b>63,666</b>



As at 31 December 2023 and 2022, the Company did not have any intangible assets pledged as collateral and there were no restrictions on their ownership. It also did not have any commitments to acquire intangible assets.

## 6. Property, plant and equipment

Reconciliation of the opening and closing balances of property, plant and equipment and the most significant information affecting this item in 2023 and 2022 (in EUR thousand):

EUR thousand	Balance at 1/1/23	Additions or charges	Disposals or reductions	Transfers	Balance at 31/12/23
<b>Cost</b>					
Land and buildings	62,834	—	—	435	63,269
Plant and machinery	129,117	—	(4,152)	5,235	130,200
Other fixtures and tools	247	—	—	—	247
Furniture	7,340	—	(86)	54	7,308
Computer hardware	31,873	—	(727)	1,185	32,331
Transport equipment and other items of property, plant and equipment	21	—	—	—	21
Property, plant and equipment in progress	32	7,813	—	(6,909)	936
	<b>231,463</b>	<b>7,813</b>	<b>(4,965)</b>	<b>—</b>	<b>234,311</b>
<b>Accumulated depreciation</b>					
Land and buildings	(43,085)	(1,314)	—	—	(44,399)
Plant and machinery	(121,609)	(3,809)	4,143	—	(121,275)
Other fixtures and tools	(245)	(1)	—	—	(246)
Furniture	(6,899)	(121)	86	—	(6,934)
Computer hardware	(29,904)	(1,187)	726	—	(30,365)
Transport equipment and other items of property, plant and equipment	(21)	—	—	—	(21)
	<b>(201,763)</b>	<b>(6,432)</b>	<b>4,955</b>	<b>—</b>	<b>(203,240)</b>
<b>Total</b>	<b>29,700</b>	<b>1,381</b>	<b>(10)</b>	<b>—</b>	<b>31,071</b>

EUR thousand	Balance at 1/1/22	Additions or charges	Disposals or reductions	Transfers	Balance at 31/12/22
<b>Cost</b>					
Land and buildings	62,502	—	—	332	62,834
Plant and machinery	125,607	—	(531)	4,041	129,117
Other fixtures and tools	245	—	—	2	247
Furniture	7,280	—	(110)	170	7,340
Computer hardware	31,868	—	(1,003)	1,008	31,873
Transport equipment and other items of property, plant and equipment	21	—	—	—	21
Property, plant and equipment in progress	105	5,477	2	(5,552)	32
	<b>227,627</b>	<b>5,477</b>	<b>(1,642)</b>	<b>1</b>	<b>231,463</b>
<b>Accumulated depreciation</b>					
Land and buildings	(41,767)	(1,318)	—	—	(43,085)
Plant and machinery	(118,358)	(3,783)	531	1	(121,609)
Other fixtures and tools	(244)	(1)	—	—	(245)
Furniture	(6,867)	(140)	108	—	(6,899)
Computer hardware	(29,548)	(1,357)	1,001	—	(29,904)
Transport equipment and other items of property, plant and equipment	(21)	—	—	—	(21)
	<b>(196,805)</b>	<b>(6,599)</b>	<b>1,640</b>	<b>1</b>	<b>(201,763)</b>
<b>Total</b>	<b>30,822</b>	<b>(1,122)</b>	<b>(2)</b>	<b>2</b>	<b>29,700</b>



The Company owns individually significant property with the following separate value of construction (net of depreciation) and that of the land at the end of 2023 and 2022 (in EUR thousand):

Property	2023	2022
Land	11,517	11,517
Buildings	7,351	8,231
<b>Total</b>	<b>18,868</b>	<b>19,748</b>

In 2023, the Company derecognised items of property, plant and equipment, giving rise to a net loss of EUR 7 thousand (2022: EUR 5 thousand net gain).

The Company had the following fully depreciated items of property, plant and equipment still in use at year-end 2023 and 2022 (in EUR thousand):

Description	Gross carrying amount	
	2023	2022
Plant	113,531	114,671
Buildings	26,617	25,974
Computer hardware	28,404	27,361
Furniture	6,478	6,446
Other property, plant and equipment	266	265
<b>Total</b>	<b>175,296</b>	<b>174,717</b>

The Company's policy is to arrange insurance policies to cover potential risks that could affect its items of property, plant and equipment. At the end of 2023 and 2022, there was no shortage of cover of these risks.

As at 31 December 2023 and 2022, the Company did not have any property, plant and equipment pledged as collateral and there were no restrictions on their ownership. It also did not have any commitments to acquire property, plant and equipment.

## 7. Leases

As the leases in force are all operating leases, the income and expenses are recognised in profit or loss for the reporting period in which they are accrued.

Any payment received or made on entering into an operating lease is considered as revenue received in advance or a prepayment and taken to profit or loss over the lease term in accordance with the pattern of economic benefits transferred or received.

At 31 December 2023 and 2022, the Company had leases in force with lessors with the following minimum lease payments, primarily for the lease of offices, excluding the effect of shared expenses, future inflation adjustments or contractually agreed rent increases (in EUR thousand):

Operating leases Minimum payments	Nominal amount	
	2023	2022
Within one year	522	515
After one year but not more than five years	283	499
<b>Total</b>	<b>804</b>	<b>1,014</b>

The breakdown of lease expenses with related parties is as follows:

<b>EUR thousand</b>	<b>2023</b>	<b>2022</b>
Uniprex, S.A. Unipersonal	22	20
<b>Total</b>	<b>22</b>	<b>20</b>

At the end of 2023 and 2022, the Company, as a lessor under operating leases, had annual lease arrangements with certain Group companies for facilities and other minor multi-year lease arrangements with non-Group companies. Since the leased facilities are in the same building as the Company, they are not considered investment property included in the Company's assets.

Income from operating leases in 2023 amounted to EUR 373 thousand (2022: EUR 396 thousand).



## 8. Financial instruments by category

The Company's financial assets and liabilities at 31 December 2023 and 2022 are as follows:

	Categories				Carrying amount at 31/12/23
	Measured at cost and at amortised cost	Measured at fair value through profit or loss	Measured at fair value through equity	Measured at fair value Hedging instruments	
<b>EUR thousand</b>					
<b>Non-current financial assets (Note 9)</b>	<b>183,177</b>	<b>303</b>	<b>144,137</b>	<b>—</b>	<b>327,617</b>
Equity instruments	132,859	303	144,137	—	277,299
Non-current loans	50,240	—	—	—	50,240
Guarantees and deposits	78	—	—	—	78
<b>Derivatives (Note 11)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4,015</b>	<b>4,015</b>
<b>Total non-current financial assets</b>	<b>183,177</b>	<b>303</b>	<b>144,137</b>	<b>4,015</b>	<b>331,632</b>
<b>Trade receivables (Note 21.2)</b>	<b>200,181</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>200,181</b>
<b>Other current financial assets</b>	<b>24,771</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>24,771</b>
Other receivables	1,613	—	—	—	1,613
Employee receivables	54	—	—	—	54
Loans and other receivables (Note 21.2)	15,410	—	—	—	15,410
Guarantees and deposits	7,694	—	—	—	7,694
<b>Derivatives (Note 11)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,538</b>	<b>1,538</b>
<b>Total current financial assets</b>	<b>224,952</b>	<b>—</b>	<b>—</b>	<b>1,538</b>	<b>226,490</b>
<b>Bonds and debentures (Note 15.1)</b>	<b>113,122</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>113,122</b>
<b>Bank borrowings (Note 15.1)</b>	<b>48,527</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>48,527</b>
<b>Derivatives (Note 11)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>61</b>	<b>61</b>
<b>Other financial liabilities</b>	<b>174</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>174</b>
Loans and other payables	174	—	—	—	174
<b>Total non-current financial liabilities</b>	<b>161,823</b>	<b>—</b>	<b>—</b>	<b>61</b>	<b>161,884</b>
<b>Bonds and debentures (Note 15.2)</b>	<b>2,711</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,711</b>
<b>Bank borrowings (Note 15.2)</b>	<b>20,523</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>20,523</b>
<b>Derivatives (Note 11)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>142</b>	<b>142</b>
<b>Other non-current liabilities (Note 21.2)</b>	<b>103,727</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>103,727</b>
Loans and other payables	103,727	—	—	—	103,727
<b>Payable to suppliers (Note 16)</b>	<b>242,670</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>242,670</b>
<b>Other payables</b>	<b>277</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>277</b>
<b>Employee receivables</b>	<b>14,445</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>14,445</b>
<b>Advances from customers</b>	<b>736</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>736</b>
<b>Total current financial liabilities</b>	<b>385,089</b>	<b>—</b>	<b>—</b>	<b>142</b>	<b>385,231</b>



EUR thousand	Categories				Carrying amount at 31/12/22
	Measured at cost and at amortised cost	Measured at fair value through profit or loss	Measured at fair value through equity	Measured at fair value Hedging instruments	
<b>Non-current financial assets (Note 9)</b>	<b>153,424</b>	<b>99</b>	<b>159,607</b>	<b>—</b>	<b>313,130</b>
Equity instruments	131,291	99	159,607	—	290,997
Non-current loans	22,056	—	—	—	22,056
Guarantees and deposits	77	—	—	—	77
<b>Derivatives (Note 11)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>14,437</b>	<b>14,437</b>
<b>Total non-current financial assets</b>	<b>153,424</b>	<b>99</b>	<b>159,607</b>	<b>14,437</b>	<b>327,567</b>
<b>Trade receivables (Note 21.2)</b>	<b>200,630</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>200,630</b>
<b>Other current financial assets</b>	<b>121,969</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>121,969</b>
Other receivables	1,599	—	—	—	1,599
Employee receivables	131	—	—	—	131
Loans and other receivables (Note 21.2)	42,411	—	—	—	42,411
Guarantees and deposits	77,828	—	—	—	77,828
<b>Derivatives (Note 11)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,257</b>	<b>3,257</b>
<b>Total current financial assets</b>	<b>322,599</b>	<b>—</b>	<b>—</b>	<b>3,257</b>	<b>325,856</b>
<b>Bonds and debentures (Note 15.1)</b>	<b>117,195</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>117,195</b>
<b>Bank borrowings (Note 15.1)</b>	<b>67,917</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>67,917</b>
<b>Derivatives (Note 11)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>72</b>	<b>72</b>
<b>Other financial liabilities</b>	<b>19</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>19</b>
Loans and other payables	19	—	—	—	19
<b>Total non-current financial liabilities</b>	<b>185,131</b>	<b>—</b>	<b>—</b>	<b>72</b>	<b>185,203</b>
<b>Bonds and debentures (Note 15.2)</b>	<b>74,787</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>74,787</b>
<b>Bank borrowings (Note 15.2)</b>	<b>20,470</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>20,470</b>
<b>Derivatives (Note 11)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>84</b>	<b>84</b>
<b>Other non-current liabilities (Note 21.2)</b>	<b>85,830</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>85,830</b>
Loans and other payables	85,830	—	—	—	85,830
<b>Payable to suppliers (Note 16)</b>	<b>270,598</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>270,598</b>
<b>Employee receivables</b>	<b>13,546</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>13,546</b>
<b>Other payables</b>	<b>32</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>32</b>
<b>Advances from customers</b>	<b>949</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>949</b>
<b>Total current financial liabilities</b>	<b>466,212</b>	<b>—</b>	<b>—</b>	<b>84</b>	<b>466,296</b>

## 9. Non-current and current investments

### 9.1 Non-current investments

Breakdown of non-current investments at year-end 2023 and 2022 (in EUR thousand):

	2023	2022
<b>Derivatives</b>		
Hedging derivatives (Note 11)	4,015	14,437
<b>Investments</b>		
Measured at fair value (Note 21.2)	144,440	159,706
<b>Loans and receivables</b>		
Non-current guarantees and deposits	78	77
<b>Total</b>	<b>148,533</b>	<b>174,220</b>

Non-current investments in the equity instruments of companies over which the Company does not exercise significant influence in accordance with Rule for the Preparation of Financial Statements no. 13 since it does not participate in the setting of financial or commercial policies. This item relates to the Company's strategy of diversifying the sources of growth other than advertising revenues through investments using the model of broadcasting advertising in exchange for an ownership interest in a company. Investments include the holding in Fever Labs Inc, the carrying amount of which at 31 December 2023 was EUR 140,987 thousand (2022: EUR 156,457 thousand). In 2023, the change in the amount of equity instruments at fair value through profit or loss in non-current assets was primarily the result of the sale carried out in 2023 of a non-controlling interest in FEVER LABS, Inc. for EUR 12,279 thousand, which generated a gain of EUR 9,986 thousand recognised in "Gains/(losses) on disposals and other" in the statement of profit or loss. The rest of the change related to the remeasurement of the investment at the exchange rate at 31 December 2023.

The Company measures the recoverability of its equity investments as explained in Note 4.5, recognising impairment where applicable under "Impairment and gains/(losses) on disposals of financial instruments" in the statement profit or loss.

## 9.2 Current investments

Balance of current investments at 31 December 2023 and 2022 (in EUR thousand):

	2023	2022
<b>Derivatives</b>		
Derivatives (Note 11)	1,538	3,257
<b>Investments</b>		
Measured at cost	4,453	75,000
<b>Loans and receivables</b>		
Current guarantees and deposits	3,241	2,828
<b>Total</b>	<b>9,232</b>	<b>81,085</b>

As 31 December 2023, current investments measured at cost for EUR 4,453 thousand (2022: EUR 75,000 thousand) related to bank deposits maturing in 7-11 months (2022: 5-11 months).

## 9.3 Non-current investments in group companies, jointly controlled entities and associates

Breakdown of non-current investments in group companies, jointly controlled entities and associates at year-end 2023 and 2022 (in EUR thousand):

	2023	2022
Investments in group companies and associates (Note 21.2)	132,859	131,291
Non-current loans to group companies and associates (Note 21.2)	50,240	22,056
<b>Total</b>	<b>183,099</b>	<b>153,347</b>



Information on investments in **group companies, jointly controlled entities and associates:**

Company name	Registered address	2023 %	2022 %	Line of business
6&M Producciones y Contenidos Audiovisuales, S.L.U.	Madrid	100	100	Audiovisual productions
Antena 3 Multimedia, S.L.U.	Madrid	100	100	Audiovisual services
Antena 3 Noticias, S.L.U.	Madrid	100	100	Audiovisual productions
Atres Advertising, S.L.U.	Madrid	100	100	Advertising management
Atresmedia Capital, S.L.U.	Madrid	100	100	Holding company
Atresmedia Cine, S.L.U.	Madrid	100	100	Audiovisual productions
Atresmedia Música, S.L.U.	Madrid	100	100	Management of music rights
Atresmedia Smart Tools, S.L.	Madrid	100	100	Audiovisual-related document management
Atresmedia Studios, S.L.U.	Madrid	100	100	Production of audiovisual content
Atresmedia Tech, S.L.	Madrid	100	100	Provision of IT services
Diariomotor Medios Digitales, S.L.	Madrid	100	100	Development and operation of digital content
Música Aparte, S.A.U.	Madrid	100	100	Management of copyrights
Uniprex, S.A.U.	Madrid	100	100	Radio broadcasting services
Ac2ality, S.L.	Madrid	35.1	—	Social media news published and distributor
Buendía Estudios, S.L.	Madrid	50	50	Production of audiovisual content
Buendía Producción, S.L.	Madrid	—	50	Production of audiovisual content (*)
CTK Live Esports, S.L.	Alicante	50	50	Technology services
Hola Televisión América, S.L.	Madrid	50	50	Audiovisual media services
Suma Content, S.L.	Madrid	30	30	Development, production and marketing of audiovisual works

(\*) Merged into Buendia Estudios, S.L. in 2023

**2023**

Company name	Cost	Impairment/reversal for the year	Accumulated impairment losses	Share capital	Operating profit/(loss)	Net profit/(loss)	Other equity	Total equity	Dividends received
6&M Producciones y Contenidos Audiovisuales, S.L.U.	1,629	—	—	50	1,957	1,467	1,688	3,205	—
Antena 3 Multimedia, S.L.U.	3	—	—	3	22	—	238	241	—
Antena 3 Noticias, S.L.U.	4,233	668	(548)	6	1,164	667	3,011	3,685	—
Atres Advertising, S.L.U.	3	—	—	3	(502)	(956)	3,468	2,516	—
Atresmedia Capital, S.L.U.	15,111	(9,397)	(13,496)	4	(147)	(9,397)	11,008	1,615	—
Atresmedia Cine, S.L.U.	34,022	1,683	(27,402)	1,900	3,055	1,679	3,042	6,621	—
Atresmedia Música, S.L.U.	102	—	—	3	174	130	779	912	—
Atresmedia Smart Tools, S.L.	3	—	—	3	(1)	(1)	—	2	—
Atresmedia Studios, S.L.U.	6,621	409	(3,850)	203	465	409	2,159	2,771	—
Atresmedia Tech, S.L.U.	1,191	3	(605)	310	23	3	274	586	—
Diariomotor Medios Digitales, S.L.	6,644	(1,084)	(1,084)	18	203	152	803	973	—
Música Aparte, S.A.U.	60	—	—	60	1,941	1,455	850	2,365	—
Uniprex, S.A.U.	106,635	—	—	900	(3,083)	(8,626)	85,811	78,085	—
Ac2ality, S.L.	1,403	—	—	6	182	157	723	887	—
Buendía Estudios, S.L.	3	—	—	3	1,842	1,180	(655)	528	—
CTK Live Esports, S.L.	300	—	—	6	(226)	(174)	289	121	—
Hola Televisión América, S.L.	6,174	—	(6,174)	3,089	(8)	(457)	6,784	9,416	—
Suma Content, S.L.	1,880	—	—	3	1,458	1,057	1,079	2,139	—
<b>Total</b>	<b>186,018</b>	<b>(7,718)</b>	<b>(53,159)</b>	<b>6,570</b>	<b>8,519</b>	<b>(11,255)</b>	<b>121,351</b>	<b>116,668</b>	<b>—</b>

**2022**



Company name	Cost	Impairment /reversal for the year	Accumulate impairmen losses	Share capital	Operating profit/(loss)	Net profit/(loss)	Other equity	Total equity	Dividends received
6&M Producciones y Contenidos Audiovisuales, S.L.U.	1,629	—	—	50	1,880	1,423	265	1,738	2,750
Antena 3 Multimedia, S.L.U.	3	—	—	3	(29)	—	238	241	—
Antena 3 Noticias, S.L.U.	4,233	1,143	(1,216)	6	1,102	1,143	1,868	3,017	—
Atres Advertising, S.L.U.	3	—	—	3	2,664	717	2,752	3,471	—
Atresmedia Capital, S.L.U.	7,227	(2,305)	(4,099)	4	(12)	(2,305)	5,430	3,128	—
Atresmedia Cine, S.L.U.	34,022	(1,328)	(29,085)	1,900	(2,468)	(1,323)	4,366	4,942	—
Atresmedia Música, S.L.U.	102	—	—	3	241	182	597	782	—
Atresmedia Smart Tools, S.L.	3	—	—	3	—	—	—	3	—
Atresmedia Studios, S.L.U.	6,621	140	(4,259)	203	70	140	2,020	2,362	—
Atresmedia Tech, S.L.U.	1,191	33	(608)	310	(23)	33	240	584	—
Diariomotor Medios Digitales, S.L.	6,644	—	—	18	211	158	645	821	—
Música Aparte, S.A.U.	60	—	—	60	6,464	4,849	(3,999)	910	5,600
Uniprex, S.A.U.	106,635	—	—	900	(4,593)	(3,444)	89,254	86,711	—
Buendía Estudios, S.L.	2	—	—	3	(877)	95	(937)	(839)	—
Buendía Producción, S.L.	2	—	—	3	1,370	1,016	(821)	198	—
CTK Live Esports, S.L.	300	—	—	600	—	—	—	600	—
Hola Televisión América, S.L.	6,174	—	(6,174)	3,089	(6)	(50)	7,099	10,139	—
Suma Content, S.L.	1,880	—	—	3	(252)	(189)	1,268	1,082	—
<b>Total</b>	<b>176,732</b>	<b>(2,317)</b>	<b>(45,440)</b>	<b>7,161</b>	<b>5,742</b>	<b>2,445</b>	<b>110,285</b>	<b>119,890</b>	<b>8,350</b>

Non-current loans to group companies, jointly controlled entities and associates (in EUR thousand):

Loans	Balance at 1/1/23	Additions	Transfers	Disposals	Balance at 31/12/23
Atresmedia Cine, S.L.U.	20,450	—	6,321	—	26,771
Buendía Estudios, S.L.	1,196	410	(1,606)	—	—
Buendía Producción, S.L.	410	—	—	(410)	—
Atresmedia Capital, S.L.U.	—	—	23,469	—	23,469
<b>Total</b>	<b>22,056</b>	<b>410</b>	<b>28,184</b>	<b>(410)</b>	<b>50,240</b>

Loans	Balance at 1/1/22	Additions	Transfers	Disposals	Balance at 31/12/22
Uniprex, S.A.U.	3,000	—	(3,000)	—	—
Atresmedia Cine, S.L.U.	17,913	—	2,537	—	20,450
Buendía Estudios, S.L.	—	—	1,196	—	1,196
Buendía Producción, S.L.	—	—	410	—	410
Atresmedia Capital, S.L.U.	23,469	—	(23,469)	—	—
<b>Total</b>	<b>44,382</b>	<b>—</b>	<b>(22,326)</b>	<b>—</b>	<b>22,056</b>

The Company granted a loan to Atresmedia Cine, S.L. Unipersonal (formerly Antena 3 Films, S.A. Unipersonal), which accrues fixed annual interest. On 31 December 2020, the terms of the loan were modified, with maturity now at 31 December 2025 and a limit of EUR 100,000 thousand. The amount drawn down as at 31 December 2023 was EUR 26,771 thousand (2022: EUR 20,450) (see Note 21.2).

Meanwhile, as a result of the merger by absorption between Buendía Estudios, S.L., as the absorbing company, and Buendía Producción, S.L., as the absorbed company, the loan granted to Buendía Producción for EUR 410 thousand was transferred to Buendía Estudios, S.L. In June 2022, the Company rolled over the profit participating loan agreements for EUR 410 thousand and EUR 1,197 maturing in January and July 2024, respectively, entered into to cover the Company's financing needs. These profit participating loans carry floating rates of interest determined in accordance with the borrowers' operations based on their profit before tax performance. At 31 December de 2023, they were recognised under current assets.

The Company also granted a profit participating loan to its subsidiary, Atresmedia Capital, S.L. Unipersonal, for EUR 23,469 thousand. At 31 December 2022, these loans had short-term maturities and were recognised under current assets. In 2023, they were tacitly renewed for a maximum period of two years from each loan's maturity, so at 31 December 2023 they were recognised in non-current assets. These loans carry floating rates of interest determined in accordance with the borrowers' operations based on their cash flows.

The most representative acquisitions and sales of ownership interests in other entities and other significant corporate transactions in 2023 were as follows:

- On 7 March 2023, the agreement whereby the Company subscribed for a total of 2,268 shares of EUR 1 par value each of Ac2ality, S.L., representing 35.10% of its share capital for EUR 1,000 thousand and deferred consideration of EUR 402 thousand, was executed in a public deed. This company engages primarily in publishing and distributing news via social media.
- On 14 June 2023, the governing bodies of Buendía Estudios, S.L. and Buendía Producción, S.L. drafted and signed jointly common terms of merger by absorption in accordance with Law 3/2009 on structural changes of companies entailing the merger between investees of the same owners and with the same ownership interests, with Buendía Estudios, S.L., as the absorbing company, and Buendía Producción, S.L., as the absorbed company.

On 2 October 2023, the deed for merger by absorption executing the resolutions adopted by the companies' respective shareholders at their Extraordinary General Meetings held on 28 July 2023, was notarised. According to this deed, Buendía Estudios, S.L. acquired en bloc and by universal transfer the assets and liabilities of Buendía Producción, S.L. based on the respective merger balance sheets as at 31 December 2022, with the absorbing company assuming all the rights and obligations of the absorbed company, which was dissolved and extinguished without liquidation.

- On 30 November 2023 the Company contributed EUR 2,305 thousand of funds to Atresmedia Capital, S.L. to offset cumulative prior year's losses. On the same date, it made a further contribution of EUR 5,579 thousand to offset cumulative losses from 1 January to 31 October 2023.

The most representative acquisitions and sales of ownership interests in other entities and other significant corporate transactions in 2022 were as follows:

- On 2 January 2022, the Company incorporated Atresmedia Smart Tools, S.L., subscribing and paying for 1,500 shares of EUR 1 par value each representing 50% of the company's share capital. On 29 June 2022, it subscribed for the remaining 1,500 shares, giving it a 100% shareholding. The company's object includes the provision of specialised professional and technological audiovisual document management services.
- On 25 May 2022, the change in corporate name of subsidiary I3 TELEVISIÓN, S.L.U. to Atresmedia Tech, S.L.U. was executed in a public deed.
- On 21 July 2022, the Company subscribed and paid for 3,000 shares of CTK Live Esports, S.L. of EUR 1 par value each, representing 50% of its share capital, with a share premium of EUR 297 thousand. Its objects include production of IT and computer-related services.

None of Atresmedia Corporación de Medios de Comunicación, S.A.'s investees are listed on Spanish or foreign stock exchanges.



At the end of each year or reporting period, the directors assess the business plans of the Company's investees for objective evidence of impairment, revising them where necessary and estimating the value of the ownership interests and the recoverability of the investments made.

For Uniprex, S.A. Unipersonal and Diariomotor Medios Digitales, S.L., the key assumptions on which the cash flow projections are based refer primarily to the expected trend of the advertising markets where they operate, since they are the main source of revenue generation. The data are based on scenarios used by market participants to set prices, on a consensus among analysts, who are independent third parties employed by the industry in general, on audience figures, advertising efficiency ratios and cost forecasts. Except for advertising, which is measured on the basis of external information sources, the rest of the assumptions are based on past experience and reasonable projections approved by management of the Company and updated in accordance with the performance of the advertising markets.

These future projections cover the next five years. The cash flows for the years not considered in the projections are estimated to be perpetual, with growth of 1.5% for Uniprex, S.A. Unipersonal (2022: 1.5%) and 1.5% for Diariomotor Medios Digitales, S.L. (2022: 2%)

In assessing value in use, which does not differ from fair value, the estimated cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

In order to calculate the discount rate, the current time value of money and the risk premiums generally used by analysts for the business and geographical area (Spain) are taken into account, giving rise to future discount rates in 2023 of 11% for both Uniprex, S.A. Unipersonal and Diariomotor Medios Digitales, S.L. (2022: 10.0%).

For Uniprex, S.A. Unipersonal, based on the sensitivity analysis carried out, an increase of 0.5% in the growth in perpetuity rate would increase the recoverable amount by EUR 8,099 thousand, while a decrease of 5% in that rate would result in a decrease in the recoverable amount of EUR 7,147 thousand. A decrease in the discount rate of 1.0% would increase recoverable amount by EUR 22,450 thousand, while an increase in the discount rate of 1.0% would reduce the amount by EUR 17,426 thousand. The sensitivity analysis performed indicates that there is considerable margin of safety relative to the CGU's carrying amount.

For the Diariomotor Medios Digitales, S.L. business, an increase in the growth in perpetuity rate of 0.5% would increase its value by EUR 189 thousand, while a 0.5% decrease would reduce its value by EUR 170 thousand. A decrease in the discount rate of 1.0% would increase recoverable amount by EUR 538 thousand, while an increase in the discount rate of 1.0% would reduce the amount by EUR 434 thousand; in the latter scenario, recoverable amount would be below the carrying amount of EUR 434 thousand.

For investments for which cash flow projections are not available or whose business entails providing support to television services, impairment is estimated based on carrying amount plus the unrealised gains or losses at the end of the year or reporting period.

In 2023, the Company recognised net losses on impairments and reversals of impairment on financial instruments totalling EUR 7,718 thousand (2022: EUR 2,317 thousand net gain). Impairment losses on equity investments in group companies and associates were recognised amounting to EUR 10,481 thousand (2022: EUR 3,633 thousand). Meanwhile, reversals of previously recognised impairments amounted of EUR 2,763 thousand (2022: EUR 1,316 thousand). Impairment of investments in group companies and associates in 2023 relate to Atresmedia Capital, S.L. Unipersonal and

Diario Motor Medios Digitales S.L. amounting to EUR 9,397 thousand and EUR 1,084 thousand, respectively.

## **10. Information on the nature and extent of risks arising from financial instruments**

The Company's and the Group's risk management and control system is reviewed and updated regularly in response to how the Group's businesses perform and evolve, to risks that actually materialise, to changes in the law, and to how the organisation itself changes and evolves.

This risk management and control system helps the management team to make the right decisions and address risk effectively. We identify and implement any controls and action plans necessary targeting known risks; this enhances our ability to create value and minimises any impact of losses that actually materialise.

Risk analysis and control touches on all the Group's businesses and activities, and involves all our organisational units. This means that risk management and control is a corporate system in which the entire organisation is on alert. The system is headed and overseen by the Board, yet some of its functions are delegated to the Audit and Control Committee. Risk management also brings into play the coordinating role of the Compliance Committee, and input from the Legal Affairs, in risk management and compliance control, Finance, related to financial risks and the controls comprising the system for internal control over financial reporting (ICFR), and, lastly, Internal Audit and Process Control, the coordination and oversight of the overall operation of the risk management system.

The Company and the Group have the necessary tools and organisation to ensure the effectiveness of the control procedures approved.

The Company centralises financial risk management in the Finance Department, which has the necessary mechanisms in place to control exposure to fluctuations in interest and exchange rates, as well as to credit and liquidity risk.

The main financial risks to which the Company is exposed are outlined below:

### a) Credit risk:

The Company generally places cash and cash equivalents with financial institutions with high credit ratings.

The advertising contract terms require bank guarantees prior to the launch of advertising campaigns. There is also no significant concentration of credit risk to third parties and no significant incidents arose in the year.

The percentage of past-due receivables at 31 December 2023 was 2.16% (2022: 1.19%).

In any case, the Company estimates allowances for doubtful receivables based on the age of the debt. Allowances for doubtful receivables at 31 December 2023 stood at EUR 4,905 thousand (2022: EUR 7,348 thousand). In 2023, a charge of EUR 655.66 thousand was recognised and EUR 3,099 thousand utilised related to write-offs of uncollectible receivables. In 2022, a charge of EUR 1,625 thousand was recognised and EUR 1 thousand utilised related to write-offs of uncollectible receivables.

**b) Liquidity risk:**

The Company's liquidity policy is to arrange credit facilities and short-term investments for sufficient amounts to cover funding requirements based on the outlook for the business. All are at floating rates.

In order to guarantee liquidity and meet all payment commitments arising from its activities, the Company has available the cash and cash equivalents shown in the balance sheet, as well as the financing and credit facilities described in Note 15.

**c) Foreign currency risk:**

Foreign currency risk is concentrated principally in payments in international markets to acquire broadcasting rights. To mitigate this risk, the Company enters into hedging instruments, mainly currency forwards, to hedge its exposure to the USD/EUR forward exchange rate (see Note 11).

**d) Interest rate risk:**

The Company's cash and borrowings are exposed to interest rate risk, which could have an adverse impact on its financial performance and cash flows. The Company's financing is arranged at interest rates tied to Euribor. To mitigate this risk, the Company has entered into interest rate swaps (IRSs) to reduce its exposure to variable interest rates (see Note 11).

**e) Foreign currency cash flow risk:**

The Company uses cross currency swaps that swap capital and interest flows in dollars for other capital and interest flows in euros, fixing the exchange rate and half-yearly coupons of the debt from bonds and debentures at a fixed rate in euros.

**11. Derivative financial instruments**

The Company uses derivative financial instruments to hedge the risks to which its businesses, operations and future cash flows are exposed. As part of these transactions, the Company has entered into certain hedging financial instruments, as follows.

**Foreign currency hedges**

The Company uses currency derivatives to hedge significant future transactions and cash flows in USD and mitigate the foreign currency risk. They relate, in all cases, to cash flow hedges for payment obligations in USD relating to the purchase of broadcasting rights (the underlying), in which the exposure to the USD/EUR exchange rate is hedged (hedged risk), which gives rise to a potential change in the cash flows payable in euros for broadcasting rights. This change affects the profit or loss of the period(s) in which the planned payment transaction has not been performed. The Company applies hedge accounting and documents the hedging relationships and measures their effectiveness as required by standards.

In general, on assumption of the commitment to purchase the broadcasting rights, the Group enters into a foreign currency derivative that expires on the payment dates of the payables to suppliers. A hedging relationship is arranged that covers the entire term of the derivative, i.e. the derivative is considered to be a hedging instrument from its inception (when the commitment to purchase the broadcasting rights is assumed) up to the date of payment of the contracted broadcasting rights. Changes in the fair value of the derivative instrument determined to be an effective hedge are recognised temporarily in equity up to the beginning of the term, when they are transferred to profit



or loss in order to offset the impact on profit or loss of changes in the value of the hedged item. Therefore, once the broadcasting rights and the related payables to suppliers are recognised, the changes in fair value of the foreign currency derivatives and in the value of the payables are recognised in the statement of profit or loss at each accounting close.

At 31 December 2023, the Company had entered into hedging instruments on its foreign currency asset and liability positions amounting to USD 9,415 thousand, at a weighted average exchange rate of 1.1035 (USD/EUR). Hedging instruments at 31 December 2022 amounted to EUR 17,337 thousand, at a weighted average exchange rate of 1.1290 (USD/USD).

Total amounts of the outstanding forward currency purchase contracts entered into by the Company at year-end 2023 and 2022:

2023	Classification	Type	Expiry	Notional amount contracted (USD thousand)	Amount contracted (EUR thousand)	Ineffective portion recognised in profit or loss (EUR thousand)	Fair value (EUR thousand)	
							Assets	Liabilities
Currency forwards	Foreign currency hedge	Purchase of USD	2024	6,692	6,060	—	72	142
Currency forwards	Foreign currency hedge	Purchase of USD	2025	2,723	2,472	—	—	61
<b>Total</b>				<b>9,415</b>	<b>8,532</b>	<b>—</b>	<b>72</b>	<b>203</b>

2022	Classification	Type	Expiry	Notional amount contracted (USD thousand)	Amount contracted (EUR thousand)	Ineffective portion recognised in profit or loss (EUR thousand)	Fair value (EUR thousand)	
							Assets	Liabilities
Currency forwards	Foreign currency hedge	Purchase of USD	2023	9,815	8,479	—	692	84
Currency forwards	Foreign currency hedge	Purchase of USD	2024	5,712	5,221	—	65	61
Currency forwards	Foreign currency hedge	Purchase of USD	2025	1,810	1,655	—	—	11
<b>Total</b>				<b>17,337</b>	<b>15,355</b>	<b>—</b>	<b>757</b>	<b>156</b>

At 31 December 2023, the estimated fair value of the Company's foreign currency derivatives, which are designated and effective as cash flow hedges, represented a financial asset of EUR 72 thousand and a financial liability of EUR 203 thousand (2022: asset of EUR 757 thousand and liability of EUR 156 thousand). The impact on profit or loss of changes in the fair value of foreign currency hedges whose underlying was effective at the closing date amounted to a negative EUR 696 thousand (2022: EUR 406 thousand), recognised under "Net gain/(loss) on changes in value of financial instruments at fair value". This impact offsets exchange differences on balances with suppliers in USD, which at that date were a positive EUR 613 thousand (2022: EUR 49 thousand).

At 31 December 2023, there were no derivative instruments whose underlying was not effective at the closing date. At 31 December 2022, the impact recognised in equity of instruments whose underlying was not effective at that date amounted to EUR 57 thousand.

The measurement method consists of estimating the present value of the future cash flows that will arise under the terms and conditions arranged by the parties for the derivative instrument. The spot price is taken to be the reference exchange rate of the European Central Bank on 31 December 2023, the swap points (offer/bid), the interest rates prevailing at the measurement date and the credit risk.

The Company assesses whether the credit risk component has a significant impact on the performance of currency hedges.

The sensitivity analysis of the foreign currency derivative financial instruments demonstrates that changes of +/-10% in the EUR/USD exchange rate prevailing at year-end would give rise to changes in fair value within a range of EUR +/-0.9 million for hedges whose underlying is in force at year-end. At 31 December 2023, there were no hedges whose underlyings that had not yet become effective. Appreciation in the USD/EUR exchange rate gives rise to increases in value, and depreciation to decreases.

The sensitivity analysis of the balances payable to suppliers in USD, shows that changes of +/-10% in the EUR/USD exchange rate prevailing at year-end would give rise to changes in the fair value recognised of around EUR +/-1.5 million, and would be sufficiently offset by the changes in the value of the derivatives entered into.

In 2022, changes of +/-10% in the exchange rate prevailing at year-end would have given rise to changes in fair value within a range of EUR +/-1.5 million for hedges whose underlying was in force at year-end and changes of EUR +/-0.1 million for hedges whose underlying was not yet in force and therefore affected equity.

#### Interest rate hedges

Regarding the syndicated financing, in July 2021 the Company entered into cash flow hedges (CAP) to minimise interest rate risk, limiting the payment of interest on the floating rate borrowing due to an increase in the benchmark 6-month Euribor rate. The hedged item are the financial flows from interest payments referenced to that index. The facility matures in December 2025.

At 31 December 2023, the fair value of the derivative instrument under non-current and current assets was EUR 3,357 thousand and EUR 219 thousand, respectively (2022: EUR 6,127 thousand and EUR 181 thousand, respectively).

Hedge effectiveness was assessed using a qualitative assessment to verify the economic relationship between the hedged item and the hedging instrument, analysing the compatibility of notional amounts, interest settlement periods, maturity dates and the reference of the variable-interest cash flows. The fair value measurement method is based on the present value of the estimated future contractual cash flows by the parties to the hedging instrument. The market swap curve at the measurement date and other normal market techniques are used for the calculation. Changes in the fair value of this financial instrument designated as a hedge are recognised temporarily in equity as they meet the hedge effectiveness requirements, and reclassified to profit or loss as the changes in fair value of the hedged item affect profit or loss.

#### Cross currency swaps

As indicated in Note 15.1, on 11 July 2018, the Company carried out an issue of bonds for USD 200,000 thousand, with maturity at five years (USD 75,000 thousand) and seven years (USD 125,000 thousand), with semi-annual payment of coupons at a fixed rate of interest. Cross currency swaps have been entered into to hedge the risk of fluctuations of these issuances, resulting in a fixed exchange rate and half-yearly payments of coupons on the bonds and debentures at a fixed rate in euros. These are cash flow hedges that hedge exposure to the currency and interest rate risk of the cash

flows related to the hedged underlying. At 31 December 2023, the derivative instrument associated with the Series B bonds was still effective.

At 31 December 2023 the fair value of the derivative related to the bond issue was EUR 1,905 thousand, of which EUR 1,247 thousand was recognised in derivative financial instruments in current assets and EUR 658 thousand under derivative financial instruments in non-current assets. At 31 December 2022, the fair value amounted to EUR 10,629 thousand, with EUR 2,384 thousand recognised as derivatives under current assets and EUR 8,245 thousand under non-current liabilities.

The Company measures the effectiveness of these cash flow hedges by analysing the extent to which changes in the fair value or the cash flows of the hedging instrument offset changes in the fair value or the cash flows of hedged items attributable to the hedged risk. The fair value measurement method is based on the present value of the estimated future contractual cash flows by the parties to the hedging instrument. This determination is made using the quoted prices of swap rates at the measurement date, interest rates prevailing on the measurement, credit risk and generally accepted techniques in the market. It determined that they are effective hedges, so the gain or loss on the hedging instrument is recognised temporarily in equity and taken to profit or loss in the periods in which the hedged transaction affects profit or loss.

The Company assessed the hedge effectiveness of outstanding hedges at the end of the current period. It verified the continuing economic relationship between the hedged item and the hedging instrument and the absence of a significant impact on credit risk that could affect the measurement of the hedging instrument.

## 12. Inventories

Inventories in the balance sheets at 31 December 2023 and 2022:

EUR thousand	2023	2022
<b>Programme rights, net-</b>		
Rights on external productions	163,571	194,072
In-house productions and productions in progress	145,057	119,277
Sports broadcasting rights	3,214	3,214
Write-down of inventories of external productions	(39,059)	(46,476)
Write-down of inventories of sports broadcasts	(3,214)	(3,214)
	<b>269,569</b>	<b>266,873</b>
<b>Raw and other materials</b>		
Dubbing, soundtracks and titles	7,701	10,264
Other materials	420	459
	<b>8,121</b>	<b>10,723</b>
<b>Advances to suppliers</b>	<b>604</b>	<b>548</b>
	<b>278,294</b>	<b>278,144</b>

"Advances to suppliers" in the accompanying balance sheets as at 31 December 2023 and 2022 includes basically advances paid in connection with external production commitments and live broadcasting.

Changes in write-downs of inventories in the accompanying balance sheets (in EUR thousand):

	Balance at 1/1/23	Additions	Transfers	Disposals or reductions	Balance at 31/12/23
<b>Write-downs of inventories</b>	<b>(46,476)</b>	(2,038)	—	9,455	<b>(39,059)</b>

  

	Balance at 1/1/22	Additions	Transfers	Disposals or reductions	Balance at 31/12/22
<b>Write-downs of inventories</b>	<b>(38,789)</b>	(8,800)	—	1,113	<b>(46,476)</b>

The write-downs recognised arose as a result of the decision, based on estimates made by the Company, that certain titles would not be marketable and it was not likely that they would form part of the Parent's programme schedule.

At 31 December 2023, the Company had commitments, mainly for the purchase of audiovisual property rights and the production of programmes, amounting to EUR 63,816 thousand (2022: EUR 54,158 thousand). In addition, the Company has purchase commitments to distributors, the definitive amount and price of which will be determined once the programmes are produced and, in certain cases, by establishing the acquisition price on the basis of box-office takings. The best estimate of these commitments amounted to EUR 33,325 thousand (2022: EUR 52,000 thousand).

Inventoriable in-house productions are expected to be amortised in full and approximately EUR 100,000 thousand of external production rights will be amortised in 2024 (see Note 4.6).

### 13. Equity and shareholders' equity

Shareholder structure at year-end 2023 and 2022:

	% ownership
Grupo Pasa Cartera, S.A. Unipersonal	41.70
Ufa Film und Fernseh GMBH	18.65
Treasury shares	0.25
Other shareholders	39.40
<b>Total</b>	<b>100</b>

There are agreements among the main shareholders that guarantee the Company's shareholder stability, the grant of mutual rights of acquisition on their shares, the undertaking not to take control of the Company or to permit a third party to do so, and also include management agreements, as described in the Annual Corporate Governance Report.

The Company's share capital at 31 December 2023 and 2022 amounted to EUR 169,300 thousand, represented by 225,732,800 fully subscribed and paid shares of EUR 0.75 par value each, which carry the same rights.

The shares of the Company are admitted to trading on the Spanish Stock Market Interconnection System (Continuous Market).

### 13.1 Reserves

Under the Spanish Corporate Enterprises Act, the Company must earmark an amount equal to 10% of profit for the year to a legal reserve until such reserve reaches at least 20% of the capital. The legal reserve can be used to increase capital by the amount exceeding 10% of the increased capital amount. Except for this purpose, until the legal reserve exceeds the limit of 20% of share capital, it can only be used to offset losses, if there are no other reserves available.

At 31 December 2023, the legal reserve was fully allocated (EUR 33,860 thousand).

This item also includes a restricted amount of EUR 281 thousand related to "Reserve for the adjustment of share capital to euros".

As a result of the capital reduction made in 2006, a reserve of EUR 8,333 thousand was established, equal to the par value of the redeemed shares, which may only be used if the same requirements as those for the reduction of share capital are met, pursuant to Article 335.c of the Corporate Enterprises Act.

The remaining reserves, with a balance of EUR 160,927 thousand, are unrestricted.

### 13.2 Treasury shares

Treasury shares held by the Company at the end of 2023 and 2022:

Year	No. of shares	Par value (EUR)	Average acquisition price (EUR)	Total cost (EUR thousand)
2023	554,376	415,782	11.13	6,168
2022	554,376	415,782	11.13	6,168

At 31 December 2023, the shares of the Company held by it represented 0.246% of share capital and totalled 554,376 shares, with a value of EUR 6,168 thousand and an average acquisition price of EUR 11.13 per share.

Shareholders at the General Meeting held on 29 April 2020 approved a resolution authorising the Company to acquire treasury shares provided that they did not exceed the maximum legal limit permitted by law at any given time. This limit is set at 10% of the subscribed share capital by Article 509 of the Corporate Enterprises Act, approved by Legislative Royal Decree 1/2010, of 2 July. This authorisation is in force until 2025 and rendered null and void the authorisation granted at the General Meeting on 22 April 2015.

### 13.3 Dividends

At the General Meeting held on 26 April 2023, the shareholders of the Company ratified the distribution of an ordinary dividend out of 2022 profit for a gross amount of twenty-two euro cents (EUR 0.22) per share, for a total of EUR 49,539 thousand. This is a final dividend and comes in addition to the interim dividend paid on 14 December 2022 of EUR 0.18 gross per share, for a total amount of EUR 40,532 thousand. This dividend was paid on 22 June 2023.

At the Company's Board of Directors meeting, held on 22 November 2023, a resolution was passed to distribute, out of the profit for 2023, the gross amount of eighteen euro cents (EUR 0.18) for each of the 225,732,800 shares of EUR 0.75 par value representing the share capital, of which 554,376 were treasury shares. Accordingly, the dividend rights inherent to treasury shares were attributed proportionately to the other shares in accordance with Article 148 of the Corporate Enterprises Act. This dividend was paid to shareholders as an interim dividend on 13 December 2023, for a total amount of EUR 40,532 thousand.





### 13.4 Government grants

Disclosures on government grants received by the Company, which are included in equity, and the related amounts recognised in profit or loss at year-end 2023 and 2022 are as follows (in EUR thousand):

Body	Domain	Balance at 1/1/23	Increases	Transfer to profit/(loss)	Balance at 31/12/23	Tax effect	Amount recognised in equity
Private sector	Spanish organisation	6,065	16,247	(7,918)	14,394	(2,082)	12,311

Body	Domain	Balance at 1/1/22	Increases	Transfer to profit/(loss)	Balance at 31/12/22	Tax effect	Amount recognised in equity
Private sector	Spanish organisation	—	9,811	(1,724)	8,087	(2,022)	6,065

In 2023, the Company earned income on financing agreements for a gross total of EUR 16,247 thousand (2022: EUR 9,811 thousand). Of the grants recognised, EUR 7,918 thousand were recognised in profit or loss for the year (2022: EUR 1,724 thousand). The rest remained in equity, net of the tax effect, and will be released to profit or loss as the subsidised inventories are consumed.

At year-end 2023, the Company had complied with all the attaching conditions for receiving the grants detailed above.

### 14. Provisions and contingencies

Current and non-current provisions in 2023 and 2022 (in EUR thousand):

EUR thousand	Balance at 1/1/23	Charges	Amounts used	Surplus	Transfers	Balance at 31/12/23
<b>Non-current</b>						
Employee remuneration	17,761	5,312	(52)	—	(2,086)	20,935
Provisions for litigation	20,364	—	—	—	—	20,364
	<b>38,125</b>	<b>5,312</b>	<b>(52)</b>	<b>—</b>	<b>(2,086)</b>	<b>41,299</b>
<b>Current</b>						
Employee remuneration	2,305	—	(2,253)	—	2,086	2,138
Provisions for litigation	5,052	1,911	(88)	(1,920)	—	4,955
Other provisions	8,721	424	—	(304)	—	8,842
	<b>16,078</b>	<b>2,335</b>	<b>(2,341)</b>	<b>(2,224)</b>	<b>2,086</b>	<b>15,935</b>

EUR thousand	Balance at 1/1/22	Charges	Amounts used	Surplus	Transfers	Balance at 31/12/22
<b>Non-current</b>						
Employee remuneration	14,800	5,627	(401)	—	(2,265)	17,761
Provisions for litigation	20,364	—	—	—	—	20,364
	<b>35,164</b>	<b>5,627</b>	<b>(401)</b>	<b>—</b>	<b>(2,265)</b>	<b>38,125</b>
<b>Current</b>						
Employee remuneration	2,703	—	(2,663)	—	2,265	2,305
Provisions for litigation	6,658	1,545	(83)	(3,068)	—	5,052
Other provisions	7,902	2,945	—	(2,126)	—	8,721
	<b>17,263</b>	<b>4,490</b>	<b>(2,746)</b>	<b>(5,194)</b>	<b>2,265</b>	<b>16,078</b>

### Provisions for employee benefits

During the year ended 31 December 2020, the Group offered permanent employees aged 57 and over and more than 15 years of service by year-end 2020 a voluntary redundancy plan (the "2020 Plan"). The 2020 Plan was of limited duration, to 31 December 2020, and entailed the voluntary termination of employment through individual agreements. The severance scheme for employees taking part included monthly income until ordinary retirement age calculated based on the employee's base salary and including the payment of any social security supplements to which the employee is entitled. The total amount of obligations arising from these agreements recognised in 2020 was calculated based on the number of employees who signed up to the Plan, updated using the Spanish yield curve up to 10 years, as explained in Note 4.16. As at 31 December 2023, the provision had been utilised in accordance with the payment schedule agreed with each employee. At the end of the reporting period, the amount of this provision is updated and the amount payable within the next 12 months is reclassified from non-current to current.

At the General Meeting held on 28 April 2021, approval was given to implement a long-term variable remuneration scheme, with partial delivery of Company shares, for executive directors and certain managers of the Group. This long-term variable remuneration plan is linked to the achievement of financial and non-financial targets. Note 21.3 details the plan's main features. As at 31 December 2023, the amount recognised under "Personnel costs" in the statement of profit or loss related to the variable remuneration plan was EUR 5,027 thousand (2022: EUR 5,667 thousand). The cumulative provision in this regard at 31 December 2023 is EUR 16,441 thousand (2022: EUR 11,414 thousand).

### Provisions for litigation

At 31 December 2023 and 2022, certain civil, labour, criminal and administrative lawsuits had been filed against the Company which were taken into account in estimating potential contingent liabilities. Noteworthy, in view of their amount, were the lawsuits with certain collection societies. Specifically, a favourable ruling was handed down in the case involving the Spanish Intellectual Rights Management Association (AGEDI)-Artistas Intérpretes o Ejecutantes, Sociedad de Gestión de España (AIE), the management entity for music performers and executant musicians. However, the impact cannot be quantified since the ruling has yet to be enforced. The payment schedule related to litigation is based on court judgements and is therefore difficult to estimate. "Other provisions" relates mainly to estimated future risks. For both, charges, amounts used and surpluses are recognised under "Other operating expenses" in the statement of profit or loss.

The directors of the Company and its legal advisers do not expect any material liabilities in addition to those already recognised to arise from the outcome of the ongoing lawsuits.

### Contingencies

In November 2019, the Comisión Nacional de los Mercados y la Competencia (CNMC, Spain's competition watchdog) arrived at a decision in disciplinary proceedings S/DC/0617/17 *Atresmedia/Mediaset*. Both operators, Atresmedia and Mediaset, were fined, and barred from specified courses of conduct.

In its decision, the CNMC found that Atresmedia and Mediaset had breached Article 1 of *Ley 15/2007, de 3 de julio, de Defensa de la Competencia*, Spain's competition statute, and Article 101 of the Treaty on the Functioning of the European Union, by setting terms in arrangements with television advertisers and media agencies that were apt to restrict competition.

The specific restrictions on competition disapproved by the CNMC are:

1. contractual imposition on advertisers of minimum quotas of television advertising,
2. a bundled marketing system that makes sale of television advertising subject to advertisers buying channel bundles and simulcast or single-platform television advertising, and
3. a system of rewarding media agencies for brokering advertising deals.

The CNMC found in its decision that the Atresmedia Group parties liable for the breach are Atresmedia Corporación de Medios de Comunicación, S.A. and Atres Advertising, S.L.U.

In its decision, the CNMC determined that the unlawful conduct of the two television operators started no later than 2013, when all the restrictions were in place, and continued until 2017 or later. The fine imposed on Atresmedia was EUR 38,246,520. In addition, Atresmedia and Mediaset were ordered to immediately cease the course of conduct complained of, and any other conduct of equivalent effect, and to refrain from such conduct in future. Within three months of notice of the decision, the parties must take steps to align their commercial and contractual relations to the requirements of the decision. Finally, the Competition Department of the CNMC was instructed to monitor compliance with the decision.

Atresmedia challenged the decision in 2020, filing an application for judicial review with the Administrative Chamber of the Audiencia Nacional, Spain's national court. That application was subsequently found admissible. Therefore, Atresmedia will submit an appeal as soon as the CNMC provides it with all the necessary information requested by Atresmedia from that Chamber. That Chamber will set the legal deadline for Atresmedia to submit written arguments against the CNMC's decision. These arguments are currently under discussion and it is expected that they will be legally correct.

Concurrently with its application for judicial review, Atresmedia sought an interim suspension of the orders to pay a fine and immediately cease the disapproved conduct. This request regarding the financial penalties was granted (contingent on delivering a bank guarantee or similar) but the rest were rejected. In June 2021, a bank guarantee was secured for the full amount of the fine. An appeal for reversal was filed against this ruling, but a response is still pending.

Nevertheless, in keeping with maximum prudence, Atresmedia amended its commercial policy to ensure that its conduct is compatible with that order to cease such contact and, more broadly, the content of the sanction. In addition, as expected, the CNMC initiated surveillance to ensure the resolution, asking Atresmedia for certain information up front, which it has been duly providing.

The directors and legal advisers of the Company believe that the application for judicial review against the CNMC's decision is likely to succeed. It is probable that the court decision will be favourable to the interests of Atresmedia, and therefore the business model so far implemented by the Company will not be materially affected.

Meanwhile, in 2017, Central Examining Court 2 of the Audiencia Nacional (National Court) made an order to enter and search the homes of several authors and other parties related to the engagement under contract for television of musical authors and works. These court proceedings at criminal law affected Atresmedia directly in the person of its musical rights management officer and indirectly via Atresmedia's contractual relationship with the SGAE for settlements of musical broadcasts on television in early morning hours.

In February 2020, this Court decided to investigate Atresmedia in the same proceedings for alleged criminal activities that could include business corruption as provided for and punishable in article 286 bis of the Criminal Code. This offence may be attributed to the

legal person where one of its employees or managers has committed the offence, provided that (i) the company benefited directly or indirectly and (ii) the company lacks effective monitoring and control measures to prevent the crime. The charge contained in the ruling extends to 13 other public and private television operators with national and regional coverage.

The Company's directors and Atresmedia's legal advisors specialised in criminal law consider that no crime has been committed by any natural person, employee or manager of Atresmedia. In their opinion, the initial budget required by Article 31.bis 1 of the Criminal Code is not met.

## 15. Non-current and current payables

### 15.1 Non-current financial liabilities

Balance of "Non-current payables" at 31 December 2023 and 2022:

	Non-current financial instruments							
	Bonds and other marketable debt securities		Bank borrowings		Derivatives and other		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Debts and payables	113,122	117,195	48,527	67,917	172	17	161,821	185,129
Derivatives	—	—	—	—	61	72	61	72
<b>Total</b>	<b>113,122</b>	<b>117,195</b>	<b>48,527</b>	<b>67,917</b>	<b>233</b>	<b>89</b>	<b>161,882</b>	<b>185,201</b>

Breakdown by maturity of "Non-current payables":

	2025	2026	Total
Bonds and other marketable debt securities	113,122	—	113,122
Bank borrowings	19,390	29,137	48,527
Derivatives	216	—	216
Other debts and payables	17	—	17
<b>Total at 31/12/23</b>	<b>132,745</b>	<b>29,137</b>	<b>161,882</b>

	2024	2025	2026	Total
Bonds and other marketable debt securities	—	117,195	—	117,195
Bank borrowings	19,390	19,390	29,137	67,917
Derivatives	61	11	—	72
Other debts and payables	17	—	—	17
<b>Total at 31/12/22</b>	<b>19,468</b>	<b>136,596</b>	<b>29,137</b>	<b>185,201</b>

#### a) Bonds and other marketable debt securities

On 11 July 2018, the Company, to diversify its funding sources, carried out an issuance of senior series A notes, for seventy-five million US dollars with maturity at five years, with semi-annual interest payment of an applicable coupon in US dollars of 4.48%, and an issuance of senior series B notes, for one hundred and twenty-five million US dollars with maturity at seven years, with semi-annual interest payment of an applicable coupon in US dollars of 4.75%, targeting US institutional investors. All the notes are listed on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange. In July 2023, payment of the Series A bonds for EUR 67,838 thousand was made at maturity.

Cross currency swaps have been entered into to hedge the risk of fluctuations of these issuances, resulting in a fixed exchange rate and half-yearly coupon payments at a fixed rate in euros see Note (see Note 11).

## b) Bank borrowings

On 2 June 2021, the Company arranged a new syndicated facility with an initial limit of EUR 250,000 thousand, which was earmarked to repay the syndicated financing arranged in July 2017 and to meet the Company's general corporate and cash requirements. Six banks with which the Company has regular dealings participated in the transaction.

Of the total amount, 40% is a five-year loan, with partial repayments, and 60% a revolving credit facility maturing at five years. No amounts had been drawn down on the credit facility as at 31 December 2023.

The applicable interest rate is Euribor plus a market spread, subject to compliance with financial covenants habitually used in transactions of this kind: the debt to EBITDA ratio and the interest coverage ratio, with semi-annual and annual assessments, and three ESG indicators based on level of compliance and reviewed annually. The Parent's directors expect the covenants to be complied with at 31 December 2023.

The fair value of this financing approximates its carrying amount. In July 2021, the Company entered into cash flow hedges (CAP) to minimise the interest rate risk related to this financing (see Note 11).

The Company also has bilateral financing facilities to meets its cash requirements.

### **15.2 Current financial liabilities**

Current bank borrowings at 31 December 2023 amounted to EUR 20,523 thousand (2022: EUR 20,470 thousand).

The rate of interest paid by the Company in 2023 on the loans and credit facilities arranged with banks was mainly tied to Euribor.

The fair value of interest accrued at 31 December 2023 on bonds and other marketable securities was EUR 2,711 thousand (2022: EUR 4,470 thousand). As explained in Note 11, the Company entered into a swap that generated EUR 1,247 thousand for the Company (2022: EUR 2,384 thousand).

Detail of non-current and current bank borrowings:

EUR thousand	2023			2022		
	Limit	Current balance drawn down	Non-current balance drawn down	Limit	Current balance drawn down	Non-current balance drawn down
Syndicated financing	220,000	20,000	48,527	240,000	20,000	67,917
Credit facilities	73,000	—	—	73,000	—	—
Interest payable	—	523	—	—	470	—
<b>Total</b>	<b>293,000</b>	<b>20,523</b>	<b>48,527</b>	<b>313,000</b>	<b>20,470</b>	<b>67,917</b>

## 16. Trade payables

The balance of this item at year-end 2023 and 2022, excluding amounts receivable from or payable to public authorities, is as follows:

EUR thousand	2023	2022
Payable to suppliers	213,736	242,639
Payable to suppliers, group companies and associates	28,934	27,959
Other payables	277	32
Employee receivables	14,445	13,546
Advances from customers	736	949
	<b>258,128</b>	<b>285,125</b>

"Payables to suppliers" included EUR 28,814 thousand (2022: EUR 32,094 thousand) of payables to suppliers through reverse factoring agreements with banks.

The statutory payment limit applicable to the Company under Law 3/2004, of 29 December, establishing measures to combat late payment in commercial transactions and the transitional provisions set out in Law 15/2010, of 5 July, was 60 days as from 2013, as agreed upon between the parties.

The following table presents the disclosures required by Additional Provision Three of Law 18/2022, of 28 September, on the creation and growth of companies and Law 15/2010, of 5 July (amended by Final Provision Two of Law 31/2014, of 3 December), prepared in accordance with the Spanish Accounting and Auditing Institute (ICAC) Resolution of 29 January 2016 on the disclosures to be included in notes to financial statements in relation to the average period of payment to suppliers in commercial transactions.

	2023 Days	2022 Days
Average supplier payment period	35	37
Ratio of transactions paid	35	39
Ratio of transactions outstanding	35	25

  

	EUR thousand	EUR thousand
Total payments made	620,745	599,845
Total payments outstanding	92,388	104,311

In accordance with the ICAC Resolution, the calculation of the average supplier payment period considered commercial transactions involving the delivery of goods and the rendering of services from the effective date of Law 31/2014, of 3 December.

For the sole purpose of the disclosures provided for in the Resolution, suppliers are considered to be the trade creditors for the supply of goods or services included in "Payable to suppliers" and "Payable to suppliers - Group companies and associates" under current liabilities in the balance sheet.

"Average supplier payment period" is the time elapsed between the delivery of the goods or the rendering of the services by the supplier and the actual payment of the transaction.

Set out below is the monetary volume and number of invoices paid before the statutory deadline as at 31 December 2023 and 2022.

	2023	2022
Monetary volume paid before the statutory deadline (EUR thousand)	498,557	439,323
% of total payments to suppliers	80.32%	73.24%
No. of invoices paid before the statutory deadline	12,636	11,379
% of total invoices paid	42.77%	49.03%

## 17. Tax matters

### 17.1 Current tax receivables and payables

Breakdown of current tax receivables and payables (in EUR thousand):

#### Receivables

EUR thousand	2023	2022
<b>To be settled in 2024</b>	<b>27,675</b>	<b>15,154</b>
Deferred tax assets	1,322	1,282
Carry forward of unused tax losses	22,919	6,714
Unused tax credits and tax relief	3,434	7,157
<b>To be settled from 2025</b>	<b>150,136</b>	<b>126,793</b>
Deferred tax assets	17,595	16,500
Carry forward of unused tax losses	68,005	46,729
Unused tax credits and tax relief	64,536	63,564
<b>Total non-current assets</b>	<b>177,811</b>	<b>141,947</b>
2022 income tax refundable	40	10,540
2023 income tax refundable	17,734	8,044
Other tax receivables	51	69
<b>Total current assets</b>	<b>17,825</b>	<b>18,653</b>
<b>TOTAL TAX RECEIVABLES</b>	<b>195,636</b>	<b>160,600</b>

#### Payables

EUR thousand	2023	2022
Deferred tax liabilities	10,252	10,057
<b>Total non-current liabilities</b>	<b>10,252</b>	<b>10,057</b>
Tax withholdings payable	5,037	4,800
Social security payable	658	586
VAT payable	14,801	4,558
<b>Total current liabilities</b>	<b>20,496</b>	<b>9,944</b>
<b>TOTAL TAX PAYABLES</b>	<b>30,748</b>	<b>20,001</b>

### 17.2 Reconciliation of accounting profit and taxable income

Pursuant to Spanish Income Tax Law 43/1995, of 27 December, on 26 December 2000, Atresmedia Corporación de Medios de Comunicación, S.A. notified the Madrid taxation authority of its decision to file consolidated income tax returns. Application of the consolidated tax regime is considered indefinite provided that the requirements established in the Article 67 of the Consolidated Income Tax Law are met and the Company does not opt to cease to apply the aforementioned regime.

Companies composing the tax group at 31 December 2023:

TAXPAYER	SUBSIDIARY	Date of inclusion in the Group
A79458535	Música Aparte S.A.U.	1/1/01
A28782936	Uniprex, S.A.U.	1/1/01
B82832841	Atresmedia Cine, S.L.U.	1/1/03
B84187335	Antena 3 Multimedia, S.L.U.	1/1/04
B84171453	Atres Advertising, S.L.U.	1/1/04
B84196914	Uniprex Televisión, S.L.U.	1/1/04
B84405422	Inversión y Distribución Global de Contenidos, S.L.U.	1/1/05
A84920230	Antena 3 Televisión Digital Terrestre de Canarias, S.A.U.	1/1/06
B86424132	Antena 3 Noticias, S.L.U.	1/1/12
B86885530	6&M Producciones y Contenidos Audiovisuales, S.L.U.	1/1/13
B65273914	Atresmedia Studios, S.L.U.	1/1/14
B87294187	Atresmedia Música, S.L.U.	1/1/15
B87377230	Atresmedia Capital, S.L.U.	1/1/15
B85498723	Smartclip Hispania, S.L.U.	1/1/18
B84527704	Atresmedia Tech, S.L.U.	1/1/20
B87802658	Diario Motor Medios Digitales, S.L.	1/1/22
B10827137	Pazy Digital Venture, S.L.	17/6/22
B05469861	Sociedad de Distribución Digital Sonora, S.L.U.	1/1/23
B09700782	Atresmedia Smart Tools, S.L.U.	1/1/23

Filing consolidated tax returns gives rise to reciprocal intra-Group balances, due to the offset of the losses incurred by certain companies against the profit earned by other Group companies. These balances are recognised under “Payable to group companies” and “Receivable from group companies”, as appropriate.

Income tax is calculated based on accounting profit or loss, obtained by applying generally accepted accounting principles. It does not necessarily coincide with taxable income or tax loss.



Reconciliation of accounting profit and profit for income tax purposes for 2023:

	EUR thousand		Total
	Increases	Decreases	
<b>Accounting profit after tax</b>			<b>159,397</b>
<b>Income tax</b>	—	<b>28,428</b>	<b>(28,428)</b>
<b>Permanent differences -</b>	<b>17,368</b>	<b>11,171</b>	<b>6,197</b>
Penalties	32	—	32
Donations	787	—	787
Impairment of investments	9,402	—	9,402
Inclusion of impairment of investments	—	1,684	(1,684)
Elimination of intragroup transactions	6,997	—	6,997
Other permanent differences	150	—	150
Double taxation exemption	—	9,487	(9,487)
<b>Deductible temporary differences:</b>	<b>7,141</b>	<b>7,239</b>	<b>(98)</b>
<i>Originating in the current year:</i>			
Provisions for contingencies and charges	1,761	—	1,761
Non-current payables	5,027	—	5,027
Impairment losses	353	—	353
<i>Originating in prior years:</i>			
Provisions for contingencies and charges	—	1,267	(1,267)
Non-current payables	—	4,610	(4,610)
Impairment losses	—	1,362	(1,362)
<b>Taxable temporary differences:</b>	<b>6,880</b>	<b>—</b>	<b>6,880</b>
<i>Originating in the current year:</i>			
Depreciation and amortisation	6,880	—	6,880
<b>Gross taxable profit</b>			<b>143,948</b>
<b>Offset of prior years' tax losses</b>			<b>(100,764)</b>
<b>Tax rate</b>			<b>25.00%</b>
<b>Gross tax payable</b>			<b>10,796</b>
Receivables from (payables to) group companies			14
Tax credits taken in 2023			(3,387)
Tax prepayments in 2023			(25,157)
<b>Income tax payable (refundable)</b>			<b>(17,734)</b>

## Reconciliation of accounting profit and profit for income tax purposes for 2022:

	EUR thousand		
	Increases	Decreases	Total
<b>Accounting profit after tax</b>			<b>93,650</b>
<b>Income tax</b>	<b>31,473</b>	—	<b>31,473</b>
<b>Permanent differences -</b>	<b>9,053</b>	<b>7,933</b>	<b>1,120</b>
Penalties	180	—	180
Donations	612	—	612
Impairment of investments	2,317	—	2,317
Elimination of dividends	—	7,933	(7,933)
Elimination of intragroup transactions	5,542	—	5,542
Other permanent differences	402	—	402
<b>Deductible temporary differences:</b>	<b>14,391</b>	<b>10,477</b>	<b>3,914</b>
<i>Originating in the current year:</i>			
Provisions for contingencies and charges	7,806	—	7,806
Non-current payables	5,784	—	5,784
<i>Originating in prior years:</i>			
Provisions for contingencies and charges	—	4,710	(4,710)
Non-current payables	—	4,973	(4,973)
Impairment losses	—	794	(794)
<b>Taxable temporary differences:</b>	<b>6,880</b>	—	<b>6,880</b>
<i>Originating in the current year:</i>			
Depreciation and amortisation	6,880	—	6,880
<b>Gross taxable profit</b>			<b>137,037</b>
<b>Offset of prior years' tax losses</b>			<b>(34,259)</b>
<b>Tax rate</b>			<b>25%</b>
<b>Gross tax payable</b>			<b>25,694</b>
Receivables from (payables to) group companies			4,152
Tax credits taken in 2022			(11,939)
Tax prepayments in 2022			(25,951)
<b>Income tax payable (refundable)</b>			<b>(8,044)</b>

“Elimination of intragroup transactions” in permanent differences reflects the sale of broadcasting rights of Atresmedia Cine to the Company.

**17.3 Tax recognised in equity**

Taxes recognised directly in equity in 2023:

	EUR thousand		
	Increases	Decreases	Total
<b>Deferred tax</b>			
<i>Originating in the current year:</i>			
Revaluation of other financial assets	(675)	427	(1,102)
Recognition of assets at fair value	(165)	—	(165)
Government grants	4,062	1,980	2,082
<b>Total deferred tax</b>	<b>3,222</b>	<b>2,407</b>	<b>815</b>
<b>Total tax recognised directly in equity</b>	<b>3,222</b>	<b>2,407</b>	<b>815</b>

Taxes recognised directly in equity in 2022:

	EUR thousand		
	Increases	Decreases	Total
<b>Deferred tax</b>			
<i>Originating in the current year:</i>			
Revaluation of other financial assets	—	784	(784)
Recognition of assets at fair value	1,012	—	1,012
Government grants	—	2,022	(2,022)
<b>Total deferred tax</b>	<b>1,012</b>	<b>2,806</b>	<b>(1,794)</b>
<b>Total tax recognised directly in equity</b>	<b>1,012</b>	<b>2,806</b>	<b>(1,794)</b>

#### 17.4 Reconciliation of accounting profit and income tax expense

Reconciliation of accounting profit and income tax expense (EUR thousand):

	2023	2022
<b>Profit/(loss) before tax</b>	<b>130,969</b>	<b>125,123</b>
<b>Tax charge at 25%</b>	<b>32,742</b>	<b>31,281</b>
<b>Tax credits earned in the year</b>	<b>(274)</b>	<b>(237)</b>
Donations to not-for-profit entities	(274)	(238)
<b>Other-</b>		
Permanent differences (Note 17.2)	1,550	280
<b>Total current tax expense for the year</b>	<b>34,018</b>	<b>31,324</b>
<b>Income tax adjustments</b>	<b>(62,446)</b>	<b>149</b>
Difference in income tax per tax return	333	149
Inspection adjustments	(253)	—
Recognition in taxable profit of the carry forward of unused tax losses	(62,526)	—
<b>Total income tax expense/(income) recognised in profit or loss</b>	<b>(28,428)</b>	<b>31,473</b>

Income tax expense for the year (in EUR thousand):

	2023	2022
Current tax	7,410	13,862
Deferred tax	26,608	17,461
<b>Total income tax expense for the year</b>	<b>34,018</b>	<b>31,324</b>

In the wake of the recent ruling by the Constitutional Court related limits to the offset of tax losses (see Note 17.7), the Company did recognised the impact of the new estimate of timing and amounts of tax payments related to unused tax losses for EUR 62,526 thousand.

#### 17.5 Deferred tax assets recognised

The difference between the tax charge allocated to the current year and to prior years and the tax charge already paid or payable for those years, recognised under "Deferred tax assets", arose as a result of temporary differences on the following items:

CHANGES IN DEFERRED TAX ASSETS	EUR thousand				2023
	2022	Increases	Decreases	Other	
Contingencies and charges	11,569	440	317	—	11,692
Payables	7,884	1,257	1,152	—	7,989
Other items	807	88	341	58	612
Hedging instruments	(2,478)	1,102	—	—	(1,376)
<b>Total</b>	<b>17,782</b>	<b>2,887</b>	<b>1,810</b>	<b>58</b>	<b>18,917</b>

The detail for 2022 is as follows:

CHANGES IN DEFERRED TAX ASSETS	EUR thousand				2022
	2021	Increases	Decreases	Other	
Contingencies and charges	13,288	1,951	1,177	(2,493)	11,569
Payables	7,692	1,447	1,243	(12)	7,884
Other items	984	200	199	(178)	807
Hedging instruments	(1,694)	—	784	—	(2,478)
<b>Total</b>	<b>20,270</b>	<b>3,598</b>	<b>3,403</b>	<b>(2,683)</b>	<b>17,782</b>

The tax effect of the valuation adjustments relating to the hedging instruments at 31 December 2023 amounted to a negative EUR 1,376 thousand.

These deferred tax assets were recognised in the balance sheet as the directors considered that, based on the best estimates of the Company's future earnings, it is probable that these assets will be recovered.

On the basis of the estimate made by the Company's directors of the timing of future profits for the offset and use of these deferred tax assets, EUR 17,595 thousand were considered to be recoverable in the long term, while EUR 1,322 thousand were considered to be recoverable in the short term. Both amounts are recognised under "Deferred tax assets".

The Company has considered the following as positive evidence for recognising deferred tax assets:

- The carry forward of tax losses arose in the business combination with la Sexta, which had losses before being absorbed by the Atresmedia Group.
- Atresmedia Group has a history of recurring profits, even after absorbing the loss-making La Sexta, with a stable customer portfolio.
- The Group operates in a mature sector, which allows it to plan convincing tax strategies.

Chapter IV of Title VI of the Income Tax Law sets a limit for the offset of taxes of 15 years and for R&D&I credits of 18 years. Management performed an assessment of the recoverability of deferred tax assets, estimating that the recognised assets will be recovered within eight years as of 31 December 2023.

Pursuant to Spanish tax legislation, there is no time limit on the offset of tax losses.

As for the carry forward of tax losses, in the wake of the recent ruling by the Constitutional Court (see Note 17.7) declaring unconstitutional and, therefore, null and void the legal provision limiting the offset of tax losses to 25%, the Company has re-estimated the utilisation of tax assets for the carry forward of tax losses factoring in the new limit of 70% (which affects 2023). It concluded that as a result it could recognise unused tax losses amounting to EUR 62,526 thousand (see Note 17.4). Taking this estimate, the entire amount of tax losses carried forward would be recognised over a period of less than four years.

Given the minimum tax with effect from 1/1/2022 introduced in the CIT Law and the ability to apply tax credits that have been modified with the new limit on the offset of tax losses, the Company did not recognise any new credits, although the recognised deferred tax assets will be able to be recovered in full over that legally stipulated period and even though application of that Constitutional Court ruling or a new tax regulation could lead to a different conclusion.

Assessments were made regarding the outlook for growth of the advertising market in the coming years, based on estimated audience numbers, advertising effectiveness ratios and cost forecasts. Except for advertising, which is measured on the basis of external information sources, the rest of the assumptions are based on past experience and reasonable projections approved by management of the Company and updated in accordance with the performance of the advertising markets. These estimates do not provide any evidence that the tax assets and tax credits recognised will be not recovered.

The changes in deferred tax assets recognised in "Other" include mainly the difference between the estimated tax for the previous year and the tax return actually filed with the taxation authorities, giving rise to a negative adjustment in deferred tax assets of EUR 58 thousand. Also, the effect on expenses of this difference, amounting to a positive EUR 333 thousand, is recognised under "Income tax adjustments".

At 31 December 2023, the Company had unused tax credits amounting to EUR 107,559 thousand, of which EUR 67,970 thousand were recognised in the balance sheet, as follows:

<b>Tax credits</b>				
<b>EUR thousand</b>				
<b>Unused at 31/12/22</b>	<b>Used in the year</b>	<b>Other</b>	<b>Unused at 31/12/23</b>	<b>Limit</b>
138	—	(138)	—	2028
11,421	(2,614)	—	8,807	2029
14,946	—	—	14,946	2030
12,945	—	—	12,945	2031
13,230	—	—	13,230	2032
11,410	—	—	11,410	2033
15,870	—	—	15,870	2034
16,019	—	—	16,019	2035
10,271	—	—	10,271	2036
4,061	—	—	4,061	2037
<b>110,311</b>	<b>(2,614)</b>	<b>(138)</b>	<b>107,559</b>	

As a result of the merger by universal succession of La Sexta, the Company assumed the right to deduct the transferor's unused tax losses shown in the table in the tax charge, in accordance with the following schedule:

<b>Recognition of unused tax losses</b>				
<b>EUR thousand</b>				
<b>Year generated</b>	<b>Amount</b>	<b>Used in the year</b>	<b>Other</b>	<b>Unused at 31/12/23</b>
2007	18,648	(18,795)	147	—
2008	31,918	(6,396)	—	25,522
2009	28,965	—	—	28,965
2010	8,377	—	—	8,377
2011	15,473	—	—	15,473
2012	12,587	—	—	12,587
<b>Total tax assets</b>	<b>115,968</b>	<b>(25,191)</b>	<b>147</b>	<b>90,924</b>

"Other" includes the differences between the estimate made at the end of the reporting period and the income tax return effectively filed for a negative amount of EUR 138 thousand and a positive amount of EUR 147 thousand in tax credits and tax losses, respectively.

Of the EUR 3,387 thousand of tax credits taken in the year, EUR 2,574 thousand were deductions for audiovisual production, EUR 498 thousand for international double taxation, EUR 275 thousand for donations to not-for-profit entities, and EUR 40 thousand for reversal of temporary measures (Transitional Provision Thirty-Seven of the Spanish Income Tax Law).

### 17.6 Deferred tax liabilities recognised

Breakdown of deferred tax liabilities recognised in the year:

DEFERRED TAX LIABILITIES	EUR thousand							
	2021	Increases	Decreases	2022	Increases	Decreases	Other	2023
Tax effect of identification of intangible assets	8,159	—	(1,720)	6,439	—	(1,720)	(2)	4,717
Tax effect of assets at fair value	2,608	—	(1,012)	1,596	—	(165)	—	1,431
Government grants	—	2,453	(431)	2,022	4,341	(2,259)	—	4,104
<b>Total</b>	<b>10,767</b>	<b>2,453</b>	<b>(3,163)</b>	<b>10,057</b>	<b>4,341</b>	<b>(4,144)</b>	<b>(2)</b>	<b>10,252</b>

In accordance with income tax recognition and measurement standard number 13, the Company will recognise the deferred tax liabilities relating to goodwill provided that these do not arise on the initial recognition thereof.

The deferred tax liabilities relate to the identification of the "La Sexta" trademark and to the signal transmission licence. The trademark was being amortised for accounting purposes at an annual rate of 5%, with the amortisation taken in 2015 amounting to EUR 791 thousand. In 2016, the trademark began to be amortised at an annual rate of 10%, in accordance with Spanish Audit Law 22/2015, of 20 July (see Note 4.1).

The amortisation is not deductible for tax purposes and, therefore, gives rise to a positive adjustment to the taxable profit (tax loss) which is recognised as a deferred tax liability.

It also reflects the tax impact of the recognition of an asset held for sale at fair value.

Spain's 2021 General State Budget Law (Ley 11/2020, de 30 de diciembre, de Presupuestos Generales del Estado para el año 2021) introduced financing agreements in Article 39.7 of Spain's Income Tax Law (see Note 4.13).

The Company entered into financing agreements with different investors for fiction series produced in 2023.

Therefore, "Grants" under deferred tax liabilities includes the tax effect of the accounting recognition of the income from financing agreements.

### 17.7 Years open to inspection and tax audits

The Company is open to inspection for income tax from 2016 and for the rest of the taxes applicable to it from 2019.

On 23 March 2021, the National Court (Audiencia Nacional) issued an order to raise to the Constitutional Court (Tribunal Constitucional) a matter of potential unconstitutionality of Royal Decree-Law 3/2016, of 2 December, adopting certain tax measures to consolidate public finances and other urgent social measures (the "RDL"). The RDL introduced considerable amendments to Spain's Corporate Income Tax (CIT) Law 27/2014, of 27 November, mainly Article 3.1. What mainly impacts the Company are the specific limits established on offsetting tax losses, i.e. 25% of taxable profit, and the non-deductibility of capital losses on sales of equity interests in certain entities (art. 21.6 of the CIT).

As the National Court raised the issue of unconstitutionality of the RDL to the Constitutional Court, the Company considered the possibility of annulment of the RDL. This would lead to changes in the income tax self-assessment filed, with considerably different and more favourable results for the Company's interests.

Accordingly, in 2021, 2022 and 2023, the Company submitted written requests for rectification of self-assessments of income tax for the years 2016 to 2022, inclusive.

As explained previously, on 18 January 2024, the Constitutional Court in full unanimously upheld the issue of unconstitutionality raised by the Administrative Chamber of Spain's National Court (Audiencia Nacional) involving several amendments to corporate income tax (CIT). Accordingly, it ruled that additional provision 15 and section 3 of the transitional provision 16 of Law 27/2014, in the wording given by Article 3(1), sections One and Two of Royal Decree-Law 3/2016, are unconstitutional and, therefore, null and void.

This ruling removes the 25% limit on the carry forward of tax losses from tax laws in Spain. Therefore, corporate income tax for 2023 should be calculated taking into account the 70% limit stipulated in Article 26.1 of Law 27/2014.

As explained in Note 4.8, the Company performed an assessment aimed at reviewing safe harbours and the tax rate and does not expect having an effective tax rate below the global minimum tax rate established in the GloBE rules to have any significant impacts.

Nevertheless, the Company's directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, any liabilities that may arise would not have a material effect on the accompanying financial statements.

## 18. Foreign currencies

Significant balances and transactions in foreign currency, mainly US dollars, translated at the year-end exchange rate and the average exchange rates for the year, respectively (in EUR thousand):

	2023	2022
Receivables	8,098	5,556
Payables	195,991	197,832
Sales	16,801	18,211
Purchases	14,956	11,468

Exchange differences recognised in 2023 profit or loss by class of financial instruments (in EUR thousand):

	Transactions settled in the year	Unmatured balances	Total
Trade receivables	(369)	—	(369)
<b>Total financial assets</b>	<b>(369)</b>	<b>—</b>	<b>(369)</b>
Trade payables	200	990	1,190
<b>Total financial liabilities</b>	<b>200</b>	<b>990</b>	<b>1,190</b>

Data for 2022 (in EUR thousand):

	Transactions settled in the year	Unmatured balances	Total
Trade receivables	(283)	—	(283)
Financial assets	—	(129)	(129)
<b>Total financial assets</b>	<b>(283)</b>	<b>(129)</b>	<b>(412)</b>
Trade payables	226	129	355
Financial liabilities	—	129	129
<b>Total financial liabilities</b>	<b>226</b>	<b>258</b>	<b>484</b>

## 19. Revenue and expenses

### 19.1 Revenue

Breakdown of revenue in 2023 and 2022 from continuing operations by business line and geographical market (in EUR thousand):

Line of business	2023	2022
Advertising sales	698,711	692,206
<b>Total</b>	<b>698,711</b>	<b>692,206</b>

Geographical market	2023	2022
Spain	698,711	692,206
<b>Total</b>	<b>698,711</b>	<b>692,206</b>

### 19.2 Procurements

Breakdown of this item in 2023 and 2022:

EUR thousand	2023	2022
Broadcasting of in-house productions	262,289	240,171
External production services	255,794	247,930
Programme broadcasting rights	86,882	105,166
Performances and contributions of entertainers	17,013	15,474
Other amortisation	13,944	9,811
Live broadcasting rights	212	—
Inventories	(288,069)	(272,879)
<b>Total</b>	<b>348,065</b>	<b>345,673</b>

“Inventories” includes expenses incurred in programmes production. The Company’s policy is to capitalise and subsequently amortise this expenditure as described in Note 4.7.

Of total procurements in 2022, EUR 12 million related to purchases in other European Union countries (2022: EUR 14 million) and approximately EUR 53 million to purchases in non-EU countries (2022: EUR 42 million), mainly the United States.

### 19.3 Other operating income

Non-financial and other grants related to assets in 2023 and 2022:

EUR thousand	2023	2022
Non-trading and other operating income	75,516	73,141
<b>Total</b>	<b>75,516</b>	<b>73,141</b>



“Other operating income” includes sales made by the Company that do not form part of its core business. The most important related to revenue from subscribers to Atresmedia's SVOD platform, Atresplayer, and from Canal Internacional, and revenue from the sale of broadcasting rights.

#### **19.4 Employee benefits expense**

Employee benefits expense in 2023 and 2022:

EUR thousand	2023	2022
Social Security payable by the Company	6,616	5,963
Other employee benefits expense	1,388	1,070
<b>Total</b>	<b>8,004</b>	<b>7,033</b>

#### **19.5 Other operating expenses**

Breakdown of other operating expenses in 2023 and 2022:

EUR thousand	2023	2022
Subcontracted work	91,325	81,356
Communications	38,185	37,632
Leases and royalties	24,667	26,044
Advertising and publicity	9,266	7,727
Copyrights and other expenses	68,376	76,560
<b>Total</b>	<b>231,819</b>	<b>229,319</b>

The most significant item under “Leases and royalties” is the television operators’ contribution to the financing of Corporación RTVE.

“Copyrights and other expenses” includes changes in the allowance for doubtful receivables. In 2023, the Company charged EUR 656 thousand (2022: EUR 1,625 thousand).

#### **19.6 Finance income and costs**

Finance income and finance costs calculated using the effective interest rate method:

	2023	2022
Finance income	8,053	10,150
Finance costs	9,820	8,448

Of total finance income in 2022, EUR 8,350 thousand related to dividends received by Atresmedia Corporación de Medios de Comunicación, S.A. from its subsidiaries. In 2023, the Company did not receive any dividends from them (see Note 9.3).

#### **19.7 Changes in fair value of financial instruments**

This item in the statement of profit or loss includes mainly the net gain or loss arising from changes in the fair value of the currency hedges and IRSs disclosed in Note 15.

Net gain/(loss) on changes in fair value in 2023 and 2022 by item:

EUR thousand	2023	2022
Hedging instruments	(492)	1,527
Other non-current liabilities	(69)	(847)
<b>Total</b>	<b>(561)</b>	<b>680</b>

## 20. Recognition of non-financial and other grants related to assets

Non-financial and other grants related to assets in 2023 and 2022:

EUR thousand	2023	2022
Financing agreements	7,918	1,724
<b>Total</b>	<b>7,918</b>	<b>1,724</b>

This item includes the recognition of income in profit or loss from the financing agreements (see Note 17.6), in accordance with recognition and measurement standard 18 of the General Accounting Plan on Grants, donations and bequests received, in proportion to the consumption of inventories as described in Note 4.6.

## 21. Related party transactions and balances

### 21.1 Related party transactions

Transactions with related parties in 2023 and 2022 (in EUR thousand):

	2023		2022	
	Group companies	Associates	Group companies	Associates
Revenue	710,449	4,551	690,829	1,473
Purchase and receipt of services	72,701	50,541	54,130	39,695
Accrued interest expenses	76	—	118	—
Accrued interest income	1,642	325	653	300
Guarantees and deposits (extended and received)	157	—	260	—
Dividends received	—	—	8,350	—

Revenue from group companies reflects mainly the sale of advertising space assigned by the Company to its subsidiary, Atres Advertising, S.L. Sociedad Unipersonal, which invoices end customers.

Expenses for the purchase and receipt of services from group companies and associates reflects primarily audiovisual production services for news programmes and fictional series.

In addition to these transactions, advertising space was sold to and purchased from related parties in 2023 amounting to EUR 1,210 thousand (2022: EUR 1,253 thousand).



## 21.2 Related party balances

Balances with related parties on the balance sheet at 31 December 2023 and 2022 (in EUR thousand):

2023	Equity instruments	Non-current loans to companies	Trade receivables	Current investment	Non-current payable	Current payables	Trade payables
<b>Group companies</b>	<b>129,273</b>	<b>50,240</b>	<b>179,382</b>	<b>4,884</b>	<b>2</b>	<b>103,727</b>	<b>9,934</b>
Antena 3 Multimedia, S.L.U.	3	—	11	—	—	154	1,112
Antena 3 Noticias, S.L.U.	3,685	—	173	238	—	5,975	6,454
Antena 3 TDT Canarias, S.A.U.	—	—	—	13	—	1,711	—
Atres Advertising, S.L.U.	3	—	178,309	—	—	37,530	623
Atresmedia Cine, S.L.U.	6,621	26,771	143	—	—	1,989	2
6&M Producciones y Contenidos Audiovisuales, S.L.U.	1,629	—	86	513	—	5,464	—
Atresmedia Música, S.L.U.	102	—	6	43	—	1,101	—
Atresmedia Studios, S.L.U.	2,771	—	—	—	—	750	10
Diario Motor Medios Digitales, S.L.	5,560	—	—	51	—	681	24
Atresmedia Capital, S.L.U.	1,615	23,469	—	1,158	—	38	—
Música Aparte, S.A.U.	60	—	110	484	—	2,347	4
Uniprex, S.A.U.	106,635	—	444	1,445	2	20,987	554
Human to Human Communications, S.L.	—	—	—	—	—	6,657	—
Atresmedia Tech, S.L.U.	586	—	35	—	—	1,539	439
Inversión y Distribución Global de Contenidos, S.L.	—	—	—	32	—	—	—
Uniprex Televisión, S.L.U.	—	—	10	76	—	274	712
Smartclip Hispania, S.L.	—	—	10	499	—	15,617	—
Atresmedia Smart Tools, S.L.U.	3	—	—	—	—	—	—
Pazy Digital Ventures, S.L.	—	—	40	—	—	117	—
Sociedad de Distribución Digital Sonora de Entretenimiento, S.L.	—	—	5	332	—	796	—
<b>Associates</b>	<b>3,583</b>	<b>—</b>	<b>1,203</b>	<b>7,620</b>	<b>—</b>	<b>—</b>	<b>295</b>
Ac2ality, S.L.	1,403	—	—	—	—	—	—
CTK Live Esports, S.L.	300	—	—	—	—	—	—
Hola Televisión América, S.L.	—	—	105	7,620	—	—	—
Hola Televisión América USA, S.L.	—	—	1,095	—	—	—	265
Suma Content, S.L.	1,880	—	3	—	—	—	30
<b>Investments</b>	<b>141,290</b>	<b>—</b>	<b>4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Jointly controlled entities</b>	<b>3</b>	<b>—</b>	<b>12</b>	<b>1,606</b>	<b>—</b>	<b>—</b>	<b>9,655</b>
Buendía Estudios Canarias, S.L.	—	—	7	—	—	—	3,035
Buendía Estudios, S.L.	3	—	5	1,606	—	—	6,614
Buendía Producción, S.L.	—	—	—	—	—	—	6
<b>Related companies</b>	<b>3,150</b>	<b>—</b>	<b>2,132</b>	<b>1,300</b>	<b>—</b>	<b>—</b>	<b>9,050</b>
Planeta Group	3,150	—	775	—	—	—	1,605
RTL Group	—	—	1,357	1,300	—	—	7,445
<b>Total</b>	<b>277,299</b>	<b>50,240</b>	<b>182,733</b>	<b>15,410</b>	<b>2</b>	<b>103,727</b>	<b>28,934</b>



2022	Equity instruments	Non-current loans to companies	Trade receivables	Current investment	Non-current payables	Current payables	Trade payables
<b>Group companies</b>	<b>129,108</b>	<b>20,449</b>	<b>176,997</b>	<b>34,383</b>	<b>2</b>	<b>85,830</b>	<b>14,198</b>
Antena 3 Multimedia, S.L.U.	3	—	11	—	—	891	667
Antena 3 Noticias, S.L.U.	3,017	—	166	404	—	5,854	8,387
Antena 3 TDT Canarias, S.A.U.	—	—	—	35	—	1,713	139
Atres Advertising, S.L.U.	3	—	175,609	31	—	47,400	486
Atresmedia Cine, S.L.U.	4,938	20,449	137	—	—	87	518
6&M Producciones y Contenidos Audiovisuales, S.L.U.	1,629	—	81	492	—	895	1,872
Atresmedia Música, S.L.U.	102	—	—	60	—	978	—
Atresmedia Studios, S.L.U.	2,362	—	290	—	—	3,648	17
Diario Motor Medios Digitales, S.L.	6,644	—	—	93	—	—	17
Atresmedia Capital, S.L.U.	3,128	—	—	26,712	—	—	—
Música Aparte, S.A.U.	60	—	102	881	—	1,584	1
Uniprex, S.A.U.	106,635	—	500	4,428	2	7,713	826
Atresmedia Tech, S.L.U.	584	—	31	—	—	1,730	536
Inversión y Distribución Global de Contenidos, S.L.	—	—	—	14	—	—	—
Uniprex Televisión, S.L.U.	—	—	14	507	—	—	732
Smartclip Hispania, S.L.	—	—	16	726	—	13,178	—
Atresmedia Smart Tools, S.L.U.	3	—	—	—	—	—	—
Pazy Digital Ventures, S.L.	—	—	—	—	—	41	—
Sociedad de Distribución Digital Sonora de Entretenimiento, S.L.	—	—	40	—	—	118	—
<b>Associates</b>	<b>2,180</b>	<b>—</b>	<b>1,299</b>	<b>7,028</b>	<b>—</b>	<b>—</b>	<b>2,463</b>
CTK Live Esports, S.L.	300	—	—	—	—	—	—
Hola Televisión América, S.L.	—	—	396	7,028	—	—	—
Hola Televisión América USA, S.L.	—	—	903	—	—	—	240
Suma Content, S.L.	1,880	—	—	—	—	—	2,223
<b>Investments</b>	<b>156,556</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Jointly controlled entities</b>	<b>3</b>	<b>1,607</b>	<b>141</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>10,181</b>
Buendía Estudios Canarias, S.L.	—	—	9	—	—	—	25
Buendía Estudios, S.L.	1	1,197	6	—	—	—	6
Buendía Producción, S.L.	2	410	126	—	—	—	10,150
<b>Related companies</b>	<b>3,150</b>	<b>—</b>	<b>1,614</b>	<b>1,000</b>	<b>—</b>	<b>—</b>	<b>1,117</b>
Planeta Group	3,150	—	314	—	—	—	710
RTL Group	—	—	1,300	1,000	—	—	407
<b>Total</b>	<b>290,997</b>	<b>22,056</b>	<b>180,051</b>	<b>42,411</b>	<b>2</b>	<b>85,830</b>	<b>27,959</b>

“Current investments” includes the amounts drawn down against the credit facilities granted by the Company to companies in its Group and the balances receivable from them relating to income tax.

“Current payables” includes the balances relating to cash surpluses managed by the Company on behalf of its Group companies and the balances payable to them relating to income tax.

The sale of television advertising services has been managed by the Group company Atres Advertising, S.L. Unipersonal, in line with the most widely used sales model in the television advertising industry. Accordingly, this subsidiary deals with customers (advertisers and media centres).

The Company manages its cash and the cash of its subsidiaries centrally.

### 21.3 Remuneration of directors and senior management

The remuneration earned in 2023 by the current and former members of the Company’s Board of Directors (composed at 31 December 2023 and 2022 of four women and eight men) in the form of salaries, attendance fees and insurance premiums amounted to EUR 4,861 thousand, EUR 746 thousand and EUR 50 thousand, respectively (2022: EUR 4,540 thousand, EUR 737 thousand and EUR 45 thousand, respectively).

Salaries and life insurance premiums paid to members of senior management who are not directors in 2023 amounted to EUR 6,092 thousand and EUR 97 thousand, respectively (2022: EUR 4,978 thousand and EUR 86 thousand, respectively).

The third-party liability insurance taken out for Atresmedia Group directors and managers in 2023 amounted to EUR 214 thousand (2022: EUR 227 thousand).

At 31 December 2023 and 2022, the Company had not granted any loans or advances to its Board members and senior executives, and it did not have any supplementary pension or retirement bonus obligations with them. As for two Executive Directors, the Annual Report on Director Remuneration sets out certain special conditions in the event their relationship with the Company is terminated.

At the General Meeting of the Company held on 28 April 2021, approval was given to implement a long-term variable remuneration scheme for executive directors and certain managers of the Group. The scheme is a long-term variable incentive tied to the Group's performance.

The plan has a duration of four years from approval, with 2021, 2022 and 2023 as the period for achieving targets. For entitlement to settlement, the reference date for fulfilment by beneficiaries of the requirement for continuing to hold their post at the Group is 28 April 2025. Payment of this remuneration will be between 28 April 2025 and 30 June 2025.

The targets assessed for calculating the remuneration are 1) profitability, linked to consolidated EBITDA, with a 70% weighting; 2) an income-source diversification target, with a 25% weighting, and 3) an environmental, social and corporate governance (ESG) target, with a 5% weighting.

Beneficiaries will be entitled to receive an amount, determined based on the achievement of the financial and non-financial targets outlined in the plan, and on fulfilment of the continued employment requirement.

According to the plan, an amount is established that vests at the end of the first two years linked to the level of achievement of the EBITDA target for those two years.

Of the amount of remuneration to which beneficiaries are entitled under this plan, the executive directors and managers will be paid 90% in cash and 10% in shares of Atresmedia Corporación, with treasury shares held by the Parent. To complete payment, the plan includes the possibility of buying back additional shares as necessary.

#### **21.4 Information regarding situations of conflict of interest involving directors**

Pursuant to Article 229 et. seq. of the Corporate Enterprises Act, the following information is included:

- In 2023, none of the directors reported to the Board of Directors any direct or indirect conflict of interest that they or their affiliates, as defined in Article 231 of the Corporate Enterprises Act, might have with respect to the Company.

## 22. Other disclosures

### 22.1 Employees

In 2023, the average number of employees was 436 (2022: 429), broken down by employment category as follows:

Employment category	2023		2022	
	Female	Male	Female	Male
Directors	—	3	—	3
Senior management	2	8	1	9
Managers	28	50	29	46
Technicians	124	120	125	118
Administrative	35	9	33	10
Other	33	24	35	20
<b>Total</b>	<b>222</b>	<b>214</b>	<b>223</b>	<b>206</b>

There were 447 employees at year-end 2023 (2022: 440), broken down by gender and employment category as follows:

Employment category	2023		2022	
	Female	Male	Female	Male
Directors	—	3	—	3
Senior management	2	8	2	8
Managers	29	50	28	48
Technicians	127	126	132	119
Administrative	34	9	34	9
Other	34	25	34	23
<b>Total</b>	<b>226</b>	<b>221</b>	<b>230</b>	<b>210</b>

Data for senior management are obtained based on the criteria established in the preparation of the Annual Corporate Governance Report.

Average number of employees in 2023 with a disability of more than 33% by employment category:

Employment category	2023
Technicians	2
Administrative	1
Other	9
<b>Total</b>	<b>12</b>

### 22.2 Audit fees

Fees for financial audit and other professional services in 2023 and 2022 provided by the statutory auditor of the Company, or by a firm in the same group or related to the auditor (in EUR thousand):

	Audit of financial statements	Other audit-related services	Tax advisory services	Other services
2023	44	17	—	11
2022	41	12	—	—

“Other audit-related services” includes primarily the reports of agreed-upon procedures on compliance with covenants on financing transactions, and the report on compliance with the investment in audiovisual production provided by KPMG Auditores, S.L. to the Company during the years ended 31 December 2023 and 2022.

Information on services provided by KPMG Auditores, S.L. to companies controlled by the Company in the year ended 31 December 2023 applicable, are disclosed in the consolidated financial statements of Atresmedia Corporación de Medios de Comunicación, S.A. and subsidiaries for the year ended 31 December 2023.

Other KPMG International affiliates did not provide professional services to the Company in the years ended 31 December 2023 and 2022.

The Annual Corporate Governance Report includes a description of the work of the Audit Committee and an explanation of how the auditor's objectivity and independence is guaranteed when providing non-audit services.

### **22.3 Off-balance sheet agreements**

The Company has provided bank guarantees to third parties, primarily to respond to the obligations arising from the concession of television licences. The amounts of these guarantees in 2023 and 2022 were EUR 44,921 thousand and EUR 44,913 thousand, respectively.

The Company's directors consider that any liabilities not foreseen at 31 December 2023 that might arise from the guarantees provided would not be material.

### **23. Events after the reporting period**

No significant event took place between the end of the reporting period and the date of authorisation for issue of the Company's financial statements.



**ATRESMEDIA**

**Atresmedia Corporación de Medios  
de Comunicación, S.A.**

Management Report for 2023



## **ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.**

### **MANAGEMENT REPORT FOR 2023**

#### **Business performance and situation of the Company**

Atresmedia Corporación de Medios de Comunicación, S.A. (Atresmedia) is the parent of a group that, through its TV and radio arms, produces and distributes audiovisual and radio content for a wide variety of audiences, in which it inserts the advertising formats it sells to advertisers for their advertising campaigns. Atres Advertising currently oversees this business activity, which is the Group's main source of revenue.

In addition to TV and radio advertising airtime sales, Atresmedia also sells various types of advertising on internet, whether embedded in its own video-on-demand offering via Atresplayer (AVOD), on its own websites, through Atres Advertising or third-party media via its Smartclip subsidiary. Atresmedia also offers advertisers a new way of publicising their brands through influencer marketing agencies Human to Human and Digital Marketing for Humans.

Thanks to all these activities, Atresmedia is the leading seller of advertising in Spain, with a share of the total advertising market of roughly 15%.

It is also involved in other businesses that are not advertising-driven, such as the sale of content the Group produces to other television networks or the operation of SVOD (Atresplayer Premium) platforms, individually or bundled as complete international pay platforms. This bid to diversify includes third-party content creation and production. Here, the key player is Buendía Estudios, S.L., set up jointly with Telefónica with the aim of becoming the largest creator of Spanish-language content, distributing their products across the globe. Lastly, Atresmedia complies with its statutory obligations to fund European audiovisual works (set out in the Spanish Audiovisual Act, *Ley General Audiovisual*) through its producer, Atresmedia Cine.

Revenue totalled EUR 698.7 million in 2023, up 0.9% from the year before. This increase came despite the adverse macroeconomic environment in which the Company carried out its operations during the year and was thanks to new commercial policy measures. Other operating income amounted to EUR 75.5 million.

The geopolitical landscape during the year remained extremely volatile, with the international instability caused by the war in Ukraine exacerbated by war in the Middle East. Against this backdrop, the overall advertising market grew by 4.1% in the year according to external sources (Infoadex), outstripping GDP growth for the year. By media, advertising spend in total TV; i.e. conventional and digital television, rose by 2.9% in 2023 to EUR 1,850 million. For total radio, i.e. conventional and digital radio, it increased by 5.2% to EUR 602.4 million.

The combined audience share of Atresmedia's six TV channels was 26.8%. This was the second year running above its rival, Mediaset España, whose audience share was 25.6%, but with one more channel than Atresmedia. By channel, Antena 3 had a 13.3% share (-0.6 p.p. from 2022), la Sexta a 6.2% share (+0.2 p.p.) and the set of specialty channels (Neox, Nova, Mega and Atreseries) a 7.3% share (+0.04 p.p.).

TV viewing in 2023 was 182 minutes per person and day on average, 5% lower than in 2022. Although monthly trends declines in the number of minutes of TV viewing, the scale of these declines became increasingly smaller, which could indicate that current levels now could be maintained going forward. People aged over 65 watched an average of 5 hours and 35 minutes of TV a day, those aged 45-64 spent an average of 3 hours and 45 minutes watching TV, and those aged 25-44 watched an average of 1 hours and 43 minutes. The youngest age groups consumed less TV: 1 hour and 2 minutes for children aged 13-24, and 1 hour and 12 minutes for those aged 4-12.

FTA is still the TV option of choice among the entire population, including younger people, for entertainment and news. Atresmedia's position as a leader in TV news in Spain is unquestionable: Antena 3 Noticias was the leader in 2023 for the sixth straight year, with an average 18.8% audience share and 2.0 million viewers. It achieved its biggest gap ever with its main competitor. Its four editions were the most watched on TV and the news programmes with the largest number of unique viewers, with nearly 3.3 million on average per day. This shows that consumers in Spain choose Atresmedia for current and breaking news.

Operating expenses totalled EUR 644.0 million, 0.6% higher than in 2022. In 2023, costs were largely kept at previous years' levels. Even so, the Company maintained solid programming throughout the year, enabling it to remain the audience leader and, accordingly, its leadership position by market share.

Operating profit for the year was EUR 130.2 million, up from EUR 125.0 million in 2022.

Profit before tax totalled EUR 131.0 million, up from EUR 125.1 million the year before, while net profit for the year was EUR 159.4 million, up from EUR 93.7 million in 2022.

Atresmedia's share price increased by 12.6% during the year, to EUR 3.594/share at year-end. Atresmedia delivered the best performance of any European television company in 2023 only surpassed by Media for Europe; on average, the industry fell by 5.2%. Meanwhile, the Ibx 35 was down 22.6%.

### **Events after the reporting period**

No significant event took place between the end of the reporting period and the date of authorisation for issue of the Company's financial statements.

### **Outlook for the Group**

Geopolitical and macroeconomic volatility is unlikely to ease in the near term. The uncertainty this causes in markets reduces our visibility over the medium term. The FUNCAS expert panel is forecasting GDP growth for Spain of 1.6% in 2024, although the Spanish Government is expecting growth of 2.0%. For its part, the International Monetary Fund is estimating economic growth for Spain of around 1.5%.

FUNCAS' inflation forecast for 2024 is lower than in 2023, with a headline rate of around 3% (and core inflation of 3.2%), although price trends in 2024 will be shaped by several factors, including the timing of the withdrawal of the anti-inflationary measures taken by the Government. The stabilisation of interest rates will ease the burden on businesses and households; however, saving rates are set to remain high compared to level seen two years ago. According to FUNCAS, private consumption should increase by 1.8% in 2024, while the unemployment rate should fall further, to 11.7%. For its part, Spain's budget deficit according to the same source ended 2023 at 4.1% of GDP and will ease to 3.5% in 2024.

In this setting, our growth forecasts for markets that affect our advertising-related operations (TV, Radio and Digital) are pretty much a mirror image of what happened in 2023.

Therefore, Atresmedia continues to adapt its cost structure to the challenging situation, leaving in place many of the cost-cutting decisions taken in the past.

Since 1 April, Atresmedia has been implementing a new and pioneering commercial policy in Spain, putting it at the forefront in media. Atresmedia decided to use the same metrics in the sale of TV advertising space and those used in digital advertising space, as TV and digital not only complement each other, but increasingly go hand in hand. Atresmedia began billing advertising sales at cost per mille (CPM) rather than at cost per GRP, as it had done until then.

With this change, it aimed to unify its billing metrics in a bid to unlock the value and profitability of TV as measured by coverage, context, security and notoriety, compared to

other offerings in the market. Here, hybridisation is a crucial factor. Data, segmentation and incremental coverage, alongside traditional attributes, make Atresmedia's media the market's most comprehensive premium audiovisual offering.

Moreover, for several years now, Atresmedia has made efforts to diversify its revenue mix to ease the impact of fluctuations in advertising with other more stable revenue streams. On this front, one area on which the Group is focusing is Atresplayer, the Video on Demand (VOD) platform relaunched in 2019. It ended 2023 with 593,215 subscribers.

Atresmedia is also investing in startups, leveraging its available advertising space. In this way, companies that otherwise would not be able to advertise on TV are able to do so and therefore grow their sales and size (media for equity). To this end, one of Atresmedia's most decisive moves involves its ownership interest in FEVER LABS, Inc, a global leader in entertainment experiences and digital content, with a strong footprint in Europe and the US.

Amid a fiercely competitive environment, while we are still transforming the business model, we will continue to keep a tight grip on costs, aiming to maximise margins at all times. We will also continue to implement a prudent financing policy, as we always have to preserve liquidity and maintain a sound balance sheet, while limiting the Company's and Group's exposure to financial risks.

### **Research and development activities**

The Company does not directly carry out any research and development activities. However, it invests, on an ongoing basis, in all new technologies related to engineering, systems and content distribution. On this front, Atresmedia Corporación de Medios de Comunicación, S.A. has and uses state-of-the-art technology, enabling it to be at the forefront in the deployment of digital activities and in the internet.

### **Movements in treasury shares**

At 31 December 2023, the shares of the Company held by it represented 0.246% of the Company's share capital and totalled 554,376 shares, with a value of EUR 6,168 thousand and an average acquisition price of EUR 11.13 per share

### **Average supplier payment period**

"Average supplier payment period" is the time elapsed between the delivery of the goods or the rendering of the services by the supplier and the actual payment of the transaction.

The statutory payment limit applicable under Law 3/2004, of 29 December, establishing measures to combat late payment in commercial transactions and the transitional provisions set out in Law 15/2010, of 5 July, was 60 days as from 2013, as agreed upon between the parties.

The average supplier payment period in 2023 was 35 days.

### **Use of financial instruments and main financial risks**

The Company uses financial instruments to hedge the foreign currency risk on the purchases of broadcasting rights in the year.

At 31 December 2023, the Group had entered into hedging instruments on its foreign currency asset and liability positions amounting to USD 9,415 thousand, at a weighted average exchange rate of 1.1035 (EUR/USD). Hedging instruments at 31 December 2022 amounted to USD 17,337 thousand, at a weighted average exchange rate of 1.1290 (EUR/USD). At 31 December 2023, the estimated fair value of the Group's foreign currency derivatives, which are designated and effective as cash flow hedges, represented a financial asset of EUR 72 thousand and a financial liability of EUR 203 thousand (2022: asset of EUR 757 thousand and liability of EUR 156 thousand).



Regarding the syndicated financing signed in July 2021, that year the Group entered into cash flow hedges (CAP) to minimise interest rate risk, limiting the payment of interest on the floating rate borrowing due to an increase in the benchmark 6-month Euribor rate. The hedged item are the financial flows from interest payments referenced to that index. The facility matures in December 2025. At 31 December 2023, the fair value of the derivative instrument under non-current and current assets was EUR 3,357 thousand and EUR 219 thousand, respectively (2022: EUR 6,127 thousand and EUR 181 thousand, respectively).

On 11 July 2018, the Parent carried out an issue of bonds for USD 200,000 thousand, with maturity at five years (USD 75,000 thousand) and seven years (USD 125,000 thousand), with semi-annual payment of coupons at a fixed rate of interest. Cross currency swaps have been entered into to hedge the risk of fluctuations of these issuances, resulting in a fixed exchange rate and half-yearly payments of coupons on the bonds and debentures at a fixed rate in euros. These are cash flow hedges that hedge exposure to the currency and interest rate risk of the cash flows related to the hedged underlying. At 31 December 2023, the derivative instrument associated with the issue of 7-year bonds was still effective. At 31 December 2023, the fair value of the derivative related to the bond issue was EUR 1,905 thousand, of which EUR 1,247 thousand was recognised in derivative financial instruments in current assets and EUR 658 thousand under derivative financial instruments in non-current assets.

The Parent uses financial instruments to hedge the foreign currency risk on the purchases of broadcasting rights in the year.

The Company's and the Group's risk management and control system is reviewed and updated regularly in response to how the Group's businesses perform and evolve, to risks that actually materialise, to changes in the law, and to how the organisation itself changes and evolves.

This risk management and control system helps the management team to make the right decisions and address risk effectively. We identify and implement any controls and action plans necessary targeting known risks; this enhances our ability to create value and minimises any impact of losses that actually materialise.

Risk analysis and control touches on all the Group's businesses and activities, and involves all our organisational units. This means that risk management and control is a corporate system in which the entire organisation is on alert. The system is headed and overseen by the Board, yet some of its functions are delegated to the Audit and Control Committee. Risk management also brings into play the coordinating role of the Compliance Committee, and input from the Legal Affairs, in risk management and compliance control, Finance, related to financial risks and the controls comprising the system for internal control over financial reporting (ICFR), and, lastly, Internal Audit and Process Control, the coordination and oversight of the overall operation of the risk management system.

The Company and the Group have the necessary tools and organisation to ensure the effectiveness of the control procedures approved.

The Group's main financial risks are:

- a) Foreign currency risk. Foreign currency risk is concentrated basically in payments in international markets to acquire broadcasting rights. To mitigate this risk, the Group enters into hedging instruments, mainly currency forwards.
- b) Liquidity risk. The Group's liquidity policy is to arrange credit facilities and short-term investments for sufficient amounts to cover funding requirements based on the outlook for the business.
- c) Credit risk. The Company generally places cash and cash equivalents with financial institutions with high credit ratings.

The advertising contract terms require bank guarantees prior to the launch of advertising campaigns. There is also no significant concentration of credit risk to third parties and no significant incidents arose in the year.

d) Interest rate risk. The Group's borrowings are exposed to interest rate risk. Regarding the new syndicated financing, in July the Group entered into cash flow hedges (CAP) to minimise interest rate risk, limiting the payment of interest on the floating rate borrowing due to an increase in the benchmark 6-month Euribor rate. The hedged item are the financial flows from interest payments referenced to that index. The facility matures in December 2025. At 31 December 2023, the fair value of the derivative instrument under non-current and current assets was EUR 3,357 thousand and EUR 219 thousand, respectively.

e) Foreign currency cash flow risk. The Group uses cross currency swaps that swap capital and interest flows in dollars for other capital and interest flows in euros, fixing the exchange rate and half-yearly coupons of the debt from bonds and debentures at a fixed rate in euros.

### **Statement of Non-Financial Information**

The Statement of Non-Financial Information, which should form part of this management report in accordance with Law 11/2018, of 28 December, on non-financial and diversity information, is not presented as a section of this management report since that information is included in the consolidated management report of Atresmedia Corporación de Medios de Comunicación, S.A. and subsidiaries for the year ended 31 December 2023.

### **Annual corporate governance report**

In accordance with article 538 of the Corporate Enterprises Act, the 2023 Annual Corporate Governance Report, which is published on the website of the Spanish National Securities Market Commissions ([www.cnmv.es](http://www.cnmv.es)) and our corporate website ([www.atresmediacorporacion.com](http://www.atresmediacorporacion.com)), is part of the separate management report.

### **Annual report on director remuneration**

In accordance with article 538 of the Spanish Code of Commerce, the 2023 Annual Report on Director Remuneration, which is published on the website of the Spanish National Securities Market Commission ([www.cnmv.es](http://www.cnmv.es)) and our corporate website ([www.atresmediacorporacion.com](http://www.atresmediacorporacion.com)) is part of separate management report.

The Board of Directors of Atresmedia Corporación de Medios de Comunicación, S.A., at its meeting held on 28 February 2024, authorised for issue the financial statements and management report of Atresmedia Corporación de Medios de Comunicación, S.A. for the year ended 31 December 2023.

San Sebastián de los Reyes, 28 February 2024

José Creuheras Margenat  
Chairman

Silvio González Moreno  
Executive Vice Chairman

Javier Bardají Hernando  
Chief Executive Officer

Mauricio Casals Aldama  
Director

Marco Drago  
Director

Patricia Estany Puig  
Director

Carlos Fernández Sanchiz  
Director

Elmar Heggen  
Director

Rosa María Lleal Tost  
Director

Mónica Ribé Salat  
Director

Beatriz Roger Torres  
Director

Nicolas de Tavernost  
Director

**STATEMENT** issued for the record that, in accordance with article 253.2 of the Corporate Enterprises Act, the financial statements and consolidated report (the latter of which includes the Statement of Non-Financial Information) and the proposed appropriation of profit of Atresmedia Corporación de Medios de Comunicación, S.A. for the year ended 31 December 2023 were authorised for issue on 28 February 2024 with the agreement of all directors, as recorded in the minutes of the meeting, with the unanimous vote in favour of all members of the Board of Directors for their authorisation for issue and signed by all the directors, except for Mr Heggen, whose proxy and vote in favour of the approval of these documents was exercised by Mr Tavernost by express delegation, which was made in writing with voting instructions for that meeting of the Board of Directors, as recorded in this document.

## STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL REPORT

The members of the Board of Directors of Atresmedia Corporación de Medios de Comunicación, S.A., hereby state that, to the best of their knowledge, the financial statements for the year ended 31 December 2023, authorised for issue by the Board of Directors at the meeting held on 28 February 2024, have been prepared in accordance with the applicable accounting principles to give a true and fair view of the equity, financial position and results of Atresmedia Corporación de Medios de Comunicación, S.A. and that the management report presents fairly the business performance and the results and position of Atresmedia Corporación de Medios de Comunicación, S.A., and a description of the main risks and uncertainties it faces.

San Sebastián de los Reyes, 28 February 2024

José Creuheras Margenat  
Chairman

Silvio González Moreno  
Executive Vice Chairman

Javier Bardají Hernando  
Chief Executive Officer

Mauricio Casals Aldama  
Director

Marco Drago  
Director

Patricia Estany Puig  
Director

Carlos Fernández Sanchiz  
Director

Elmar Heggen  
Director

Rosa María Lleal Tost  
Director

Mónica Ribé Salat  
Director

Beatriz Roger Torres  
Director

Nicolas de Tavernost  
Director

**STATEMENT** issued for the record that, in accordance with article 253.2 of the Corporate Enterprises Act, the financial statements and consolidated report (the latter of which includes the Statement of Non-Financial Information) and the proposed appropriation of profit of Atresmedia Corporación de Medios de Comunicación, S.A. for the year ended 31 December 2023 were authorised for issue on 28 February 2024 with the agreement of all directors, as recorded in the minutes of the meeting, with the unanimous vote in favour of all members of the Board of Directors for their authorisation for issue and signed by all the directors, except for Mr Heggen, whose proxy and vote in favour of the approval of these documents was exercised by Mr Tavernost by express delegation, which was made in writing with voting instructions for that meeting of the Board of Directors, as recorded in this document.



# Auditor's Report on Atresmedia Corporación de Medios de Comunicación , S.A. and Subsidiaries

**(Together with the consolidated annual accounts  
and consolidated directors' report of Atresmedia  
Corporación de Medios de Comunicación, S.A. and  
subsidiaries for the year ended 31 December 2023)**

*(Translation from the original in Spanish. In the  
event of discrepancy, the Spanish-language  
version prevails.)*





KPMG Auditores, S.L.  
Paseo de la Castellana, 259C  
28046 Madrid

## **Independent Auditor's Report on the Consolidated Annual Accounts**

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

To the Shareholders of Atresmedia Corporación de Medios de Comunicación, S.A.

### **REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS**

#### **Opinion**

---

We have audited the consolidated annual accounts of Atresmedia Corporación de Medios de Comunicación, S.A. (the “Parent”) and subsidiaries (together the “Group”), which comprise the consolidated balance sheet at 31 December 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

#### **Basis for Opinion**

---

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Recognition of revenue: advertising sales

#### See notes 3. n) and 18. a) to the consolidated annual accounts

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Advertising sales, which make up a large proportion of revenue, amount to Euros 748,003 thousand and are recognised in the income statement on airing of the commercials on television or radio. They are measured at the fair value of the consideration received or receivable, less trade discounts.</p> <p>This revenue is derived from a high number of transactions accrued on a daily basis on airing of the commercials through the Group's different channels and media, and is recognised on the basis of the terms negotiated with each customer.</p> <p>Due to the significance of the amount of advertising sales and the considerable number of transactions that make up this revenue, the existence and accuracy of this item has been considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>– We assessed the design and implementation of the most relevant controls established by Group management for the recognition of advertising sales revenue.</li><li>– For a sample of commercials broadcast by the various media managed by the Group, we also obtained supporting documentation for the broadcast.</li><li>– We performed analytical substantive tests on the advertising sales.</li><li>– We obtained confirmation from third parties for a sample of invoices corresponding to trade receivables that were outstanding at the reporting date, performing alternative procedures, where applicable, based on evidence of subsequent collection or documentation substantiating the rendering of the service.</li><li>– We assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.</li></ul>



<b>Recoverable amount of goodwill and licences</b>	
<b>See notes 2. a), 3. a), 3. c), 4 and 6 to the consolidated annual accounts</b>	
<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>At 31 December 2023, the Group has goodwill of Euros 162,340 thousand and licences, which are considered to have an indefinite useful life, amounting to Euros 82,804 thousand, as a result of the various business combinations entered into in prior years.</p> <p>The Group calculates the recoverable amount of goodwill and licences on an annual basis to determine whether they are impaired.</p> <p>Estimating the recoverable amounts requires the Group to exercise a high level of judgement as regards the assumptions applied in their calculation and the valuation methodology used.</p> <p>Due to the significance of the carrying amount of goodwill and licences and the high level of judgement associated with the methodology used to calculate the recoverable amount and with the key assumptions, as well as the related uncertainties, the recoverability of the value of goodwill and licences has been considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>– We assessed the design and implementation of the key controls relating to the process of estimating the recoverable amount of goodwill and licences.</li><li>– With the assistance of our specialists, we analysed the growth and discount rates to estimate the cash flows which served as the basis for calculating the recoverable amount of goodwill and licences.</li><li>– Our audit procedures included reviewing the level of fulfilment of the assumptions used to estimate the recoverable amount of these assets in the prior year, and evaluating the sensitivity of the key assumptions used in 2023.</li><li>– We assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.</li></ul>



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

<b>Recognition and recoverability of deferred tax assets</b>	
<b>See notes 2. a), 3. o) and 21. d) to the consolidated annual accounts.</b>	
<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>At 31 December 2023, the Group has recognised deferred tax assets amounting to Euros 198,037 thousand. The recognition of deferred tax assets entails a high level of judgement by Group management in assessing the probability and sufficiency of future taxable profits and reversals of taxable temporary differences.</p> <p>Due to the significance of the balance of deferred tax assets, the high level of judgement regarding the key assumptions and estimates used and the uncertainty associated therewith, the recovery of the aforementioned assets has been considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>— We assessed the design and implementation of the most relevant controls established by the Group over the recognition and measurement of deferred tax assets.</li><li>— We evaluated the key assumptions used to estimate future taxable profits and reversals of taxable temporary differences, comparing these assumptions and estimates with the Group's historical data.</li><li>— We considered the sufficiency of future taxable profits to offset deferred tax assets within the time limit established in the financial reporting framework applicable to the Group.</li><li>— We assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.</li></ul>

### **Other Information: Consolidated Directors' Report**

Other information solely comprises the 2023 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility regarding the information contained in the consolidated directors' report is defined in the legislation regulating the audit of accounts, as follows:

- a) Determine, solely, whether the consolidated non-financial information statement and certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.



*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

- b) Assess and report on the consistency of the rest of the information included in the consolidated directors' report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned consolidated annual accounts. Also, assess and report on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2023, and that the content and presentation of the report are in accordance with applicable legislation.

### **Directors' and Audit Committee's Responsibility for the Consolidated Annual Accounts** \_\_\_\_\_

The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent's Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.

### **Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts** \_\_\_\_\_

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.



*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.
- Conclude on the appropriateness of the Parent's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

We also provide the Parent's audit committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee of the Parent, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **European Single Electronic Format**

---

We have examined the digital files of Atresmedia Corporación de Medios de Comunicación, S.A. and subsidiaries for 2023 in European Single Electronic Format (ESEF), which comprise the XHTML file that includes the consolidated annual accounts for the aforementioned year and the XBRL files tagged by the Parent, which will form part of the annual financial report.

The Directors of Atresmedia Corporación de Medios de Comunicación, S.A. are responsible for the presentation of the 2023 annual financial report in accordance with the format and mark-up requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation"). In this regard, they have incorporated the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration by means of a reference thereto in the consolidated directors' report.

Our responsibility consists of examining the digital files prepared by the Directors of the Parent, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the consolidated annual accounts included in the aforementioned digital files fully corresponds to the consolidated annual accounts we have audited, and whether the consolidated annual accounts and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.



*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

In our opinion, the digital files examined fully correspond to the audited consolidated annual accounts, and these are presented and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

### **Additional Report to the Audit Committee of the Parent**

---

The opinion expressed in this report is consistent with our additional report to the Parent's audit committee dated 28 February 2024.

### **Contract Period**

---

We were appointed as auditor of the Group by the shareholders at the general meeting on 26 April 2023 for a period of one year, from the year commenced 1 January 2023.

Previously, we had been appointed for a period of seven years, by consensus of the shareholders at their general meeting, and have been auditing the annual accounts since the year ended 31 December 2016.

KPMG Auditores, S.L.  
On the Spanish Official Register of  
Auditors ("ROAC") with No. S0702

*(Signed on original in Spanish)*

*This report corresponds  
to stamp number  
01/24/00394 issued by  
the Spanish Institute of  
Registered Auditors  
(ICJCE)*

On the Spanish Official Register of Auditors ("ROAC") with No. 17564





# ATRESMEDIA

**ATRESMEDIA CORPORACIÓN DE MEDIOS  
DE COMUNICACIÓN, S.A. AND  
SUBSIDIARIES**

Consolidated financial statements for the year ended  
31 December 2023

*Translation of a report originally issued in Spanish and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Note 2). In the event of discrepancy, the Spanish-language version prevails.*

## **CONTENTS**

Consolidated balance sheet	1
Consolidated statement of profit or loss	2
Consolidated statement of comprehensive income	3
Consolidated statement of changes in equity	4
Consolidated statement of cash flows	5
<b>Notes to the consolidated financial statements</b>	
Note 1 Corporate information	6
Note 2 Basis of preparation and consolidation	7
Note 3 Significant accounting policies	15
Note 4 Goodwill	32
Note 5 Business combinations	34
Note 6 Other intangible assets	35
Note 7 Property, plant and equipment	37
Note 8 Right-of-use assets and lease liabilities	38
Note 9 Investments accounted for using the equity method	39
Note 10 Programme rights	41
Note 11 Trade and other receivables	42
Note 12 Equity	42
Note 13 Provisions and contingent liabilities	45
Note 14 Financial instruments	48
Note 15 Payables and other current liabilities	54
Note 16 Other guarantee commitments to third parties	56
Note 17 Risk management policy	56
Note 18 Revenue and expenses	58
Note 19 Other income/(expense)	60
Note 20 Operating and geographical segments	61
Note 21 Tax matters	62
Note 22 Related party transactions	72
Note 23 Earnings per share	74
Note 24 Proposed distribution of profit	75
Note 25 Remuneration and other benefits earned by the members of the Board of Directors of the Parent and senior management	75
Note 26 Information regarding situations of conflict of interest involving directors	76
Note 27 Events after the reporting period	76
Consolidated management report	
Statement of on-financial information	
Annual corporate governance report	
Annual report on director remuneration	



**CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2023**

EUR thousand	NOTES	31/12/23	31/12/22
<b>ASSETS</b>			
Goodwill	4	162,340	158,916
Other intangible assets	6	125,769	121,764
Property, plant and equipment	7	36,146	35,383
Right-of-use assets	8	4,335	3,703
Investments accounted for using the equity method	9	4,460	1,063
Non-current financial assets	14	166,638	187,287
Derivative financial instruments	14-c	4,015	14,437
Deferred tax assets	21-d	198,037	163,048
<b>NON-CURRENT ASSETS</b>		<b>701,740</b>	<b>685,601</b>
Programme rights	10	251,357	258,450
Inventories		8,143	10,864
Trade receivables	11	257,851	267,510
Other receivables	11	2,197	2,232
Current tax assets	21-d	17,774	18,584
Derivative financial instruments	14-c	1,538	3,257
Other current financial assets	14	18,507	89,240
Other current assets		1,066	1,507
Cash and cash equivalents	14	203,550	173,585
<b>CURRENT ASSETS</b>		<b>761,983</b>	<b>825,229</b>
<b>TOTAL ASSETS</b>		<b>1,463,723</b>	<b>1,510,830</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	12-a	169,300	169,300
Share premium	12-b	38,304	38,304
Legal and bylaw reserves	12-c	42,475	42,475
Retained earnings		444,586	351,581
Treasury shares	12-e	(6,168)	(6,168)
Interim dividends	12-f	(40,532)	(40,532)
Valuation adjustments		112,010	130,166
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		<b>759,975</b>	<b>685,126</b>
Non-controlling interests	12-g	5	1,860
<b>EQUITY</b>		<b>759,980</b>	<b>686,986</b>
Provisions	13	60,787	62,027
Bonds and debentures	14-a	113,122	117,195
Bank borrowings	14-b	47,362	65,492
Derivative financial instruments	14-c	61	72
Other non-current financial liabilities	21-d	172	7,169
Non-current lease liabilities	8	3,202	2,877
Deferred tax liabilities	21-e	42,619	40,407
Other non-current liabilities		—	4
<b>NON-CURRENT LIABILITIES</b>		<b>267,325</b>	<b>295,243</b>
Provisions	13	52,629	60,994
Bonds and debentures	14-a	2,711	74,787
Bank borrowings	14-b	21,015	20,487
Derivative financial instruments	14-c	142	84
Other current financial liabilities		7,914	30
Current lease liabilities	8	1,350	1,004
Payable to suppliers	15	281,541	311,077
Other payables	15	54,293	42,386
Current tax liabilities	21-d	—	263
Other current liabilities	15	14,823	17,489
<b>CURRENT LIABILITIES</b>		<b>436,418</b>	<b>528,601</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,463,723</b>	<b>1,510,830</b>

The accompanying Notes 1 to 27 are an integral part of the consolidated balance sheet as at 31 December 2023.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR**

**ENDED 31 DECEMBER 2023**

EUR thousand	NOTES	31/12/23	31/12/22
Revenue	18-a	886,106	867,289
Other operating income	18-a	85,323	83,505
Programming costs and other procurements	18-b	(395,038)	(382,785)
Personnel costs	18-c	(175,912)	(165,485)
Other operating expenses	18-d	(227,353)	(229,731)
Depreciation and amortisation	6, 7 and 8	(16,754)	(17,789)
Impairment and gains/(losses) on disposals of non-current assets	6 and 7	(1,070)	292
<b>OPERATING PROFIT</b>		<b>155,302</b>	<b>155,296</b>
Net gain/(loss) on changes in value of financial instruments at fair value	19	(821)	(362)
Exchange differences	19	613	49
Net finance income/(expense)	19	(2,207)	(6,337)
Impairment and gains/(losses) on disposals of financial assets	19	(6,674)	1,152
Share of profit/(loss) of associates	9	1,450	596
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>147,663</b>	<b>150,394</b>
Income tax expense	21-b	23,359	(38,067)
<b>PROFIT FOR THE YEAR</b>		<b>171,022</b>	<b>112,327</b>
Profit/(loss) attributable to non-controlling interests	12-g	(141)	(583)
<b>PROFIT ATTRIBUTABLE TO THE PARENT</b>		<b>171,163</b>	<b>112,910</b>
<b>Earnings per share:</b>		<b>31/12/23</b>	<b>31/12/22</b>
From continuing operations			
Basic	23	0.760	0.501
Diluted	23	0.758	0.500

The accompanying Notes 1 to 27 are an integral part of the consolidated statement of profit or loss for the year ended 31 December 2023.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR  
THE YEAR ENDED 31 DECEMBER 2023**

EUR thousand	31/12/23	31/12/22
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>171,022</b>	<b>112,327</b>
<b>ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:</b>	<b>(5,193)</b>	<b>115,989</b>
Equity instruments at fair through other comprehensive income	(5,903)	114,211
Tax effect	710	1,778
<b>ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:</b>	<b>(3,307)</b>	<b>2,942</b>
<b>Hedges:</b>	<b>(4,409)</b>	<b>3,726</b>
Valuation gains/(losses)	(2,701)	5,288
Amounts transferred to profit or loss	(1,708)	(1,562)
<b>Tax effect</b>	<b>1,102</b>	<b>(784)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>162,522</b>	<b>231,258</b>
<b>Profit/(loss) attributable to non-controlling interests</b>	<b>(141)</b>	<b>(583)</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PARENT</b>	<b>162,663</b>	<b>231,841</b>

The accompanying Notes 1 to 27 are an integral part of the consolidated statement of comprehensive income for the year ended 31 December 2023.

**ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.  
AND SUBSIDIARIES**



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023**

EUR thousand	Share capital	Share premium	Legal and bylaw reserves	Treasury shares	Retained earnings	Interim dividend	Valuation adjustments	Equity attributable equity holders of the Parent	Non-controlling interests	Equity
	Note 12-a	Note 12-b	Note 12-c	Note 12-e		Note 12-f			Note 12-g	
<b>Balance at 31 December 2021</b>	<b>169,300</b>	<b>38,304</b>	<b>42,475</b>	<b>(6,168)</b>	<b>333,557</b>	<b>(40,532)</b>	<b>11,235</b>	<b>548,171</b>	<b>2,147</b>	<b>550,318</b>
<b>Total comprehensive income</b>	—	—	—	—	112,910	—	118,931	231,841	(583)	231,258
<b>Distribution of profit:</b>										
2021 interim dividend paid in 2021	—	—	—	—	(40,532)	40,532	—	—	—	—
2021 final dividend paid in 2022	—	—	—	—	(54,043)	—	—	(54,043)	—	(54,043)
2022 interim dividend paid in 2022	—	—	—	—	—	(40,532)	—	(40,532)	—	(40,532)
<b>Changes in the scope of consolidation and other:</b>										
Other changes	—	—	—	—	(311)	—	—	(311)	296	(15)
<b>Balance at 31 December 2022</b>	<b>169,300</b>	<b>38,304</b>	<b>42,475</b>	<b>(6,168)</b>	<b>351,581</b>	<b>(40,532)</b>	<b>130,166</b>	<b>685,126</b>	<b>1,860</b>	<b>686,986</b>
<b>Total comprehensive income</b>	—	—	—	—	180,819	—	(18,156)	162,663	(141)	162,522
<b>Distribution of profit:</b>										
2022 interim dividend paid in 2022	—	—	—	—	(40,532)	40,532	—	—	—	—
2022 final dividend paid in 2023	—	—	—	—	(49,539)	—	—	(49,539)	—	(49,539)
2023 interim dividend paid in 2023	—	—	—	—	—	(40,532)	—	(40,532)	—	(40,532)
<b>Changes in the scope of consolidation and other:</b>										
Other changes	—	—	—	—	2,257	—	—	2,257	(1,714)	543
<b>Balance at 31 December 2023</b>	<b>169,300</b>	<b>38,304</b>	<b>42,475</b>	<b>(6,168)</b>	<b>444,586</b>	<b>(40,532)</b>	<b>112,010</b>	<b>759,975</b>	<b>5</b>	<b>759,980</b>

The accompanying Notes 1 to 27 are an integral part of the consolidated statement of changes in equity for the year ended 31 December 2023.

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR**  
**ENDED 31 DECEMBER 2023**

EUR thousand	NOTES	31/12/23	31/12/22
<b>1.- OPERATING ACTIVITIES</b>			
<b>Consolidated profit for the year before tax</b>		<b>147,663</b>	<b>150,394</b>
<b>Adjustments for:</b>		<b>23,388</b>	<b>19,022</b>
- Depreciation and amortisation	6, 7 and 8	16,754	17,789
- Provisions and other:		4,219	(5,417)
- Provisions		(2,075)	(3,377)
- Net impairment losses (+/-)	4 and 19	7,744	(1,444)
- Share of profit/(loss) of associates	9	(1,450)	(596)
- Net finance income/(expense)	19	2,415	6,650
<b>Working capital changes</b>		<b>205</b>	<b>(31,593)</b>
<b>Cash flows from operating activities</b>		<b>171,256</b>	<b>137,823</b>
Dividends received	9 and 14	2,600	1,201
Income tax paid		(6,814)	(13,639)
<b>Net cash flows from operating activities</b>		<b>167,042</b>	<b>125,385</b>
<b>2.- INVESTING ACTIVITIES</b>			
<b>Investments</b>		<b>(45,559)</b>	<b>(119,083)</b>
Subsidiaries, joint ventures and associates		(8,695)	(24,095)
Property, plant and equipment and intangible assets		(29,786)	(19,988)
Other financial assets	14	(7,078)	(75,000)
<b>Disposals</b>		<b>90,754</b>	<b>12,419</b>
Subsidiaries, joint ventures and associates		13,129	12,419
Other financial assets		77,625	—
<b>Net cash flows from/(used in) investing activities</b>		<b>45,195</b>	<b>(106,664)</b>
<b>3.- FINANCING ACTIVITIES</b>			
Lease payments	8	(1,443)	(1,212)
Finance costs paid		(3,358)	(6,142)
Financing - Associates and related parties		(392)	543
Redemption and repayment of bank borrowings		(87,374)	(9,389)
Dividends paid	12-f	(90,071)	(94,575)
<b>Net cash flows used in financing activities</b>		<b>(182,638)</b>	<b>(110,775)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>29,599</b>	<b>(92,054)</b>
<b>Cash and cash equivalents at beginning of year</b>	14	<b>173,585</b>	<b>268,402</b>
Changes in the scope of consolidation	2-b	366	(2,763)
<b>Cash and cash equivalents at end of year</b>		<b>203,550</b>	<b>173,585</b>

The accompanying Notes 1 to 27 are an integral part of the consolidated statement of cash flows for the year ended 31 December 2023.

## **ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A. AND SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2023.

### **1. Corporate information**

Atresmedia Corporación de Medios de Comunicación, S.A., parent of the Atresmedia Group (Atresmedia or the Group), was incorporated on 7 June 1988 under the name Antena 3 de Televisión, S.A. It changed its corporate name in 2013. Its registered address and address for tax purposes is Avenida Isla Graciosa, 13, San Sebastián de los Reyes (Madrid). The company is on file at the Madrid Mercantile Register under page M-34473.

The core business of the Parent is the provision of audiovisual media services in any type of broadcasting. Specifically, it holds three national audiovisual television licences, under the legal framework of the General Audiovisual Media Law (Ley General de Comunicación Audiovisual or LGCA). Two of these licences expire in 2025 and provide legal broadcasting coverage of five (5) terrestrial digital television channels: Antena 3, la Sexta, Neox, Nova and Mega. The third expires in 2030 and is for the high definition channel, Atreseries. All have the related concessions for use of public radioelectric domain. Atresmedia Corporación de Medios de Comunicación, S.A. Also broadcasts content through its digital platform, Atresplayer, and other channels outside Spain, such as Antena 3 Internacional, Atreseries and ¡HOLA! TV. Other activities include the production and marketing of content, telesales and licenses.

The wholly-owned subsidiary Uniprex, S.A.U. also provides audiovisual media services via radio, pursuant to licences that are valid, under the LGCA, for a period of 15 years from their grant or, for concessions awarded before the LGCA became effective, from the date of their transformation into licences. Uniprex, S.A.U. broadcasts the Onda Cero (conventional radio), Europa FM and Melodía FM (music stations). These licenses currently expire between 2025 and 2037.

Atres Advertising, S.L.U.'s core business is the sale of advertising space in the Atresmedia Group's various media and of third parties, and the organisation of events. In 2017, Smartclip joined the Group. It provides digital advertising services of third-party support.

The other Group companies engage mainly in activities related to the production and operation of audiovisual content.

The Parent is required to prepare, in addition to its separate financial statements, the consolidated financial statements of the Group. In view of the business activities carried on by the Group companies, they do not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to the equity, financial position and results of operations of the corporate Group. Therefore, no specific disclosures relating to environmental issues are included in these notes to the consolidated financial statements.

There was no change in the name of the Parent during the year.



## **2. Basis of preparation and consolidation**

### **a) Basis of preparation**

The consolidated financial statements have been prepared on the basis of the accounting records kept by the Parent and by the other Group companies in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs), in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council.

The consolidated financial statements have been prepared taking into account all the mandatory accounting principles and rules, and measurement bases with a material effect on the consolidated financial statements, as well as the alternative treatments permitted by the relevant standards in this connection, and, accordingly, they present fairly the Group's consolidated equity and consolidated financial position at 31 December 2023, and its results, the changes in consolidated equity and the consolidated cash flows in the year then ended.

However, since the accounting policies and measurement bases used in preparing the Group's consolidated financial statements for 2023 (EU-IFRSs) differ from those used by the Group companies (the Spanish General Accounting Plan, *Plan General de Contabilidad*), the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and to make them compliant with EU-IFRSs. In addition to EU-IFRSs, all the requirements included in the Spanish Commercial Code (Código de Comercio) and the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital) were applied in these consolidated financial statements, as well as other applicable aspects of Spanish accounting regulations in force. The figures presented in these consolidated financial statements are in thousands of euros (EUR), rounded up to the nearest thousand.

The consolidated financial statements for the year ended 31 December 2023 were authorised for issue by the Parent's directors at the Board of Directors Meeting held on 28 February 2024. The Group's consolidated financial statements for 2023 and the separate financial statements of the Group companies, which were authorised for issue by the companies' respective directors, will be submitted for approval by shareholders at their respective General Meetings. They are expected to be approved without any changes.

The 2022 consolidated financial statements, which were approved by the shareholders at the General Meeting held on 26 April 2023 and are included for comparison purposes, were also prepared in accordance with EU-IFRSs.

The accounting policies and principles adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the 2022 annual consolidated financial statements except for the new standards described in section 1 of this note.

## New standards effective

The following standards and interpretations became effective in 2023:

New standards, amendments and interpretations:		Mandatory application for annual periods beginning on or after:
<b>New standards</b>		
IFRS 17 <i>Insurance Contracts</i> and amendments (issued in May 2017 and June 2020)	Replaces IFRS 4 and sets out the principles for recognition, measurement, presentation and disclosure of insurance contracts	1 January 2023
<b>Amendments and/or interpretations</b>		
Amendments to IAS 1 <i>Disclosure of Accounting Policies</i> (issued in February 2021)	The amendments help entities decide which material accounting policies to disclose in their financial statements.	
Amendments to IAS 8 <i>Definition of Accounting Estimates</i> (issued in February 2021)	Amendments and clarifications about what should be understood as a change in accounting estimates.	
Amendments to IAS 12 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> (issued in May 2021)	Clarifications on how entities should recognise deferred tax on transactions such as leases and decommissioning obligations.	
Amendments to IFRS 17 <i>Insurance Contracts</i> – Initial application of IFRS 17 and IFRS 9. Comparative information	Amendments to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time.	1 January 2023
Amendments to IAS 12 <i>Tax Reform - Pillar Two Model Rules</i>	The amendments introduce a mandatory temporary exception to the recognition of deferred taxes of IAS 12 to arising from the jurisdictional implementation of the Pillar Two Model Rules. They also include additional disclosure requirements.	

Application of these amendments did not have a significant impact on these consolidated financial statements.

New mandatory standards, amendments and interpretations applicable in future reporting periods:

New standards, amendments and interpretations:		Mandatory application for annual periods beginning on or after:
<b>Approved for use in the European Union</b>		
<b>Amendments and/or interpretations</b>		
Amendment to IFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	This amendment clarifies the subsequent accounting of leases arising in sale and leaseback transactions.	1 January 2024
<b>Not yet approved for use in the European Union as at the date of this publication</b>		
<b>Amendments and/or interpretations</b>		
Amendments to IAS 1 <i>Classification of Liabilities as Current or Non-current</i> (issued in January 2020)	Clarifications regarding the presentation of liabilities as current or non-current	
Amendments to IAS 7 and IFRS 7 <i>Supplier Finance Arrangements</i>	The amendments introduce specific disclosure requirements for supplier finance arrangements and their effects on a company's liabilities and cash flows, including exposure to liquidity risk, and management of the related risks.	1 January 2024
Amendments to IAS 21	This amendment establishes an approach specifying when a currency is exchangeable into another currency and, when it is not, determining the exchange rate to use.	1 January 2025

Based on the analysis performed to date, the Group estimates that application of these standards and amendments will not have a material impact on the consolidated financial statements in the period when it first applies them.

## Responsibility for the information, and the key estimates and judgements made in applying the accounting policies

The information in these consolidated financial statements is the responsibility of the directors of the Parent.

In the consolidated financial statements for the year ended 31 December 2023, estimates were occasionally made in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein.

Basically, these estimates relate to:

- The Group tests its goodwill and intangible assets with indefinite useful lives for impairment annually. The determination of the recoverable amount of the cash-generating units (CGUs) to which these assets were assigned implies the use of estimates. Recoverable amount is the higher of fair value less costs of disposal and value in use. The Group generally uses discounted cash flow methods to determine value in use.

Discounted cash flows are calculated based on future projections covering a period of five years in budgets approved by the Group, which consider past experience and represent the best estimate of future market performance.

Cash flows beyond the fifth year are extrapolated using specific growth rates for each CGU. The key assumptions used in the measurement are growth rates, weighted average cost of capital and the tax rates prevailing at any given time. The estimates, including the methodology applied, could have a significant impact on the values and impairment loss (see Notes 3-c and 4).

- The fair value of equity instruments classified as financial assets is subject to uncertainties arising from the determination or estimation of benchmark market values. The directors' base these estimates on the business plans of the investees or the existence of possible commitments, rights or set-price repurchase or capitalisation agreements.

- The estimation of the useful life of certain intangible assets, such as trademarks and licenses, is highly subjective, but supported by industry knowledge obtained from past experience and market reports. Note 3-c indicates the useful lives considered for each type of intangible asset.

- Calculations of programming costs and any type of audiovisual right for both in-house and acquired programmes in each year require the application of estimates that best reflect the pattern of consumption. The main estimate used by the Group is the number of showings aired based on showings contracted, as detailed in Note 3-g.

- The Group performs estimates to calculate impairment losses on in-house programmes and on rights to acquired programmes in order to recognise the required impairment losses on such assets. These impairment losses require the use of estimates of future showings of the various types of products and are based on past experience.

- The Group assesses the recoverability of the tax assets based on the estimated future tax bases calculated using the business plan of the tax group of which the Parent is the head, the periods considered to be reasonable and tax legislation in force at any given time (see Note 21). In this regard, in assessing the recoverability of tax credits, the Parent's directors considered the ruling of Spain's Constitutional Court of 18 January 2024 on Royal Decree-Law 3/2016 referred to in Notes 21. b) and 21.g). In their opinion, this ruling rendered that Royal Decree-Law null retrospectively from its publication in 2016, so effectively the amendments to corporate income tax put before the courts and declared null and void by virtue of that ruling had never been in force. As a result of this interpretation, at 31 December 2023, those articles can be considered null in assessing the accounting treatment to apply regarding the recognition of current and deferred tax assets and liabilities.

- The estimates made in relation to share-based payments are subject to uncertainty in terms of the conditions to be satisfied and the evaluation of the plan. The conditions and evaluation of the plan are detailed in Note 25.

- The Group is subject to regulatory and legal procedures. If it is probable that an obligation at year-end will give rise to an outflow of resources, a provision is recognised provided the amount can be reliably estimated. Legal proceedings usually involve complicated matters and are subject to substantial uncertainty. Consequently, the directors make a significant judgement when determining whether it is probable that the process will result in an outflow of resources and estimating the amount, based on criteria determined by the various expert advisors on the matters analysed (see Notes 3-l and 13).

Although these estimates were made on the basis of the best information available at 31 December 2023 regarding the facts analysed, future events could make it necessary to revise these estimates (upwards or downwards) in subsequent reporting periods. Any changes in accounting estimates would be applied prospectively in accordance with IAS 8, with the effects

of the change in accounting estimates recognised in the consolidated statements of profit or loss of the periods affected.

At year-end 2023, the Group had positive working capital of EUR 325,565 thousand (2022: EUR 296,628 thousand). Excluding costs for programme rights expected to be incurred in more than one year (see Note 10), working capital at year-end 2023 would still be positive at EUR 265,282 thousand (2022: EUR 214,463 thousand).

## b) Basis of consolidation

### Subsidiaries

Subsidiaries included the scope of consolidation:

Company name	Registered address	Year incorporated	Line of business	Owner	2023 percentage	2022 percentage
6&M Producciones y Contenidos Audiovisuales, S.L.U. (*)	Madrid	2013	Audiovisual productions	Atresmedia Corporación de Medios de Comunicación, S.A.	100	100
Antena 3 Multimedia, S.L.U.	Madrid	2004	Audiovisual services	Atresmedia Corporación de Medios de Comunicación, S.A.	100	100
Antena 3 Noticias, S.L.U. (*)	Madrid	2012	Audiovisual productions	Atresmedia Corporación de Medios de Comunicación, S.A.	100	100
Atres Advertising, S.L.U. (*)	Madrid	2004	Advertising management	Atresmedia Corporación de Medios de Comunicación, S.A.	100	100
Atresmedia Capital, S.L.U.	Madrid	2015	Holding company	Atresmedia Corporación de Medios de Comunicación, S.A.	100	100
Atresmedia Cine, S.L.U. (*)	Madrid	2000	Audiovisual productions	Atresmedia Corporación de Medios de Comunicación, S.A.	100	100
Atresmedia Música, S.L.U.	Madrid	2015	Management of music rights	Atresmedia Corporación de Medios de Comunicación, S.A.	100	100
Atresmedia Studios, S.L.U. (**)	Madrid	2010	Production, distribution, dissemination and marketing of audiovisual content	Atresmedia Corporación de Medios de Comunicación, S.A.	100	100
Atresmedia Tech, S.L.U.	Madrid	2005	Provision of IT services	Atresmedia Corporación de Medios de Comunicación, S.A.	100	100
Música Aparte, S.A.U.	Madrid	1990	Management of copyrights	Atresmedia Corporación de Medios de Comunicación, S.A.	100	100
Human to Human Communications, S.L. (*)	Madrid	2017	Provision of marketing and advertising services	Atres Advertising, S.L.U.	100	100
Diariomotor Medios Digitales, S.L.	Madrid	2017	Development and operation of digital content	Atresmedia Corporación de Medios de Comunicación, S.A.	100	100
Pazy Digital Ventures, S.L.	Madrid	2022	Funeral services	Atresmedia Capital, S.L.U.	82.32	82.32
Wayna Aero, S.L.	Barcelona	2014	Travel agency services	Atresmedia Capital, S.L.U.	90.35	—
Smartclip Hispania, S.L. (*)	Madrid	2008	Advertising services in digital environments	Atres Advertising, S.L.U.	100	100
Atresmedia Smart Tools, S.L.	Madrid	2022	Audiovisual product documentation management services	Atresmedia Corporación de Medios de Comunicación, S.A.	100	100
Uniprex, S.A.U. (*)	Madrid	1982	Radio broadcasting services	Atresmedia Corporación de Medios de Comunicación, S.A.	100	100
Antena 3 Televisión Digital Terrestre de Canarias, S.A.U.	Las Palmas	2006	Local digital terrestrial television	Uniprex, S.A.U.	100	100
Uniprex Televisión Digital Terrestre de Andalucía, S.L.	Seville	2006	Local digital terrestrial television	Uniprex, S.A.U.	100	74.20
Uniprex Televisión, S.L.U. (**)	Madrid	2004	Indirect management of TV service	Uniprex, S.A.U.	100	100
Sociedad de Distribución Digital Sonora de Entretenimiento, S.L.	Madrid	2021	Creation, production, distribution and marketing of audio content	Uniprex, S.A.U.	100	75
Inversión y Distribución Global de Contenidos, S.L.U.	Valencia	2005	Local digital terrestrial television	Uniprex, S.A.U.	100	100

(\*) Audited companies

(\*\*) Companies audited in 2022

Subsidiaries over which the Group exercises control are fully consolidated and all their assets, liabilities, income, expenses and cash flows are included in the consolidated financial

statements after making adjustments to adapt the accounting policies used to those applied by the Group, and adjustments and eliminations relating to intra-Group transactions.

The profit or loss of subsidiaries acquired during the year are included in the consolidated statement of profit or loss only from the acquisition date to the year-end.

### **Joint ventures**

In accordance with IFRS 11, a joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A key feature of a joint arrangement is the existence of two or more parties that have joint control of an entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in joint ventures are accounted for using the equity method.

Company name	Registered address	Year incorporated	Line of business	Owner	2023 percentage (*)	2022 percentage (*)
Buendía Producción, S.L. (**)	Madrid	2020	Production of audiovisual content	Atresmedia Corporación de Medios de Comunicación, S.A.	—	50
Buendía Estudios, S.L.	Madrid	2020	Production of audiovisual content	Atresmedia Corporación de Medios de Comunicación, S.A.	50	50
Buendía Estudios Canarias, S.L.	Las Palmas	2021	Production of audiovisual content	Buendía Estudios, S.L.	50	50
Buendía Estudios Bizkaia, S.L.	Vizcaya	2022	Production of audiovisual content	Buendía Estudios, S.L.	50	—

(\*) Effective ownership interest (\*\*) Merged with Buendía Estudios, S.L.

### **Associates**

Ownership interests in associates over which Atresmedia Corporación de Medios de Comunicación, S.A. or its subsidiaries do not exercise control, but have the capacity to exercise significant influence in their management, normally through agreements with other shareholders, were accounted for using the equity method. Under the equity method of accounting, the investment is recognised at cost, including any goodwill arising on the acquisition, and is subsequently adjusted on the basis of the changes in its equity, in proportion to the Group's share of ownership. The Group's share of the profit and loss of these companies is recognised, net of the related tax effect, under "Share of profit/(loss) of companies accounted for using the equity method" in the consolidated statement of profit or loss, and any dividends received from these companies are deducted from the value of the investment.

Associates:

Company name	Registered address	Year incorporated	Line of business	Owner	2023 percentage (*)	2022 percentage (*)
Atres Hub Factory, S.L.	Barcelona	2015	Creation of digital businesses	Atresmedia Corporación de Medios de Comunicación, S.A.	50	50
Ac2ality, S.L.	Madrid	2020	Social media news published and distributor	Atresmedia Corporación de Medios de Comunicación, S.A.	35.1	—
CTK Live Esports, S.L.	Alicante	2022	Provision of IT and technology services	Atresmedia Corporación de Medios de Comunicación, S.A.	50	50
Digital Marketing for Humans, S.L.	Barcelona	2019	Advertising management	Atres Advertising, S.L.U.	30	—
Suma Content, S.L.	Madrid	2021	Production of audiovisual works	Atresmedia Corporación de Medios de Comunicación, S.A.	30	30
Hola Televisión América, S.L.	Madrid	2011	Audiovisual media services	Atresmedia Corporación de Medios de Comunicación, S.A.	50	50
Hola TV Latam, S.L.	Madrid	2013	Audiovisual media services	Hola Televisión América, S.L.	50	50
Hola TV US, LLC	Miami	2013	Audiovisual media services	Hola TV Latam, S.L.	50	50

(\*) Effective ownership interest

**Changes in the scope of consolidation and main transactions in 2023**

- In March, included in the Group using the equity method was Buendía Estudios Bizkaia, S.L.U., a wholly owned subsidiary of associate Buendía Estudios, S.L. The Group has an effective interest in this company of 50%. This company's objects include the production of audiovisual content.
- On 7 March 2023, the agreement whereby subsidiary Atresmedia Capital, S.L.U. subscribed for a total of 15,657 shares of EUR 1 par value each of Wayna Aero, S.L., representing 80.16% of its share capital for EUR 3,121 thousand and undertook a commitment to acquire a further 1,992 shares, raising its ownership interest to 90.35%, with differed consideration measured at the acquisition date at EUR 859 thousand, was executed in a public deed. This company engages primarily in activities inherent to travel agencies. The Group fully consolidated the company from the acquisition date (i.e. the date on which it obtained control (see Note 5)).
- On 7 March 2023, the agreement whereby Atresmedia Corporación de Medios de Comunicación, S.L.U. subscribed for a total of 2,268 shares of EUR 1 par value each of Ac2ality, S.L., representing 35.10% of its share capital for EUR 1,000 thousand and undertook a commitment to make an equity holder contribution of EUR 403 thousand was executed in a public deed. This company engages primarily in publishing and distributing news via social media. This company was accounted for using the equity method.
- On 9 March 2023, subsidiary Uniprex, S.A.U. subscribed for a total of 12,000 shares of EUR 1 par value each and a nominal amount of EUR 1,500 thousand in the capital increase carried out by Sociedad de Distribución Digital Sonora de Entretenimiento, S.L. This did not result in any change in its percentage ownership interest. The company's capital after this increase amounted to EUR 136 thousand. On 28 July 2023, the agreement whereby Uniprex, S.A.U. acquired 34,000 shares of EUR 1 par value each of subsidiary Sociedad de Distribución Digital Sonora de Entretenimiento, S.L. representing 25.00% of its share capital, for EUR 500 thousand, was executed in a public deed. This purchase gave Uniprex, S.A.U. a 100% stake in that company.
- On 19 May 2023, the agreement whereby subsidiary Atres Advertising, S.L. purchased 900 shares of EUR 1 par value each of Digital Marketing for Humans, S.L. representing 30.00% of its share capital social, for EUR 747 thousand, was executed in a public deed. This company engages primarily in the management, intermediation in, planning, production and contracting of any kind of advertising and was accounted for using the equity method.

- On 14 June 2023, the governing bodies of Buendía Estudios, S.L. and Buendía Producción, S.L. drafted and signed jointly common terms of merger by absorption in accordance with Law 3/2009 on structural changes of companies entailing the merger between investees of the same owners and with the same ownership interests, with Buendía Estudios, S.L., as the absorbing company, and Buendía Producción, as the absorbed company.

On 2 October 2023, the deed for merger by absorption executing the resolutions adopted by the companies' respective shareholders at their Extraordinary General Meetings held on 28 July 2023, was placed on file at the Madrid Mercantile Register. According to this deed, Buendía Estudios, S.L. acquired en bloc and by universal transfer the assets and liabilities of Buendía Producción, S.L. based on the respective merger balance sheets as at 31 December 2022, with the absorbing company assuming all the rights and obligations of the absorbed company, which was dissolved and extinguished without liquidation. This transaction did not have any impact on the Group's consolidated financial statements.

- On 27 October 2023, the agreement whereby Uniprex, S.A.U. acquired 8 shares of EUR 100 par value each of subsidiary Uniprex Televisión Terrestre de Andalucía, S.L. representing 25.80% of its share capital social, for EUR 1, was executed in a public deed. This purchase gave Uniprex, S.A.U. a 100% stake in that company.

#### **Other changes not affecting the scope of consolidation in 2023**

- On 30 November 2023 the Parent contributed funds to Atresmedia Capital, S.L. of EUR 2,305 thousand to offset cumulative prior years' losses. In a single transaction it made a further contribution of EUR 5,579 thousand to offset cumulative losses from 1 January to 31 October 2023.

#### **Changes in the scope of consolidation and main transactions in 2022**

- On 1 January 2022, the method for accounting for Buendía Producción, S.L. was changed from integrating 50% of its assets, liabilities, revenue and expenses, to accounting for the investment using the equity method after the modification of the contractual agreements determining the rights and obligations of the venturers in the joint venture. This change did not have a significant impact on these consolidated financial statements.
- On 2 January 2022, Atresmedia Corporación de Medios de Comunicación, S.A. incorporated Atresmedia Smart Tools, S.L., subscribing and paying for 1,500 shares of EUR 1 par value each representing 50% of the company's share capital. On 29 June 2022, it subscribed for the remaining 1,500 shares, giving it a 100% shareholding. The company's object includes the provision of specialised professional and technological audiovisual document management services. This company is fully consolidated.
- On 26 January 2022, the purchase whereby subsidiary Atres Advertising sold to ShowHeroes SE 179,964 shares of subsidiary Smartclip Latam, S.L., representing 100% of its share capital, was executed in a public deed. The transaction also included the transfer of subsidiaries Smartclip Latam, S.L., Smartclip Comunicacao Ltda, Smartclip Mexico S.A.P.I. de C.V., Smartclip Colombia S.A.S., Smartclip Peru S.A.C., Smartclip Argentina S.A. Smartclip Chile SPA, and Adconion Brasil, S.L. The sale had a positive impact of EUR 1,582 thousand recognised in "Impairment and gains/(losses) on disposal of financial assets" in the consolidated statement of profit or loss.
- On 25 May 2022, the change in corporate name of subsidiary I3 TELEVISIÓN, S.L.U. to Atresmedia Tech, S.L.U. was executed in a public deed.
- On 17 June 2022, subsidiary Atresmedia Capital, S.L.U. incorporated Pazy Digital Ventures, S.L., subscribing and paying for 3,000 shares of EUR 1 par value each representing 100% of the company's share capital. The company's objects include the provision, marketing and/or intermediation of all type of funeral services. This company was fully consolidated. On 4 November 2022, the capital increase entailing the creation of 27,500 new shares of EUR 1 par value representing 17.68% of share capital, with a share premium of EUR 3 per share, subscribed by DRD4 Partners, S.L. was executed in a public deed. The capital increase left share capital at EUR 156 thousand. Atresmedia Capital, S.L.U.'s ownership interest post-capital increase represented 82.32% of the shares of Pazy Digital Ventures, S.L.



- In June 2022, included in the Group using the equity method was Buendía Estudios Canarias, S.L.U., a wholly owned subsidiary of associate Buendía Estudios, S.L. The Group has an effective interest in this company of 50%. This company's objects include the production of audiovisual content.
- On 21 July 2022, the Parent subscribed and paid for 3,000 shares of CTK Live Esports, S.L. of EUR 1 par value each, representing 50% of its share capital, with a share premium of EUR 297 thousand. Its objects include production of IT and computer-related services. This company was accounted for using the equity method.
- On 23 September 2022, the resolution to carry out a capital increase by Sociedad de Distribución Digital Sonora de Entretenimiento, S.L. whereby Uniprex, S.A.U. subscribed for 20,000 shares of EUR 1 par value and share premium of EUR 2,480 thousand was executed in a public deed. The stake after the capital increase was 75%.

#### **Other changes not affecting the scope of consolidation in 2022**

- In June 2022, Atresmedia Corporación de Medios de Comunicación, S.A. rolled over the profit participating loan agreements with Buendía Producción, S.L and Buendía Estudios, S.L. for EUR 410 thousand and EUR 1,197 thousand maturing in January and July 2024, respectively, entered into to provide financing to both companies. These profit participating loans carry floating rates of interest determined in accordance with the borrowers' operations based on their profit before tax performance.

#### **c) Comparative information**

The information contained in consolidated financial statements for 2022 is presented solely for comparison with the information relating to the annual period ended 31 December 2023.

### **3. Significant accounting policies**

The significant accounting policies used in preparing the Group's consolidated financial statements, in accordance with EU-IFRSs, were as follows:

#### **a) Goodwill**

Goodwill arising on consolidation represents the excess of the cost of acquisition, plus the non-controlling interests and fair value of any previous investment in the acquiree, over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

The assets and liabilities acquired are measured provisionally at the date on which control of the company is obtained, and the resulting value is reviewed within a maximum period of one year from the acquisition date until the fair value of the assets and liabilities has been calculated definitively. Any difference between the acquisition cost and the fair value of the assets and liabilities acquired is recognised provisionally as goodwill.

Goodwill acquired on or after 1 January 2004 is measured at acquisition cost and goodwill acquired before then is stated at the carrying amount at 31 December 2003. In both cases, at the end of each reporting period goodwill is reviewed for impairment (i.e. a reduction in its recoverable amount to below its carrying amount) and, if there is any impairment, the goodwill is written down with a charge to "Impairment and gains/(losses) on disposals of non-current assets" in the accompanying consolidated statement of profit or loss.

In this connection, the goodwill arising from the business combination is allocated to each of the Group's cash-generating units (CGUs) expected to benefit from the synergies of the combination.

An impairment loss recognised for goodwill may not be reversed in a subsequent period.

## b) Business combinations

Business combinations are accounted for using the acquisition method.

The application of the acquisition method requires, as indicated in IFRS 3 *Business Combinations*, at the acquisition date, the recognition and fair value measurement of the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree, and the recognition and measurement of a gain from a bargain purchase made on highly favourable terms.

The acquirer shall identify the acquisition date, which is the date on which it obtains control of the acquiree.

The cost of a business combination is the sum of the acquisition-date fair values of the consideration transferred, and the amount of any non-controlling interests in the acquiree. For each business combination, the acquirer shall measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Costs related to the issue of equity instruments or the financial liabilities given as consideration for the acquired assets and liabilities are not included in the cost of the business combination.

The cost of a business combination also does not include the fees paid to legal advisers and other professionals involved in the combination, or any costs incurred internally in this connection. These amounts are taken directly to profit or loss.

Any contingent consideration transferred by the Group in exchange for the acquiree shall be recognised at the acquisition-date fair value.

At the acquisition date, the acquirer shall recognise a gain or goodwill, measured as the excess of the aggregate of the consideration transferred measured at acquisition-date fair value and the amount of any non-controlling interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, measured at fair value. If the consideration is lower, the resulting gain shall be recognised in profit or loss.

The consideration transferred by the acquirer in exchange for the acquiree includes any asset or liability resulting from a contingent consideration arrangement. The acquirer shall recognise the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree.

If the measurement process required for the application of the acquisition method is incomplete by the end of the reporting period in which the combination occurs, the accounting is considered provisional. The provisional values may be adjusted over the necessary period to obtain the information required. This period shall not exceed one year. The effects of measurement period adjustments are recognised retrospectively against goodwill, and comparative information for prior periods must be adjusted as needed.

Subsequent changes that are not measurement period adjustments to the fair value of the contingent consideration classified as an asset or a liability shall be recognised in accordance with IAS 39, with any resulting gain or loss recognised either in profit or loss or in other comprehensive income, unless the contingent consideration has been classified as equity, in which case it shall not be remeasured and its subsequent settlement shall be accounted for within equity.

After initial recognition at cost, goodwill acquired in a business combination is measured at cost less accumulated impairment losses. The impairment tests are performed annually, or more frequently if events or changes in circumstances indicate that the asset may have become impaired.

In accordance with IAS 36, goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the Group's CGUs that are expected to benefit from the synergies of the business combination, irrespective of whether other assets and liabilities of the acquiree are assigned to those units.

## c) Other intangible assets

### *Administrative concessions*

"Administrative Concessions" includes mainly the cost assigned to administrative concessions for radio broadcasting acquired by Uniprex, S.A. Unipersonal. The amount recognised in the accompanying consolidated balance sheet relates to the expenses incurred to directly obtain the concession from the State or from the related public body. This amount is amortised on a straight-line basis over the initial term of the radio licence.

### *Licences and trademarks*

The Group recognises in these items mainly the amounts relating to the licence and the trademark identified in the purchase price allocation process arising from the merger with Gestora de Inversiones Audiovisuales La Sexta, S.A. carried out in 2012 (see Note 6).

At the end of each reporting period the directors assess the licence for impairment (i.e. a reduction in its recoverable amount to below its carrying amount) and, if there is any impairment, it is written down with a charge to "Impairment and gains/(losses) on disposals of non-current assets" in the accompanying consolidated statement of profit or loss.

Impairment losses on this intangible asset may not be reversed in a subsequent reporting period.

In 2013, the Parent reviewed the values of the licence and trademark identified in the purchase price allocation process performed under the framework of the aforementioned merger. For this review, which involved an independent expert, the standard procedures for analyses of this kind were used. It was concluded that the assigned values were within reasonable valuation ranges. Consequently, it was not necessary to modify the initial estimates or make any adjustments at that year-end.

The trademark is amortised on a straight-line basis over its estimated useful life of 20 years.

This license has a specific expiration, but historically has been tacitly renewed. Based on an analysis of all the relevant factors, the Group considers that there is no foreseeable limit to the period over which it is expected to generate net cash inflows for the Group. As a result, the licence was classified as an intangible asset with an indefinite useful life and, therefore, is not amortised. This indefinite useful life classification is reviewed at each reporting date and is consistent with the related business plans.

### *Computer software*

Costs incurred by third parties for the acquisition and development of the basic computer systems used in the Group's management are recognised with a charge to "Other intangible assets" in the consolidated balance sheet.

Computer system maintenance costs are recognised with a charge to the consolidated statement of profit or loss for the year in which they are incurred.

Computer software is amortised on a straight-line basis over a period of between three and five years from the entry into service of each application, on the basis of its estimated useful life.

### *Audiovisual productions*

"Audiovisual productions" relates to the costs incurred by the Group in film productions. The carrying amount includes the production costs incurred for remuneration paid to co-producers, and the launch and initial marketing costs. The Group begins amortising films from the date of commercial release or of when the rating certificate is obtained. Each film production is amortised on an annual basis over its commercial cycle, which the Group estimates to be four years. Accordingly, at the end of each reporting period, the percentage amortised until then is approximately the same as the percentage of the income generated until then with respect to the present value of the estimated total income for that period. The Group recognises the appropriate write-downs to reduce the carrying amounts of these film productions when it is considered necessary based on future marketing expectations.

Since the activities relating to the acquisition, production and marketing of audiovisual productions are part of the Group's normal operations, the amortisation charges to consolidated profit or loss are included under "Programming costs and other procurements". Acquisitions of productions are classified as investing activities in the statement of cash flows since the related amounts are recovered over various years.

#### d) Property, plant and equipment

Land and buildings acquired for the Group's business activity or for administrative purposes are stated in the consolidated balance sheet at acquisition or production cost, less any accumulated depreciation and any recognised impairment losses.

Replacements or renewals of complete items that lead to a lengthening of the useful life of the assets or to an increase in their economic capacity are recognised as additions to property, plant and equipment, and the items replaced or renewed are derecognised.

Periodic maintenance, upkeep and repair expenses are recognised in the statement of profit or loss on an accrual basis as incurred.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is calculated, using the straight-line method, on the basis of the acquisition cost of the assets less their residual value. The land on which the buildings and other structures stand are considered to have an indefinite useful life and, therefore, is not depreciated.

The annual property, plant and equipment depreciation charge is recognised in the consolidated statement of profit or loss using the straight-line method at rates based on the following average years of estimated useful life of the various assets:

	Years of useful life
Buildings	33
Plant	5 to 8
Machinery and tools	6 to 10
Furniture	10
Computer hardware	3 to 7
Transport equipment and other items of property, plant and equipment	5 to 10

Property, plant and equipment held under finance leases are recognised in the corresponding asset category of the leased item and depreciated over the shorter of the expected useful life of the asset, on the same basis as owned assets, or the lease term.

#### Impairment of other intangible assets and property, plant and equipment

The Group assesses the existence of indications of potential impairment of the non-financial assets subject to amortisation and depreciation, in order to check whether carrying amount exceeds recoverable amount, understood to be the higher of fair value less costs of disposal and value in use.

For property, plant and equipment and audiovisual productions, impairment is calculated item by item, on an individual basis.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised as income.

#### e) Leases

The Group has entered into several leases granting it the right to use the leased assets.

## **Right-of-use assets and lease liabilities**

As of 1 January 2019, in accordance with IFRS 16, at inception of a contract, the Group assesses whether the contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The period of use by the Group of an asset includes consecutive and non-consecutive periods of time. The Group reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

At the commencement date, the Group recognises a right-of-use asset and a lease liability. The right-of-use asset comprises the amount of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred and an estimate of costs to be incurred in dismantling or restoring the underlying asset, as explained in the accounting policy for provisions.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date. The Group discounts the lease payments at the appropriate incremental borrowing rate except where the interest rate implicit in the lease can be readily determined.

Outstanding lease payments comprise fixed payments, less any lease incentive receivable, variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date, amounts expected to be payable under residual value guarantees, the exercise price of a purchase option if it is reasonably certain that the option will be exercised, and payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The Group measures right-to-use assets at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects the exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies the criteria for impairment of non-current assets explained in section d above for the right-of-use asset.

Lease contracts whose payments for the right to use the asset over the lease term depend on an index, such as the CPI, are recognised initially using the index at the commencement date, remeasuring the liability and adjusting the asset in subsequent measurements in accordance with the change in the index used.

The Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the variable lease payments not included in the initial recognition in profit or loss in the period in which the event or condition that triggers those payment occurs.

The Group recognises the remeasurement of the liability as an adjustment to the right-of-use asset until it has been reduced to zero and then in profit or less.

The Group remeasures the lease liability by discounting the lease payments using a revised interest rate if there is a change in the lease term or in the assessment of an option to purchase the underlying asset.

The Group remeasures the lease liability if there is a change in the amounts expected to be payable under a residual value guarantee or in an index or a rate used to determine those

payments, including a change to reflect changes in market rental rates following a market rent review.

The Group accounts for a lease modification as a separate lease if the modification increases the scope of the lease by adding the right to use or more underlying assets, and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If the modification does not give rise to a separate asset, at the date of the modification, the Group allocates the consideration in the modified contract as explained previously, determines the lease term and remeasures the lease liability by discounting the revised lease payments using a revised discount rate. The Group decreases the carrying amount of the right-of-use asset to reflect partial or full termination of the lease for lease modifications that decrease the scope of the lease and recognises any gain or loss in profit or loss. For other modifications, the Group adjusts the carrying amount of the right-of-use asset.

## f) Financial instruments

### (i) Recognition and classification of financial instruments

Financial instruments are classified, at initial recognition, as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument provided for in IAS 32 *Financial Instruments: Presentation*.

Financial instruments are recognised when the Group acquires an obligation as a party to an agreement or legal business in accordance with the related terms.

For measurement purposes, the Group classifies financial instruments in the categories of financial assets and liabilities at fair value through profit or loss, separating those designated initially as held for trading or mandatorily measured at fair value through profit or loss, financial assets and liabilities measured at amortised cost and financial assets at fair value through other comprehensive income, separating equity instruments designated as such from the rest of the financial assets. The Group classifies financial assets other than those designated as at fair value through profit or loss and equity instruments measured at fair value through other comprehensive income, in accordance with the business model and the contractual cash flow characteristics. The Group classifies financial liabilities as measured at amortised cost, except those designated as at fair value through profit or loss and those held for trading.

The Group classifies a financial asset or liability as held for trading if:

- is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- on initial recognition is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instruments; or
- is an obligation to deliver financial assets obtained in a loan that it does not own.

The Group classifies a financial asset at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Group classifies a financial asset at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

The business model is determined by the Group's key management personnel at a level that reflects how groups financial assets are managed together to achieve a particular business objective. The Group's business model refers to how it manages its financial assets in order to generate cash flows.

Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows are managed to realise cash flows by collecting contractual payments over the life of the instrument. The Group manages the assets held within the portfolio to collect those particular contractual cash flows. In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, the Group considers the frequency, value and timing of sales in prior periods, the reasons for those sales and expectations about future sales activity. However, sales in themselves do not determine the business model and therefore cannot be considered in isolation. Instead, information about past sales and expectations about future sales provide evidence related to how the Group's stated objective for managing the financial assets is achieved and, specifically, how cash flows are realised. The Group considers information about past sales within the context of the reasons for those sales and the conditions that existed at that time as compared to current conditions. For these purposes, the Group considers that trade debtors and receivables that will be transferred to third parties and that will not result in their derecognition are held in this business model.

Although the objective of the Group's business model may be to hold financial assets in order to collect contractual cash flows, it need not hold all of those instruments until maturity. Thus, the Group's business model is to hold financial assets to collect contractual cash flows even when sales of financial assets occur or are expected to occur in the future. The Group understands that this requirement is met when sales are due to an increase in the financial assets' credit risk. In the rest of the cases, the sales are insignificant both individually and in aggregate, whether they are frequent or infrequent.

The financial assets that are held within a business model whose objective is achieved by both holding assets to collect contractual cash flows and selling them are managed to realise cash flows by collecting contractual payments and selling them in accordance with the Group's various needs. In this type of business model, the Group's key management personnel have made a decision that both collecting contractual cash flows and selling financial assets are integral to achieving the objective of the business model. To achieve this objective, the Group will both collect contractual cash flows and sell financial assets. Compared to the previous business model, this business model will typically involve greater frequency and value of sales.

The contractual cash flows that are payments of principal and interest on the principal amount outstanding are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest. However, in such an arrangement, interest can also include consideration for other basic lending risks (for example, liquidity risk) and costs (for example, administrative costs) associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement.

The Group, at initial recognition, designates a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The rest of the financial assets as measured at fair value through profit or loss.

The Group classifies a financial asset at fair value through equity if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI. After initial recognition, financial assets classified in this category are measured at fair value through equity.

Financial assets and liabilities that are contingent consideration arising in a business combination are classified as financial assets and liabilities measured at fair value through profit or loss.

The Group classifies liabilities held for trading as at fair value through profit or loss.

The Group, at initial recognition, designates a financial liability as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring the assets or liabilities or recognising the gains and losses on them on different bases, of a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about the group is provided internally on that basis to the Group's key management personnel.

The Group classifies the rest of its financial liabilities, except financial guarantee contracts, commitments to provide a loan at a below-market interest rate, and financial liabilities that arise when a transfer of financial assets does not qualify for derecognition or when the continuing involvement approach applies, such as financial liabilities at amortised cost.

*(ii) Offsetting*

A financial asset and a financial liability are offset when, and only when, the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. For the Group to have a legally enforceable right, the right of set-off must not be contingent on a future event and must be legally enforceable in the normal course of business, the event of default and the event of insolvency or bankruptcy.

*(iii) Financial assets and liabilities at fair value through profit or loss*

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability are recognised as an expense as incurred.

The fair value of a financial instrument at initial recognition is normally the transaction price, unless the price contains different elements of the instrument, in which case the Group determines its fair value. If the Group determines that the fair value of an instrument differs from the transaction price, it recognises the difference as a gain or loss, only where the value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. In the rest of the cases, the Group recognises the difference in profit or loss to the extent that it arises from a change in a factor that market participants would take into account when pricing the asset or liability. (IFRS 7.28 a)

After initial recognition, the instruments are measured at fair value through profit or loss. Changes in fair value include the interest and dividend component. Fair value is not reduced by transaction costs incurred on sale or disposal.

Nevertheless, for financial liabilities designated at fair value through profit or loss, the Group recognises the gains or losses attributable to own credit risk in other comprehensive income. Amounts deferred in other comprehensive income are not reclassified subsequently to profit or loss.

The Group determines the changes in fair value attributable to credit risk by first computing the liability's internal rate of return at the start of the period using the fair value of the liability and the liability's contractual cash flows, and deducting from this rate of return the benchmark interest rate to arrive at an instrument-specific component of the credit risk, provided that the changes in the benchmark interest rate are not significant and there are no other factors giving rise to significant changes in fair value. At the end of each reporting period, the Group discounts the contractual cash flows at the rate equal to the sum of the benchmark interest rate at that date and the instrument-specific component of the credit risk. The difference between the fair value at the end of the reporting period and this amount represents the change attributable to credit risk.



*(iv) Financial assets and liabilities at amortised cost*

Financial assets and liabilities at amortised cost are recognised initially at fair value, plus or minus transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method.

*(v) Financial assets measured at cost*

Equity instruments for which there is insufficient information available to measure fair value or those for which there is a wide range of possible fair value measurements and related derivative instruments that must be settled by delivery of the investments are measured at cost. However, any time a more reliable measurement of the asset or contracts becomes available to the Group, these assets are measured at fair value, with any gains or losses recognised in profit or loss, or other comprehensive income if the instrument is designated as at fair value through other comprehensive income.

*(vi) Reclassifications of financial instruments*

The Group reclassifies financial assets when it changes its business model for managing those financial assets. The Group does not reclassify financial liabilities.

If the Group reclassifies a financial asset out of the amortised cost measurement category and into the fair value through profit or loss measurement category, it recognises any gains or losses between the fair value and the carrying amount in profit or loss. From that moment, the Group does not separately recognise the interest on the financial asset.

If the Group reclassifies a financial asset out of the fair value through profit or loss measurement category and into the amortised cost measurement category, it considers the new gross carrying amount for applying the effective interest rate method and the recognition of credit losses.

If the Group reclassifies a financial asset out of the amortised cost measurement category and into the fair value through other comprehensive income measurement category, it recognises any gains or losses between the fair value and the carrying amount in other comprehensive income. The effective interest rate and measurement of expected credit losses are not adjusted as a result of the reclassification. However, the cumulative amount of expected credit losses is recognised in other comprehensive income and disclosed in the notes.

If the Group reclassifies a financial asset out of the fair value through other comprehensive income measurement category and into the amortised cost measurement category, the financial asset is reclassified at its fair value. The amount deferred in equity is adjusted against the carrying amount of the asset. The effective interest rate and measurement of expected credit losses are not adjusted as a result of the reclassification.

If the Group reclassifies a financial asset out of the fair value through profit or loss measurement category and into the fair value through other comprehensive income measurement category, the effective interest rate and expected credit losses are determined by reference to the fair value at the reclassification date.

If the Group reclassifies a financial asset out of the fair value through other comprehensive income measurement category and into the fair value through profit or loss measurement category, the amount deferred in equity is reclassified to profit or loss. From that moment, the Group does not separately recognise the interest on the financial asset.

*(vii) Impairment*

The Group recognises a loss allowance in profit or loss for expected credit losses on financial assets measured at amortised cost, fair value through profit or loss, finance lease receivables, contract assets, loan commitments and financial guarantee contracts.

For financial assets measured at fair value through other comprehensive income, expected credit loss is recognised in other comprehensive income and does not reduce the fair value of the assets.

At each reporting date, the Group measures the loss allowance at an amount equal to 12-month expected credit losses for financial instruments for which the credit risk has not increased significantly since initial recognition or when it considers that the credit risk has no longer increased significantly.

At each reporting date, the Group assesses whether the credit risk on a financial instrument - whether assessed on an individual or collective basis- has increased significantly since initial recognition. For the collective assessment, the Group has grouped instruments on the basis of shared credit risk characteristics. When making an assessment of whether the credit risk on a financial instrument or group of financial instruments has increased significantly, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring at each reporting date with that at the date of initial recognition.

When assessing whether there has been a significant increase in credit risk, the Group considers all reasonable and supportable information, including that which is forward-looking, specifically:

- Internal and external credit ratings;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations;
- Actual or expected significant changes in the operating results of the borrower;
- Significant increases in credit risk on other financial instruments of the same borrower;
- Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements;
- Relevant macroeconomic information.

The Group has determined the impairment of cash and cash equivalents at 12-month expected credit losses. The Group considers that cash and cash equivalents have low credit risk based on the credit ratings of the financial institutions where it holds its cash and deposits.

For trade receivables, the Group uses an expected credit loss model entailing a three-stage approach. It must distinguish between measuring loss allowances based on 12-month expected credit losses from initial recognition (Stage 1), lifetime expected credit losses when there is a significant increase in credit risk (Stage 2) and lifetime expected credit losses where a credit event has occurred (Stage 3). The criteria adopted by the Group is to recognise as incurred losses balances more than 180 days past due and events occurring that indicate the existence of an incurred loss. The Group has chosen a simplified approach for measuring expected credit losses in Stages 1 and 2, based on an analysis of debt performance from a history of trade receivables segmented by business models. A matrix of default rates is established applicable to outstanding balances not impaired due to age of the debt or the borrower's financial position. The Group reassesses the rates to be applied to expected loss annually.

*(viii) Derecognitions, modifications and cancellations of financial assets*

The Group applies criteria of derecognition of financial assets to a part of a financial asset or a part of a group of similar financial assets, or a financial asset or a group of similar financial assets.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. In addition, financial assets for which the Group retains the contractual rights to receive the cash flows are only derecognised when it assumes contractual obligations to pay the cash flows to one or more recipients and the following requirements are met:

- Payment of the cash flows is dependent on prior collection;

- The Group may not sell or pledge the financial asset; and
- The cash flows collected on behalf of the eventual recipients are remitted without any material delay. The Group is not entitled to reinvest the cash flows. Investments in cash and cash equivalents made by the Group during the settlement period, i.e. between the collection date and the date of required remittance agreed with the eventual recipients, are excluded from the application of this criterion, provided that the interest earned is passed to the eventual recipients.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received net of transaction costs, including any new asset obtained less any liability assumed, plus any accumulated gain or loss deferred in other comprehensive income is recognised in profit or loss, except for equity instruments designated as at fair value through in other comprehensive income.

*(ix) Interest and dividends*

The Group recognises interest revenue using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial asset to the carrying amount, based on the contractual terms of the financial asset and excluding expected credit losses, except for purchased or originated credit-impaired financial assets.

Interest is recognised on the gross carrying amount of the financial assets, except for purchased or originated credit-impaired financial assets and financial assets that have subsequently become credit-impaired financial assets. For the first, the Group applies the effective interest rate adjusted for the initial credit risk and for the second it applies the effective interest rate to the amortised cost.

Changes in estimates of cash flows are discounted at the effective interest rate or the original credit-adjusted effective interest rate and are recognised in profit or loss.

*(x) Derecognition and modifications of financial liabilities*

The Group derecognises a financial liability, or part of a financial liability, when it discharges the obligation or is legally released from primary responsibility for the obligation through a judicial proceeding or by the creditor.

An exchange between the Group and the counterparty of debt instruments with substantially different terms and substantial modifications of the terms of initially recognised liabilities are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

If the exchange is accounted for as an extinguishment of the original financial liability, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. Otherwise, the modified cash flows are discounted at the original effective interest rate, with any difference with the previous carrying amount recognised in profit or loss. In addition, any costs or fees adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

The Group recognises the difference between the carrying amount of the financial liability or part of that liability extinguished or transferred to a third party and the consideration paid, including any non-cash assets transferred or liability assumed, in profit or loss.

The Group has arranged reverse factoring agreements with several banks to manage payments to suppliers. Trade payables whose settlement is managed by banks are recorded under "Trade and other payables" in the balance sheet as the Company only transfers management of

payment to the financial institutions, but is still the primary obligor for payment of the liabilities with trade creditors until they are settled, cancelled or expire.

### g) Programme rights

Programme rights are measured, based on their nature, as follows:

1. Inventoriable in-house productions (programmes produced to be rerun, such as fiction series) are measured at acquisition and/or production cost, which includes both external costs billed by third parties for programme production and for the acquisition of resources, and internal production costs calculated by applying previously determined internal rates on the basis of the time during which operating resources are used in production. The costs incurred in producing the programmes are recognised, based on their nature, under the appropriate headings in the consolidated statement of profit or loss and are included under "Programme rights" in the consolidated balance sheet with a credit to "Additions to programme rights" under "Programming costs and other procurements" in the accompanying consolidated statement of profit or loss.

Amortisation of these programmes is recognised under "Programming costs and other procurements" in the consolidated statement of profit or loss, on the basis of the number of showings. Following the analyses performed by the Parent of actual showings of this type of programme, series broadcast weekly are amortised at 99% of the production cost when the first showing of each episode is broadcast and at 1% when the broadcast is repeated. Series broadcast daily are amortised in full when first broadcast. In any event, the maximum period for the amortisation of programmes is three years, after which the unamortised amount is written off. These digital programmes are amortised on a straight-line basis over a period of three years from when the programme is available on the platform.

2. Non-inventoriable in-house productions (programmes produced to be shown only once) are measured using the same methods and procedures as those used to measure inventoriable in-house productions. Programmes produced and not shown are recognised at year-end under "Programme rights - In-house productions and productions in progress" in the Consolidated balance sheet. The cost of these programmes is recognised as an expense under "Programming costs and other procurements" in the consolidated statement of profit or loss at the time of the first showing.
3. Rights on external productions (films, series and other similar productions) are measured at acquisition cost. These rights are deemed to have been acquired when the term of the right commences for the Group.

The amortisation of the rights is recognised under "Programming costs and other procurements" in the consolidated statement of profit or loss, on the basis of the number of showings, at the rates shown below, which are established on the basis of the number of showings contracted:

FILMS	Number of showings contracted		
	1	2	3 or more
1st showing	100%	50%	50%
2nd showing	—	50%	30%
3rd showing	—	—	20%

  

SERIES	Number of showings contracted	
	1	2 or more
1st showing	100%	50%
2nd showing	—	50%

There are no assets specifically acquired to be amortised within a period of over 12 months. All the programme assets are subject to amortisation, i.e. included in the operating cycle, once they are recognised as assets. It is not possible to know which specific assets will be amortised beyond a period of 12 months. However, detailed analyses of future programming for that period are performed and the results are used to assess the

need to recognise any impairment. The programming policy has differing degrees of specificity depending on when the programme schedules are prepared. The Parent estimates the total amount which would be amortised beyond that year, based on past experience and the approximate estimate of amortisation.

4. Live broadcasting rights are measured at cost. The cost of these rights is recognised as an expense under "Programming costs and other procurements" in the consolidated statement of profit or loss at the time of broadcast of the event on which the rights were acquired.

#### *Advances on purchases of rights*

Payments made to external production distributors prior to the commencement of the term of the rights are recognised under "Programme rights - Advances on purchases of rights" in the consolidated balance sheet and if such payments are in foreign currency they are translated to euros at the year-end exchange rate.

#### *Provisions*

The Group recognises provisions for the unamortised value of in-house productions and of the rights on external productions which it considers will not be shown. When these rights expire, the amounts set aside are applied to cancel the costs.

#### *Classification of programme rights*

In accordance with standard industry practice, programme rights are classified as current assets, since they are amortised in the operating cycle.

### **h) Current versus non-current classification**

In the accompanying consolidated balance sheet, financial assets and liabilities are classified on when they are expected to be realised or settled, i.e. financial assets and liabilities that are expected to be realised or settled over the course of the company's normal operating cycle or within 12 months are classified as current, and those that do not meet these requirements as non-current.

Deferred tax assets and liabilities are classified as non-current regardless of when they are expected to be realised or settled.

### **i) Derivative hedging instruments**

All the derivatives held by the Group at 31 December 2023 were OTC derivatives, whose prices are not quoted on active futures and options markets. Therefore, it is necessary to apply generally accepted valuation techniques, based on objective market data, used in the measurement of financial instruments of this nature.

The Group enters into the following types of derivatives:

#### *Foreign currency hedges*

The derivative financial instruments held by the Group companies are basically cash flow hedges arranged to mitigate the exposure of the cash flows associated with external production rights to fluctuations in the USD/EUR exchange rate.

They relate, in all cases, to cash flow hedges for payment obligations in EUR relating to the purchase of broadcasting rights (the underlying), in which the exposure to the EUR/USD exchange rate is hedged (hedged risk), which gives rise to a potential change in the cash flows payable in euros for broadcasting rights. This change affects the profit or loss of the period(s) in which the planned payment transaction has not been performed. The Group applies hedge accounting and documents the hedging relationships and measures their effectiveness as required by IFRS 9.

In general, on assumption of the commitment to purchase the broadcasting rights, the Group enters into a foreign currency derivative that expires on the payment dates of the payables to suppliers. A hedging relationship is arranged that covers the entire term of the derivative, i.e.

the derivative is considered to be a hedging instrument from its inception (when the commitment to purchase the broadcasting rights is assumed) up to the date of payment of the contracted broadcasting rights. Changes in the fair value of the derivative instrument determined to be an effective hedge are recognised temporarily in equity up to the beginning of the term, when they are transferred to profit or loss in order to offset the impact on profit or loss of changes in the value of the hedged item. Therefore, once the broadcasting rights and the related payables to suppliers are recognised, the changes in fair value of the foreign currency derivatives and in the value of the payables are recognised in the statement of profit or loss at each accounting close.

#### *Interest rate hedges*

For the syndicated financing arranged, the Group entered into cash flow hedges (CAPs) to minimise interest rate risk (see Note 14).

With IRSs, the parties agree to swap, on predetermined dates, the cash flows resulting from applying an interest rate to a nominal amount. The rate applied to the payments of a portion is fixed, whereas the other portion is a floating rate (based on a benchmark rate).

#### *Cross currency swaps*

The Group uses cross currency swaps that swap capital and interest flows in dollars for other capital and interest flows in euros, fixing the exchange rate and half-yearly coupons of the debt from bonds and debentures at a fixed rate in euros. These are cash flow hedges that hedge exposure to the currency and interest rate risk of the cash flows related to the hedged underlying.

#### *Measurement*

Hedging instruments in the consolidated balance sheet are stated at fair value. Changes in the fair value of this financial instrument designated as a hedge are recognised temporarily in equity as they meet the hedge effectiveness requirements, and reclassified to profit or loss as the changes in fair value of the hedged item affect profit or loss.

The Group measures the effectiveness of these cash flow hedges by analysing the extent to which changes in the fair value or the cash flows of the hedging instrument offset changes in the fair value or the cash flows of hedged items attributable to the hedged risk.

Effectiveness of the interest rate hedge was assessed using a qualitative assessment to verify the economic relationship between the hedged item and the hedging instrument, analysing the compatibility of notional amounts, interest settlement periods, maturity dates and the reference of the variable-interest cash flows.

The fair value measurement method is based on the present value of the estimated future contractual cash flows by the parties to the hedging instrument. This determination is made using the European Central Bank's benchmark exchange rate on the closing date, the quoted prices of swaps at the measurement date, interest rates prevailing on the measurement, credit risk and generally accepted techniques in the market.

When the hedge no longer meets the criteria for hedge accounting and the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss.

### **j) Treasury shares**

Acquisitions or sales of treasury shares (see Note 12-e) are debited or credited to equity at the amount paid or received, respectively. Therefore, the gains or losses arising from these transactions are not reflected in the consolidated statement of profit or loss, but are recognised as an addition to or a reduction of equity, respectively.

### **k) Bonds and debentures and bank borrowings**

Payables for bonds and debentures, loans, credit facilities and bank overdrafts are recorded at the amount received. Borrowing costs are recognised in the consolidated statement of profit or

loss on an accrual basis using the effective interest method and are added to the carrying amount of the liability to the extent that they are not settled in the period in which they arise.

#### **l) Provisions and contingencies**

When preparing the consolidated financial statements, the Group's directors made a distinction between:

- Provisions: the Group recognises provisions when it has a present obligation (legal or constructive) as a result of a past event and a reliable estimate can be made of the amount of the obligation.
- Contingent liabilities: possible obligations arising from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group.

The consolidated financial statements include all provisions for which it is considered more likely than not that the corresponding obligation will have to be settled. Contingent liabilities are not recognised in the consolidated financial statements, but rather are disclosed in the notes to the financial statements, unless the possibility of an outflow of resources is considered to be remote.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation or transfer it, taking into account the information available on the event and its consequences. Adjustments arising from the discounting of the provision are recognised as a finance expense when accrued.

Reimbursement receivable from another party on settlement of the obligation is recognised as an asset, provided that the reimbursement is virtually certain, unless there is a legal relationship whereby a portion of the risk has been externalised as a result of which the Group is not liable; in this situation, the reimbursement is taken into account for the purpose of estimating the amount of the related provision that should be recognised.

#### **m) Employee benefits**

Termination benefits are recognised at the earlier of the date from which the Group can no longer withdraw its offer and that on which it recognises the costs of a restructuring effort that will entail the payment of termination benefits.

In respect of termination benefits as a result of employees deciding to accept an offer, the Group is deemed unable to withdraw its offer from the earlier of the date on which the employees accept the offer or the date of effectiveness of any form of restriction on the Group's ability to withdraw the offer.

In respect of involuntary termination, the Group is deemed unable to withdraw its offer when it has communicated the plan to the affected employees or their union representatives and the actions needed to complete the plan suggest that it is unlikely that there will be significant changes in its terms; the plan identifies the number of employees whose services are to be terminated, their job classification or function, their location and their expected termination date; and the termination benefits to be received by the laid-off employees have been established in sufficient detail to enable them to determine the type and amount of remuneration they will receive upon termination.

If the Group expects to settle the benefits wholly after 12 months after the end of the annual reporting period, the liability is discounted by reference to market yields on high quality corporate bonds.

#### **n) Revenue and expense recognition**

The Group performs an extensive analysis of the various classes of customer contracts covered by IFRS 15, identifying the performance obligations for each contract type as provided for in the standard, and verifying the approaches for determining the transaction price and its

allocation to each of the obligations, and recognising the revenue upon satisfaction of the obligation of the contract.

For advertising revenues from television, radio and digital, which comprise the Group's main revenue-producing activity, the performance obligation is met when the advertising campaign is broadcast, which is when the related revenue is recognised. IFRS 15 requires allocation of the transaction price on a stand-alone selling price basis, which can affect the amount and the timing of revenue recognition. In the case of certain commercial policies that could include a separate performance obligation (no-cost showings), the conclusion is that since the accrual of these campaigns coincides with the annual period, the estimation of the stand-alone selling price of the performance obligations satisfied with the customer is not applicable.

For other business lines, including audiovisual production and distribution, and the sale of content, customer contracts generally have a large variety of performance obligations, from contracts involving production services to multi-year licensing agreements, as well as ancillary rights and services (e.g. commercial rights, sponsorship rights, production consultancy services) and distribution activities. Application of IFRS 15 requires Atresmedia to assess the nature of its promise in contracts (access or usage rights) to determine whether the licences grant a right to access content (revenue recognised over time) or a right to use content (revenue recognised at a point in time). The Group has determined that most of the licences granted are licences for which revenue is recognised when the customer obtains control. In addition, variable consideration is recognised based on the best estimate in accordance with the entity's experience.

The Group's expenses are recognised on an accrual basis.

To contribute to a better understanding and provide more details on the Group's business performance, especially in its digital activity, and the production and distribution of content in the audiovisual business, the Atresmedia Group combines activities into two large business lines.

- Audiovisual segment: includes the "Television" and "Other businesses" activities.
- Radio segment: relates to the "Radio" activity.

Key information on this division is disclosed in Note 20.

#### **o) Income tax: deferred tax assets and liabilities**

Income tax expense for the year is calculated as the sum of current tax resulting from applying the corresponding tax rate to taxable profit for the year less any allowable tax deductions, taking into account changes in deferred tax assets and liabilities.

In general, deferred tax liabilities are recognised for all taxable temporary differences, whereas deferred tax assets (including those relating to temporary differences, and the carry forward of unused tax credits and unused tax losses) are recognised only to the extent that it is considered probable that the consolidated companies will have sufficient taxable profits in the future against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities are calculated by applying the tax rate expected to apply at the date of reversal, which is 25% for 2023 and subsequent years.

The Group began filing consolidated tax returns in 2001, with Atresmedia Corporación de Medios de Comunicación, S.A. as the head of the tax group (see Note 21).

Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union has yet to be transposed into Spanish law, which will apply to tax periods beginning on or after 31 December 2023.

The IASB has established exceptions to avoid entities developing diverse interpretations of IAS 12 due to the complexity of the tax law and potential differences in the timing of enactment of new laws in different jurisdictions. The amendments introduced include a temporary exception



from accounting for deferred taxes arising from the implementation of the OECD's Pillar Two rules, as well as specific disclosure requirements for affected entities.

The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The scope of Pillar Two for the Company is limited to Spanish territory. The Company performed an assessment aimed at reviewing safe harbours and the tax rate and does not expect having an effective tax rate below the global minimum tax rate established in the GloBE rules to have any significant impacts.

#### **p) Foreign currency transactions and balances**

The functional currency of the Parent and its investees is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognised by applying the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currency are translated to euros at the year-end exchange rates, while non-monetary items measured at historical cost are translated at the exchange rates prevailing on the date of the transaction. Non-monetary assets measured at fair value are translated to euros by applying the exchange rate prevailing at the date when the fair value was determined.

The gains or losses arising on settlement of foreign currency transactions and on the translation to euros of monetary assets and liabilities denominated in foreign currency are recognised in profit or loss. However, the exchange differences arising in monetary items forming part of a net investment in a foreign operation are recognised as translation differences in other comprehensive income.

The exchange gains and losses related to monetary financial assets or liabilities denominated in foreign currency are also recognised in profit or loss.

Monetary financial assets denominated in foreign currency are considered recognised at amortised cost in the foreign currency. Therefore, the exchange differences associated with the changes in amortised cost are recognised in profit or loss.

The Group presents the effect of translating the deferred tax assets and liabilities denominated in foreign currency, together with deferred income tax, in profit or loss.

#### **q) Earnings per share**

Basic earnings per share are calculated by dividing net profit for the year attributable to the Parent by the weighted average number of ordinary shares of the Parent outstanding during the year.

Diluted earnings per share is calculated by dividing net profit for the period attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding adjusted for the dilutive effects of potential ordinary shares, understood as shares whose conversion into outstanding shares could reduce earnings per share (see Note 23).

#### **r) Share-based payments**

Remuneration via the issue of equity instruments is recognised by applying the following criteria:

- If the equity instruments granted vest immediately upon being granted, the services received are recognised with a charge to profit or loss, with a simultaneous increase in "Other equity instruments";
- If the equity instruments granted vest when the beneficiaries complete a specified period of service, the services received are recognised over the vesting period with a credit to "Other equity instruments".

The Group determines the fair value of the instruments granted on the grant date.

The market vesting conditions are considered when the fair value of the instrument is determined. Vesting conditions, other than market conditions, are taken into account by adjusting the number of equity instruments included in the measurement of the amount of the transaction, so that, ultimately, the amount recognised for services received is based on the number of equity instruments expected to eventually vest. Consequently, the Group recognises the amount for the services received over the vesting period, based on the best estimate of the number of instruments that will vest, and this estimate is revised based on the rights expected to vest.

Once the services received and the corresponding increase in "Other equity instruments" are recognised, no additional adjustments are made to equity after the vesting date, without prejudice to making the corresponding reclassifications in equity.

If the Group withholds equity instruments to pay income tax to the taxation authority, the plan is treated as having been settled in full in equity instruments, except for the portion of the instruments withheld that exceed the fair value of the tax obligation.

#### s) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits in financial institutions. They also include other short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it has a maturity of less than three months from the date of acquisition.

## 4. Goodwill

Reconciliation of goodwill in the consolidated balance sheet at the beginning and end of 2023 and 2022:

EUR thousand	Balance at 31/12/21	Additions	Derecognition	Balance at 31/12/22	Additions	Balance at 31/12/23
<b>RADIO BUSINESS:</b>						
Uniprex, S.A.U.	134,862	—	—	134,862	—	134,862
<b>OTHER BUSINESSES:</b>						
Human to Human Communications, S.L.	9,471	—	—	9,471	—	9,471
Diariomotor Medios Digitales, S.L. (Note 5)	3,922	5	—	3,927	—	3,927
Wayna Aero, S.L.	—	—	—	—	3,424	3,424
Smartclip Group	14,208	—	(3,552)	10,656	—	10,656
<b>Total</b>	<b>162,463</b>	<b>5</b>	<b>(3,552)</b>	<b>158,916</b>	<b>3,424</b>	<b>162,340</b>

#### Main changes

As disclosed in Note 2.b, the business combination with Wayna Aero, S.L. in March 2023 led to the recognition of EUR 3,424 thousand of goodwill (see Note 5).

In January 2022, the 100% stake in Smartclip Latam, S.L. and its subsidiaries was sold. The recognition of this transaction resulted in the derecognition of the goodwill allocated to the business disposed of in the amount of EUR 3,552 thousand. The remaining goodwill of Smartclip's business was allocated to Smartclip Hispania, S.L., which still belongs to the Group.

The increase in 2022 of EUR 5 thousand was the result of the adjustment to the values of the business combination with Diariomotor Medios Digitales, S.L. carried out in November 2021, which led to the addition of EUR 3,922 thousand of goodwill. The remeasurement occurred within one year from the acquisition date, in accordance with accounting standards.

#### Assessment of recoverability

As explained in Note 3.a, the Group periodically assesses the recoverability of the goodwill it acquires, considering the CGUs on the basis of the business activities of its subsidiaries, which

at year-end were "Television", "Radio" and, grouped under "Other businesses", independent CGUs for each subsidiary.

The Group uses the strategic plans of the various CGUs to calculate any possible impairment losses and discounts expected future cash flows. The Group prepares the various projections individually, taking into account the expected future cash flows of each CGU.

The key assumptions on which the cash flow projections are based refer primarily to the expected trend of the advertising markets where they operate, since they are the main source of revenue generation. The data are based on scenarios used by market participants to set prices, on a consensus among analysts, who are independent third parties employed by the industry in general, on audience figures, advertising efficiency ratios and cost forecasts. Except for advertising, which is measured on the basis of external information sources, the rest of the assumptions are based on past experience and reasonable projections approved by Group management and updated in accordance with the performance of the advertising markets.

These future projections cover the next five years. The cash flows for the years not considered in the projections are estimated to be perpetual, with growth of 1.5% for the "Radio" CGU (2022: 1.5%) and 1.5% for the CGUs grouped together under "Other businesses" (2022: 1.5%, except 2% for Diariomotor).

In assessing value in use, the estimated cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

In order to calculate the discount rate, the current time value of money and the risk premiums generally used by analysts for the business and geographical area (Spain) are taken into account, giving rise to future discount rates for the "Radio" CGU and the CGUs grouped under "Other businesses" of 9.5%, except for Diariomotor, which was 11.0% in 2023 (2022: 10.0%).

Based on the methods used and the estimates, projections and assessment of value in use available to the Parent's directors, it was determined that the carrying amount of all goodwill recognised is below the values in use obtained for each and, therefore, it was not necessary to recognise any impairment losses.

#### Sensitivity analysis

The Group also performs sensitivity analyses when there are reasonably possible changes in the key assumptions used to calculate the recoverable amounts of the "Radio" CGU and the CGUs identified in "Other businesses". In this respect, the sensitivity analyses are prepared using different assumptions according to the variables deemed most significant, i.e. advertising revenue, which depends mainly on the performance of the advertising market and the investment share, and the discount rate.

For the "Radio" CGU, an increase of 0.5% in the growth in perpetuity rate would increase the recoverable amount by EUR 8,099 thousand, while a decrease of 5% in that rate would result in a decrease in the recoverable amount of EUR 7,147 thousand. A decrease in the discount rate of 1.0% would increase recoverable amount by EUR 22,450 thousand, while an increase in the discount rate of 1.0% would reduce the amount by EUR 17,426 thousand; in the latter scenario, recoverable amount would be below the carrying amount of EUR 1,566 thousand.

The sensitivity analysis for the Smartclip CGU indicated that an increase in the growth in perpetuity rate of 0.5% would give rise to an increase in value of EUR 1,759 thousand, whereas a decrease in the growth in perpetuity rate of 0.5% would give rise to a decrease in value of EUR 1,552 thousand. Meanwhile, a 1.0% decrease in the discount rate would give rise to an increase of EUR 4,926 thousand, and a 1.0% increase in the discount rate would give rise to a decrease of EUR 3,833 thousand. The changes in value used in all these sensitivity analyses would not reduce the recoverable amount to below the carrying amount.

For the H2H CGU, an increase in the growth in perpetuity rate of 0.5% would increase its value by EUR 1,103 thousand, while a 0.5% decrease would reduce its value by EUR 974 thousand. Similarly, a 1% increase in the discount rate would reduce the value of the business by EUR 2,383 thousand, while a 1% decrease would increase it by EUR 3,068 thousand. The changes

in value used in all these sensitivity analyses would not reduce the recoverable amount to below the carrying amount.

For the Diariomotor UGE, an increase in the growth in perpetuity rate of 0.5% would increase its value by EUR 189 thousand, while a 0.5% decrease would reduce its value by EUR 170 thousand. A decrease in the discount rate of 1.0% would increase recoverable amount by EUR 538 thousand, while an increase in the discount rate of 1.0% would reduce the amount by EUR 434 thousand; in the latter scenario, recoverable amount would be below the carrying amount of EUR 448 thousand.

## **5. Business combinations**

On 7 March 2023, the agreement whereby Atresmedia Group, through its subsidiary Atresmedia Capital, S.L.U., acquired a total of 15,657 shares of EUR 1 par of Wayna Aero, S.L., representing 80.16% of its shares capital for EUR 3,121 thousand and undertook a commitment to acquire a further 1,992 shares, raising its ownership interest to 90.35%, was executed in a public deed. The transaction will be completed in March 2024. The value is predetermined based on achievement of a series of business metrics as at the reference date of 31 December 2024. The acquisition-date fair value of the contingent consideration amounted to EUR 859 thousand and was part of the consideration transferred.

Wayna Aero, S.L. engages primarily in activities inherent to travel agencies. With the inclusion of this company, the Group takes a further step in its diversification strategy, penetrating new businesses that provide additional sources of revenue besides advertising.

As a result of the transaction, in accordance with the accounting rules in IFRS 3, the Group assessed the assets and liabilities of the acquiree to determine the goodwill as of the acquisition date, measured as the difference between the consideration transferred and the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. This business was considered an independent CGU.

As at 31 December 2023, the Group had completed the purchase price allocation (PPA) of the business combination. The definitive amount was accounted for within the 12 months provided for in IFRS 3, which ended 7 March 2024, based on information about facts and circumstances that existed as of the acquisition date. The following table summarises the definitive amounts of consideration transferred, the acquisition-date fair values of the identifiable assets and liabilities of the company, the date on which control was obtained, and the goodwill generated.

<b>EUR thousand</b>	<b>2023</b>
Consideration paid in cash	3,121
Contingent consideration	859
<b>(+) Consideration transferred</b>	<b>3,980</b>
Property, plant, and equipment (Note 7)	6
Other financial assets	1,019
Inventories	13
Trade and other receivables	47
Other financial assets	119
Other non-financial assets	12
Cash and cash equivalents	1,593
Deferred tax liabilities	(686)
Current loans and borrowings	(309)
Trade and other payables	(1,200)
<b>(-) Fair value of net assets</b>	<b>614</b>
<b>Percentage ownership interest acquired: 90.35%</b>	<b>556</b>
<b>Goodwill</b>	<b>3,424</b>

The Group fully consolidated the company from the acquisition date (i.e. the date on which it obtained control).

There were no business combinations in the year ended 31 December 2022.

## 6. Other intangible assets

Reconciliation of the opening and closing balances of other intangible assets recognised in the consolidated balance sheet in 2023 and 2022:

EUR thousand	Balance at 1/1/23	Additions or charges	Disposals or reductions	Transfers	Changes in the scope of consolidation	Balance at 31/12/23
<u>Cost:</u>						
Administrative concessions	46,302	—	—	—	—	46,302
Licences	82,804	—	—	—	—	82,804
Trademarks	24,307	—	—	—	—	24,307
Intellectual property	2,397	11	—	7	3	2,418
Computer software	88,446	659	(235)	3,943	—	92,813
Audiovisual productions	171,717	356	—	3,956	—	176,029
Other intangible assets	8,643	—	(1,409)	—	—	7,234
Intangible assets in progress	9,313	17,796	—	(9,076)	—	18,033
	<b>433,929</b>	<b>18,822</b>	<b>(1,644)</b>	<b>(1,170)</b>	<b>3</b>	<b>449,940</b>
<u>Accumulated amortisation:</u>						
Administrative concessions	(45,087)	(533)	—	—	—	(45,620)
Trademarks	(11,261)	(1,213)	—	—	—	(12,474)
Intellectual property	(1,997)	(57)	—	—	(3)	(2,057)
Computer software	(80,586)	(5,225)	235	—	—	(85,576)
Audiovisual productions	(167,461)	—	—	(3,175)	—	(170,636)
Other intangible assets	(5,160)	(924)	471	—	—	(5,613)
	<b>(311,552)</b>	<b>(7,952)</b>	<b>706</b>	<b>(3,175)</b>	<b>(3)</b>	<b>(321,976)</b>
Provisions:	<b>(613)</b>	—	—	<b>(1,582)</b>	—	<b>(2,195)</b>
<b>Total</b>	<b>121,764</b>	<b>10,870</b>	<b>(938)</b>	<b>(5,927)</b>	—	<b>125,769</b>

EUR thousand	Balance at 1/1/22	Additions or charges	Disposals or reductions	Transfers	Changes in the scope of consolidation	Balance at 31/12/22
<u>Cost:</u>						
Administrative concessions	46,302	—	—	—	—	46,302
Licences	82,804	—	—	—	—	82,804
Trademarks	24,307	—	—	—	—	24,307
Intellectual property	2,260	137	—	—	—	2,397
Computer software	83,512	1,234	(52)	3,847	(95)	88,446
Audiovisual productions	167,328	691	(130)	3,828	—	171,717
Other intangible assets	8,364	279	—	—	—	8,643
Intangible assets in progress	6,349	11,957	(400)	(8,593)	—	9,313
	<b>421,226</b>	<b>14,298</b>	<b>(582)</b>	<b>(918)</b>	<b>(95)</b>	<b>433,929</b>
<u>Accumulated amortisation:</u>						
Administrative concessions	(44,536)	(551)	—	—	—	(45,087)
Trademarks	(10,042)	(1,219)	—	—	—	(11,261)
Intellectual property	(1,941)	(56)	—	—	—	(1,997)
Computer software	(74,417)	(6,225)	7	—	49	(80,586)
Audiovisual productions	(165,932)	—	—	(1,529)	—	(167,461)
Other intangible assets	(4,035)	(1,019)	—	(106)	—	(5,160)
	<b>(300,903)</b>	<b>(9,070)</b>	<b>7</b>	<b>(1,635)</b>	<b>49</b>	<b>(311,552)</b>
Provisions:	<b>(438)</b>	<b>(480)</b>	<b>305</b>	—	—	<b>(613)</b>
<b>Total</b>	<b>119,885</b>	<b>4,748</b>	<b>(270)</b>	<b>(2,553)</b>	<b>(46)</b>	<b>121,764</b>

Additions in 2023 from changes in the scope of consolidation arose from the business combination with Wayna Aero, S.L. (see Note 5).

In 2022, amounts derecognised due to changes in the scope of consolidation related to the departure following the disposal of Smartclip Latam, S.L. and its subsidiaries and the change in the method of accounting for Buendía Producción, S.L. to the equity method (see Note 2.b).

Fully amortised intangible assets in use at 31 December 2023 amounted to EUR 292,667 thousand (2022: EUR 245,546 thousand).

At 31 December 2023 and 2022, changes in the provision for intangible assets relate to audiovisual productions. The assessment of the existence of impairment of audiovisual productions was determined based on an analysis of the related investment through a case-by-case assessment of the value in use of each film, taking into account updated estimates of the revenue produced in each commercial exploitation window, recognising, where necessary, an impairment loss under "Programming costs and other procurements" since the impairment relates to cinema productions shown on television channels.

For the licence, assigned to the "Television" CGU and which has an indefinite useful life, a recoverability assessment was performed at year-end.

The key assumptions on which the projections used to assess recoverability relate mainly to advertising markets relate to those used by market participants to set prices, based on an consensus among analysts and independent third parties, which are used by the industry in general, on audience figures, advertising efficiency ratios and cost trends. Except for advertising, which is measured on the basis of external information sources, the rest of the assumptions are based on past experience and reasonable projections approved by Group management and updated in accordance with the performance of the advertising markets.

These future projections cover the next five years. The cash flows for the years not considered in the projections are estimated to be perpetual, with growth for 2023 of 0.5% (2022: 0.5%). This growth in perpetuity rate was calculated taking into consideration internal expectations of future growth and information obtained from analysts.

In assessing value in use, the estimated cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

In order to calculate the rate, the current time value of money and the risk premiums generally used by analysts for the business and geographical area (Spain) are taken into account, giving rise to a future discount rates in 2023 of 9.5% for the "Television" CGU (2022: 10.0%).

Based on the methods used and the estimates, projections and assessment of value in use available al Parent's directors, it was determined that the carrying amount of the licence is below the value in use obtained. Therefore, it was not necessary to recognise any impairment loss.

The sensitivity analysis shows that a 1.0% increase in the growth in perpetuity rate gives rise to an increase in value of EUR 24.0 million, while a decrease of 1.0% gives rise to a decrease of EUR 19.2 million. Similarly, a 1.0% increase in the discount rate gives rise to a decrease of EUR 25.4 million, and a 1.0% decrease in the discount rate gives rise to an increase of EUR 31.9 million. The changes in value used in all these sensitivity analyses would not reduce the recoverable amount to below the carrying amount.

As at 31 December 2023 and 2022, the Group did not have any intangible assets pledged as collateral and there were no restrictions on their ownership. It also did not have any commitments to acquire intangible assets.

## 7. Property, plant and equipment

Reconciliation of the opening and closing balances of property, plant and equipment in the consolidated balance sheet in 2023 and 2022:

EUR thousand	Balance at 1/1/23	Additions or charges	Disposals or reductions	Transfers	Changes in the scope of consolidation	Balance at 31/12/23
<b>Cost:</b>						
Land and buildings	72,644	—	(2)	438	—	73,080
Plant and machinery	107,053	—	(4,586)	3,596	—	106,063
Other fixtures and tools	63,588	—	(296)	2,018	—	65,310
Furniture	11,797	1	(92)	64	—	11,770
Computer hardware	42,533	51	(801)	1,349	21	43,153
Transport equipment and other items of property, plant and equipment	877	—	(80)	—	—	797
Property, plant and equipment in progress	38	8,366	—	(7,465)	—	939
	<b>298,530</b>	<b>8,418</b>	<b>(5,857)</b>	<b>—</b>	<b>21</b>	<b>301,112</b>
<b>Accumulated depreciation:</b>						
Land and buildings	(46,803)	(1,553)	2	—	—	(48,354)
Plant and machinery	(102,001)	(3,237)	4,571	—	—	(100,667)
Other fixtures and tools	(59,385)	(1,124)	158	—	—	(60,351)
Furniture	(11,273)	(148)	91	—	—	(11,330)
Computer hardware	(40,186)	(1,385)	789	—	(15)	(40,797)
Transport equipment and other items of property, plant and equipment	(815)	(52)	84	—	—	(783)
	<b>(260,463)</b>	<b>(7,499)</b>	<b>5,695</b>	<b>—</b>	<b>(15)</b>	<b>(262,282)</b>
<b>Provisions:</b>	<b>(2,684)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(2,684)</b>
<b>Total</b>	<b>35,383</b>	<b>919</b>	<b>(162)</b>	<b>—</b>	<b>6</b>	<b>36,146</b>

EUR thousand	Balance at 1/1/22	Additions or charges	Disposals or reductions	Transfers	Changes in the scope of consolidation	Balance at 31/12/22
<b>Cost:</b>						
Land and buildings	72,827	—	(537)	354	—	72,644
Plant and machinery	104,257	31	(629)	3,394	—	107,053
Other fixtures and tools	62,483	228	(13)	890	—	63,588
Furniture	11,726	3	(110)	187	(9)	11,797
Computer hardware	42,546	77	(1,108)	1,122	(104)	42,533
Transport equipment and other items of property, plant and equipment	1,011	13	(57)	—	(90)	877
Property, plant and equipment in progress	373	5,658	—	(5,947)	(46)	38
	<b>295,223</b>	<b>6,010</b>	<b>(2,454)</b>	<b>—</b>	<b>(249)</b>	<b>298,530</b>
<b>Accumulated depreciation:</b>						
Land and buildings	(45,512)	(1,557)	266	—	—	(46,803)
Plant and machinery	(99,392)	(3,238)	629	—	—	(102,001)
Other fixtures and tools	(58,348)	(1,050)	13	—	—	(59,385)
Furniture	(11,216)	(167)	108	—	2	(11,273)
Computer hardware	(39,760)	(1,524)	1,066	—	32	(40,186)
Transport equipment and other items of property, plant and equipment	(898)	(58)	51	—	90	(815)
	<b>(255,126)</b>	<b>(7,594)</b>	<b>2,133</b>	<b>—</b>	<b>124</b>	<b>(260,463)</b>
<b>Provisions:</b>	<b>(2,860)</b>	<b>—</b>	<b>176</b>	<b>—</b>	<b>—</b>	<b>(2,684)</b>
<b>Total</b>	<b>37,237</b>	<b>(1,584)</b>	<b>(145)</b>	<b>—</b>	<b>(125)</b>	<b>35,383</b>

Additions in 2023 from changes in the scope of consolidation arose from the business combination with Wayna Aero, S.L. (see Note 5).

In 2022, amounts derecognised due to changes in the scope of consolidation related to the departure following the disposal of Smartclip Latam, S.L. and its subsidiaries and the change in the method of accounting for Buendía Producción, S.L. to the equity method (see Note 2.b).

At 31 December 2023, fully depreciated property, plant and equipment in use amounted to EUR 228,880 thousand (2022: EUR 227,981 thousand). The Group does not have any temporarily idle items.

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are exposed and the claims that might be filed against it for carrying on its business activities.

As at 31 December 2023 and 2022, the Group did not have any property, plant and equipment pledged as collateral and there were no restrictions on their ownership. It also did not have any commitments to acquire property, plant and equipment.

## 8. Right-of-use assets and lease liabilities

The relevant amounts of leases by class of asset at 31 December 2023 and 2022 are as follows:

EUR thousand	Balance at 1/1/23	Additions or charges	Disposals or reductions	Changes in the scope of consolidation	Balance at 31/12/23
<b>Cost:</b>					
<b>Right-of-use assets:</b>					
Offices and premises	6,359	1,855	(642)	—	7,572
Broadcasting stations	1,088	81	—	—	1,169
	<b>7,447</b>	<b>1,936</b>	<b>(642)</b>	<b>—</b>	<b>8,741</b>
<b>Accumulated depreciation:</b>					
<b>Right-of-use assets:</b>					
Offices and premises	(3,239)	(1,137)	642	—	(3,734)
Broadcasting stations	(505)	(167)	—	—	(672)
	<b>(3,744)</b>	<b>(1,304)</b>	<b>642</b>	<b>—</b>	<b>(4,406)</b>
<b>Provisions:</b>	—	—	—	—	—
<b>Total</b>	<b>3,703</b>	<b>632</b>	<b>—</b>	<b>—</b>	<b>4,335</b>

EUR thousand	Balance at 1/1/22	Additions or charges	Disposals or reductions	Changes in the scope of consolidation	Balance at 31/12/22
<b>Cost:</b>					
<b>Right-of-use assets:</b>					
Offices and premises	6,106	742	(307)	(182)	6,359
Broadcasting stations	832	347	(91)	—	1,088
	<b>6,938</b>	<b>1,089</b>	<b>(398)</b>	<b>(182)</b>	<b>7,447</b>
<b>Accumulated depreciation:</b>					
<b>Right-of-use assets:</b>					
Offices and premises	(2,600)	(936)	221	76	(3,239)
Broadcasting stations	(407)	(189)	91	—	(505)
	<b>(3,007)</b>	<b>(1,125)</b>	<b>312</b>	<b>76</b>	<b>(3,744)</b>
<b>Provisions:</b>	—	—	—	—	—
<b>Total</b>	<b>3,931</b>	<b>(36)</b>	<b>(86)</b>	<b>(106)</b>	<b>3,703</b>

The Group's right-of-use assets are classified in accordance with the nature of the underlying assets as offices and premises, and broadcasting stations.

For leases whose payments for the right to use the asset over the lease term are linked to the IPC, the liability was remeasured during the year for changes in the updated value of lease payments not made and to adjust the related right-of-use asset.

At the end of the current period, there was no indication that any of the right-of-use assets recognised was impaired, nor had there been any material changes to the existing leases.

In 2022, amounts derecognised due to changes in the scope of consolidation related to the change in the method of accounting for Buendía Producción, S.L. from full consolidation to the equity method (see Note 2.b).



Breakdown by maturity of lease liabilities and related finance costs at 31 December 2023 and 2022:

EUR thousand	2023			2022		
	Offices and premises	Broadcasting stations	Total	Offices and premises	Broadcasting stations	Total
Lease liabilities	4,005	547	<b>4,552</b>	3,249	632	<b>3,881</b>
Interest expenses on lease liabilities	156	22	<b>178</b>	131	26	<b>157</b>

2023 EUR thousand	2024	2025	2026	2027	2028 and beyond	Total
	Lease liabilities	1,350	1,199	648	369	

2022 EUR thousand	2023	2024	2025	2026	2027 and beyond	Total
	Lease liabilities	1,004	745	675	406	

Lease payments in 2023 amounted to EUR 1,443 thousand (2022: EUR 1,212 thousand).

The Group also has short-term leases of assets for operations of the various businesses for which it recognised an expense at 31 December 2023 of EUR 8,016 thousand (2022: EUR 5,997) under "Other expenses" in the consolidated statement of profit or loss.

## **9. Investments accounted for using the equity method and interests in joint arrangements**

Changes in investments accounted for using the equity method in 2023 and 2022:

EUR thousand	Balance at 1/1/23	Changes in the scope of consolidation	Additions or disposals	Share of profit/(loss)	Other changes	Balance at 31/12/23
<b>Associates:</b>						
Atres Hub Factory, S.L.	342	—	(97)	(10)	—	235
Ac2ality, S.L.	—	1,403	(137)	55	—	1,321
CTK Live Esports, S.L.	300	—	(153)	(87)	—	60
Digital Marketing for Humans, S.L.	—	747	—	67	—	814
Suma Content, S.L.	324	—	—	317	—	641
Hola TV América Group	—	—	743	(610)	(133)	—
<b>Joint ventures:</b>						
Buendía Producción, S.L.	97	(97)	—	—	—	—
Buendía Estudios, S.L.	—	91	—	590	(420)	261
Buendía Estudios Canarias, S.L.U.	—	—	—	1,153	(25)	1,128
Buendía Estudios Bizkaia, S.L.U.	—	—	—	(25)	25	—
<b>Investments accounted for using the equity method</b>	<b>1,063</b>	<b>2,144</b>	<b>356</b>	<b>1,450</b>	<b>(553)</b>	<b>4,460</b>

EUR thousand	Balance at 1/1/22	Changes in the scope of consolidation	Additions or disposals	Share of profit/(loss)	Other changes	Balance at 31/12/22
<b>Associates:</b>						
Atres Hub Factory, S.L.	752	—	(233)	(177)	—	342
CTK Live Esports, S.L.	—	300	—	—	—	300
Suma Content, S.L.	381	—	—	(57)	—	324
Hola TV América Group	—	—	(1,159)	300	859	—
<b>Joint ventures:</b>						
Buendía Producción, S.L.	—	(411)	—	508	—	97
Buendía Estudios, S.L.	—	—	5	48	(53)	—
Buendía Estudios Canarias, S.L.U.	—	2	0	(26)	24	—
<b>Investments accounted for using the equity method</b>	<b>1,133</b>	<b>(109)</b>	<b>(1,387)</b>	<b>596</b>	<b>830</b>	<b>1,063</b>

None of the Group's investees are listed on Spanish or foreign stock exchanges.

As disclosed in Note 2.b, included in the consolidated Group during the year were Ac2ality, S.L. and Digital Marketing for Humans, S.L., 35.10%- and 30.00%-owned investees, respectively.

In October 2023, Buendía Estudios, S.L., as the absorbing company, registered the merger by absorption of Buendía Producción, S.L., the absorbed company, which was then dissolved and extinguished (see Note 2.b).

The changes in the scope of consolidation in 2022 related to the change in the method of accounting for the investment in Buendía Producción, S.L., which as of 1 January 2022 changed from the integration of 50% of the company's assets, liabilities, revenue and expenses to accounting for it using the equity method, and the inclusion of CTK Live Esports, S.L. and Buendía Estudios Canarias, S.L., both companies in which the Group has a 50% equity interest.

The column "Share of profit/(loss)" shows the Group's share of the profit or loss generated by the investee in accordance with its ownership interest.

As at 31 December 2023 and 2022, there were no restrictions on the receipt of dividends or the repayment of loans granted to companies accounted for using the equity method. No dividends were received from these companies in 2023 and 2022.

The following tables presents key financial indicators of associates accounted for using the equity method for 2023 and 2022:

<b>2023</b>						
EUR thousand	% ownership	Assets	Liabilities	Equity	Revenue	Profit or loss
Atres Hub Factory, S.L.	50%	735	269	466	20	(19)
Ac2ality, S.L.	35.10%	1,073	186	887	829	157
CTK Live Esports, S.L.	50%	164	43	121	202	(174)
Digital Marketing for Humans, S.L.	30%	1,995	1,164	831	2,497	222
Suma Content, S.L.	30%	4,897	2,758	2,139	28,390	1,057
Hola TV América Group	50%	9,200	29,638	(20,438)	2,425	(1,219)

<b>2022</b>						
EUR thousand	% ownership	Assets	Liabilities	Equity	Revenue	Profit or loss
Atres Hub Factory, S.L.	50%	972	293	679	11	(354)
CTK Live Esports, S.L.	50%	600	—	600	—	—
Suma Content, S.L.	30%	19,411	18,329	1,082	2,552	(189)
Hola TV América Group	50%	8,730	29,434	(20,704)	5,441	600

Key financial indicators of the Group's interests in joint arrangements at 31 December 2023 and 2022:

2023						
EUR thousand	% ownership	Assets	Liabilities	Equity	Revenue	Profit or loss
Buendía Estudios, S.L.	50%	35,807	35,279	528	78,426	1,180
Buendía Estudios Canarias, S.L.U.	50%	30,368	28,113	2,255	34,937	2,304
Buendía Estudios Bizkaia, S.L.U.	50%	6,600	6,648	(48)	—	(50)

2022						
EUR thousand	% ownership	Assets	Liabilities	Equity	Revenue	Profit or loss
Buendía Producción, S.L.	50%	46,539	46,341	198	45,082	1,016
Buendía Estudios, S.L.	50%	6,198	7,037	(839)	13,879	95
Buendía Estudios Canarias, S.L.	50%	10,360	10,408	(49)	0	(52)

## 10. Programme rights

Breakdown of programme rights:

EUR thousand	2023	2022
<b>Programme rights, net</b>		
Rights on external productions	160,283	188,165
In-house productions and productions in progress	134,170	117,381
Sports broadcasting rights	3,214	3,214
Write-down of external productions	(45,801)	(51,107)
Impairment of sports broadcasting rights	(3,214)	(3,214)
	<b>248,652</b>	<b>254,439</b>
<b>Advances to suppliers</b>	<b>2,705</b>	<b>4,011</b>
<b>Total</b>	<b>251,357</b>	<b>258,450</b>

At 31 December 2023, the Parent had commitments, mainly for the purchase of audiovisual property rights and the production of programmes, amounting to EUR 63,816 thousand (2022: EUR 54,158 thousand). In addition, the Parent has purchase commitments to distributors, the definitive amount and price of which will be determined once the programmes are produced and, in certain cases, by establishing the acquisition price on the basis of box-office takings. The best estimate of these commitments amounted to EUR 33,325 thousand (2022: EUR 52,000 thousand).

Inventoriable in-house productions are expected to be amortised in full and approximately EUR 100,000 thousand of external production rights will be amortised in 2024.

Changes in write-downs of external production rights included under "Programme rights" in the consolidated balance sheet:

EUR thousand	Balance at 1/1/23	Additions	Amounts used	Balance at 31/12/23
<b>Write-downs</b>	<b>(54,321)</b>	(4,491)	9,797	<b>(49,015)</b>

  

EUR thousand	Balance at 1/1/22	Additions	Amounts used	Balance at 31/12/22
<b>Write-downs</b>	<b>(45,366)</b>	(11,707)	2,752	<b>(54,321)</b>

The write-downs recognised arose as a result of the decision, based on estimates made by the Parent, that certain titles would not be marketable and it was not likely that they would form part of the Parent's programme schedule. The changes are reflected in "Programming costs and other procurements" in the consolidated statement of profit or loss.

## **11. Trade and other receivables**

Trade and other receivables in the consolidated balance sheets as at 31 December 2023 and 2022:

<b>EUR thousand</b>	<b>2023</b>	<b>2022</b>
Trade receivables	252,602	262,065
Receivables from associates and related parties (Note 22)	5,249	5,445
<b>Total trade receivables</b>	<b>257,851</b>	<b>267,510</b>
Other receivables	2,197	2,232
<b>Total other receivables</b>	<b>2,197</b>	<b>2,232</b>

The balances of "Trade receivables" are shown net of allowances for doubtful receivables. The allowance for doubtful receivables at year-end 2023 stood at EUR 19,482 thousand (2022: EUR 21,508 thousand). The amount arising in 2023 was EUR 1,810 thousand (2022: EUR 3,333 thousand), while the amount utilised was EUR 3,836 thousand (2022: EUR 3,946 thousand) and the amount recognised from changes in the scope of consolidation was EUR 138 thousand as a result of the sale of Smartclip Latam, S.L. and subsidiaries (see Note 2.b). Impairment losses are recognised or reversed as a result of valuation adjustments of trade and other receivables based on their due dates and the debtors' equity position. The related allowances and amounts charged to profit or loss are recognised under "Other operating expenses" in the consolidated statement of profit or loss.

Detail of ageing of past-due balance of trade receivables and the related impairment allowance at 31 December 2023 and 2022:

<b>EUR thousand</b>	<b>2023</b>			<b>2022</b>		
	<b>Trade receivables</b>	<b>Impairment allowance</b>	<b>Percentage impairment</b>	<b>Trade receivables</b>	<b>Impairment allowance</b>	<b>Percentage impairment</b>
Not yet due	235,739	(235)	0.1%	243,581	(367)	0.2%
Past-due 0-60 days	17,626	(203)	1.2%	20,240	(493)	2.4%
Past-due 61-120 days	3,116	(157)	5.0%	3,153	(214)	6.8%
Past-due 121-150 days	1,064	(172)	16.2%	1,213	(203)	16.7%
Past-due 151-180 days	865	(96)	11.1%	894	(303)	33.9%
Past-due +180 days	18,923	(18,619)	98.4%	19,937	(19,928)	100%
<b>Total</b>	<b>277,333</b>	<b>(19,482)</b>	<b>7.0%</b>	<b>289,018</b>	<b>(21,508)</b>	<b>7.4%</b>

In the Group's opinion, the amount of trade and other receivables; in the consolidated balance sheet does not differ from their carrying amount.

## **12. Equity**

### **a) Share capital**

The Parent's share capital at 31 December 2023 and 2022 amounted to EUR 169,300 thousand, represented by 225,732,800 fully subscribed and paid shares of EUR 0.75 par value each, which carry the same rights.

The Parent's shareholder structure at year-end 2023:

<b>% ownership</b>	<b>2023</b>	<b>2022</b>
Grupo Pasa Cartera, S.A. Unipersonal	41.70	41.70
Ufa Film und Fernseh GMBH	18.65	18.65
Treasury shares	0.25	0.25
Free float	39.40	39.40
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

The shares of the Parent are admitted to trading on the Spanish Stock Market Interconnection System (Continuous Market) and all carry the same voting and dividend rights.

There are agreements among the main shareholders that guarantee the Parent's shareholder stability, the grant of mutual rights of acquisition on their shares, the undertaking not to take control of the Parent or to permit a third party to do so, and also include Group management agreements, as described in the, as described in the Annual Corporate Governance Report.

## b) Share premium

This reserve is unrestricted. There were no changes in 2023, so the balance stood at EUR 38,304 thousand at both 31 December 2023 and 2022.

## c) Legal and bylaw reserves

### Legal reserve

Under the Spanish Corporate Enterprises Act, the Company must earmark an amount equal to 10% of profit for the year to a legal reserve until such reserve reaches at least 20% of the capital.

The legal reserve can be used to increase capital by the amount exceeding 10% of the increased capital amount. Except for this purpose, until the legal reserve exceeds the limit of 20% of share capital, it can only be used to offset losses, if there are no other reserves available.

The Parent's legal reserve has reached the legally required minimum.

### Capital redemption reserve

The capital redemption reserve has been appropriated in compliance with Article 335 of the Corporate Enterprises Act, which establishes that, when the reduction is performed with a charge to profit or unrestricted reserves or through the redemption of shares acquired by the Parent free of charge, the amount of the par value of the redeemed shares or of the decrease in the par value of the shares must be appropriated to a reserve, which shall only be unrestricted where the same requirements as for the capital reduction are met. The amount at 31 December 2023 and 2022 was EUR 8,333 thousand, included under "Legal and bylaw reserves".

### Other restricted reserves

"Legal and bylaw reserves" at 31 December 2023 and 2022 includes a restricted amount of EUR 281 thousand related to "Reserve for the adjustment of share capital to euros".

At 31 December 2022, "Equity - Retained earnings" in the consolidated balance sheet included a restricted reserve for goodwill arising from subsidiary Uniprex, S.A. Unipersonal of EUR 41,295 thousand. At 31 December 2023, this amount was not changed.

According to the single transitional provision of Royal Decree 602/2016, of 2 December, the goodwill reserve will be reclassified to the Company's voluntary reserves in the amount exceeding the goodwill recognised on the asset side of the balance sheet of this subsidiary.

## d) Contributions to consolidated profit/(loss) by company

Contributions to the consolidated profit/(loss) for the year of fully consolidated companies and companies accounted for using the equity method at 31 December 2023 and 2022:

EUR thousand	2023	2022
Atresmedia Corporación de Medios de Comunicación subgroup	168,718	105,747
Uniprex subgroup	2,304	6,580
<b>Total</b>	<b>171,022</b>	<b>112,327</b>

## e) Treasury shares

Treasury shares held by the Parent at the end of 2023 and 2022:

Year	No. of shares	Par value (EUR)	Average acquisition price (EUR)	Total cost (EUR thousand)
2023	554,376	415,782	11.13	6,168
2022	554,376	415,782	11.13	6,168

At 31 December 2023 and 2022, shares of the Parent held by it represented 0.246% of share capital and totalled 554,376 shares, with a value of EUR 6,168 thousand and an average acquisition price of EUR 11.13 per share.

Movements in the treasury shares held by the Parent in 2023 and 2022:

Number of shares	2023	2022
At beginning of year	554,376	554,376
<b>At end of year</b>	<b>554,376</b>	<b>554,376</b>

Shareholders at the General Meeting held on 29 April 2020 approved a resolution authorising the Parent to acquire treasury shares provided that they did not exceed the maximum legal limit permitted by law at any given time. This limit is set at 10% of the subscribed share capital by Article 509 of the Corporate Enterprises Act, approved by Legislative Royal Decree 1/2010, of 2 July. This authorisation is in force until 2025 and rendered null and void the authorisation granted at the General Meeting on 22 April 2015.

## f) Dividends

At the General Meeting held on 26 April 2023, the shareholders of the Parent ratified the distribution of an ordinary dividend out of 2022 profit for a gross amount of twenty-two euro cents (EUR 0.22) per share, for a total of EUR 49,539 thousand. This is a final dividend and comes in addition to the interim dividend paid on 14 December 2022 of EUR 0.18 gross per share, for a total amount of EUR 40,532 thousand. This dividend was paid on 22 June 2023.

At the Parent's Board of Directors meeting held on 22 November 2023, a resolution was passed to distribute, out of 2023 profit, a gross amount of eighteen euro cents (EUR 0.18) for each of the 225,732,800 shares of EUR 0.75 par value representing the share capital, of which 554,376 were treasury shares. Accordingly, the dividend rights inherent to treasury shares were attributed proportionately to the other shares in accordance with Article 148 of the Corporate Enterprises Act. This dividend was paid to shareholders as an interim dividend on 13 December 2023, for a total amount of EUR 40,532 thousand.

## g) Non-controlling interests

Non-controlling interests and changes in 2023 and 2022 (in EUR thousand):

Company	% non-controlling interest	Balance at 31/12/21	Changes in the scope of consolidation	Profit/(loss) for the year	Balance at 31/12/22	Changes in the scope of consolidation	Profit/(loss) for the year	Balance at 31/12/23
Pazy Digital Ventures, S.L.	17.68%	—	108	(22)	86	—	(80)	6
Wayna Aero, S.L.	9.65%	—	—	—	—	60	(61)	(1)
Sociedad de Distribución Digital Sonora de Entretenimiento, S.L.	0.00%	2,075	280	(561)	1,794	(1,794)	—	—
Uniprex Televisión Digital Terrestre de Andalucía, S.L.U.	0.00%	(20)	—	—	(20)	20	—	—
Smartclip Argentina S.A.	0.00%	92	(92)	—	—	—	—	—
<b>Total</b>		<b>2,147</b>	<b>296</b>	<b>(583)</b>	<b>1,860</b>	<b>(1,714)</b>	<b>(141)</b>	<b>5</b>

Increases and decreases due to changes in the scope of consolidation relate to the transactions explained in 2.b.

### 13. Provisions and contingent liabilities

Changes in provisions in 2023 and 2022:

EUR thousand	Balance at 31/12/22	Charges	Amounts used and payments	Surplus	Transfers	Changes in the scope of consolidation	Balance at 31/12/23
Employee benefits	27,999	6,062	(97)	—	(4,661)	—	29,303
Provisions for litigation	24,564	—	—	—	—	—	24,564
Other provisions	9,464	38	—	(2,582)	—	—	6,920
<b>Total non-current provisions</b>	<b>62,027</b>	<b>6,100</b>	<b>(97)</b>	<b>(2,582)</b>	<b>(4,661)</b>	<b>—</b>	<b>60,787</b>
Operating provisions	34,391	19,806	(22,841)	—	—	—	31,356
Employee benefits	5,854	111	(5,777)	—	5,221	—	5,409
Provisions for litigation	6,268	2,804	(1,088)	(1,980)	—	—	6,004
Other provisions	14,481	1,233	(3,168)	(304)	(2,382)	—	9,860
<b>Total current provisions</b>	<b>60,994</b>	<b>23,954</b>	<b>(32,874)</b>	<b>(2,284)</b>	<b>2,839</b>	<b>—</b>	<b>52,629</b>

EUR thousand	Balance at 31/12/21	Charges	Amounts used and payments	Surplus	Transfers	Changes in the scope of consolidation	Balance at 31/12/22
Employee benefits	29,217	5,556	(1,093)	—	(5,681)	—	27,999
Provisions for litigation	24,564	—	—	—	—	—	24,564
Other provisions	10,157	1,973	—	(2,666)	—	—	9,464
<b>Total non-current provisions</b>	<b>63,938</b>	<b>7,529</b>	<b>(1,093)</b>	<b>(2,666)</b>	<b>(5,681)</b>	<b>—</b>	<b>62,027</b>
Operating provisions	32,495	19,227	(16,513)	—	—	(818)	34,391
Employee benefits	6,388	40	(6,255)	—	5,681	—	5,854
Provisions for litigation	7,313	2,739	(666)	(3,118)	—	—	6,268
Other provisions	8,508	8,459	(402)	(2,084)	—	—	14,481
<b>Total current provisions</b>	<b>54,704</b>	<b>30,465</b>	<b>(23,836)</b>	<b>(5,202)</b>	<b>5,681</b>	<b>(818)</b>	<b>60,994</b>

"Provisions" in the consolidated balance sheet includes provisions classified by their nature as trade provisions, provisions for employee benefits, and provisions for civil, labour, criminal and administrative lawsuits against Group companies, which were taken into account in estimating potential contingent liabilities and other provisions.

#### Employee benefits provision

During the year ended 31 December 2020, the Group offered the Group's permanent employees aged 57 and over and more than 15 years of service by year-end 2020 a voluntary redundancy plan (the "2020 Plan"). The 2020 Plan was of limited duration, to 31 December 2020, and entailed the voluntary termination of employment through individual agreements. The severance scheme for employees taking part included monthly income until ordinary retirement age calculated based on the employee's base salary and including the payment of any social security supplements to which the employee is entitled. The total amount of obligations arising from these agreements recognised in 2020 was calculated based on the number of employees who signed up to the Plan, updated using the yield curve of Spanish 10-year bonds, as explained in Note 3-m. As at 31 December 2023, the provision had been utilised in accordance with the payment schedule agreed with each employee. At the end of each reporting period, the amount of this provision is updated and the amount payable within the next 12 months is reclassified from non-current to current.

At the General Meeting of Atresmedia Corporación de Medios de Comunicación, S.A. held on 28 April 2021, approval was given to implement a long-term variable remuneration scheme, with partial delivery of shares, for executive directors and certain managers of the Group. Note 25 details the plan's main features. As at 31 December 2023, the Group had recognised the full provision for this remuneration, the annual charge of which is recognised under "Personnel costs" in the consolidated statement of profit or loss.

## Provisions for litigation

There are "Provisions for litigation" relating to civil, labour, criminal and administrative lawsuits filed against Group companies, which were taken into account in estimating contingent liabilities. Noteworthy, in view of their amount, were the lawsuits with certain collection societies. Specifically, a favourable ruling was handed down in the case involving the Spanish Intellectual Rights Management Association (AGEDI)-Artistas Intérpretes o Ejecutantes, Sociedad de Gestión de España (AIE), the management entity for music performers and executant musicians. However, the impact cannot be quantified since the ruling has yet to be enforced. "Other provisions" relates mainly to estimated future risks. For both, charges, amounts used and surpluses are recognised under "Other operating expenses" in the consolidated statement of profit or loss.

The directors of the Parent and its legal advisers do not expect any material liabilities in addition to those already recognised to arise from the outcome of the ongoing lawsuits.

## Contingencies

In November 2019, the Comisión Nacional de los Mercados y la Competencia (CNMC, Spain's competition watchdog) arrived at a decision in disciplinary proceedings S/DC/0617/17 *Atresmedia/Mediaset*. Both operators, Atresmedia and Mediaset, were fined, and barred from specified courses of conduct.

In its decision, the CNMC found that Atresmedia and Mediaset had breached Article 1 of *Ley 15/2007, de 3 de julio, de Defensa de la Competencia*, Spain's competition statute, and Article 101 of the Treaty on the Functioning of the European Union, by setting terms in arrangements with television advertisers and media agencies that were apt to restrict competition.

The specific restrictions on competition disapproved by the CNMC are:

1. contractual imposition on advertisers of minimum quotas of television advertising,
2. a bundled marketing system that makes sale of television advertising subject to advertisers buying channel bundles and simulcast or single-platform television advertising, and
3. a system of rewarding media agencies for brokering advertising deals.

The CNMC found in its decision that the Atresmedia Group parties liable for the breach are Atresmedia Corporación de Medios de Comunicación, S.A. and Atres Advertising, S.L.U.

In its decision, the CNMC determined that the unlawful conduct of the two television operators started no later than 2013, when all the restrictions were in place, and continued until 2017 or later. The fine imposed on Atresmedia was EUR 38,246,520. In addition, Atresmedia and Mediaset were ordered to immediately cease the course of conduct complained of, and any other conduct of equivalent effect, and to refrain from such conduct in future. Within three months of notice of the decision, the parties must take steps to align their commercial and contractual relations to the requirements of the decision. Finally, the Competition Department of the CNMC was instructed to monitor compliance with the decision.

Atresmedia challenged the decision in 2020, filing an application for judicial review with the Administrative Chamber of the Audiencia Nacional, Spain's national court. That application was subsequently found admissible. Therefore, Atresmedia will submit an appeal as soon as the CNMC provides it with all the necessary information requested by Atresmedia from that Chamber. That Chamber will set the legal deadline for Atresmedia to submit written arguments against the CNMC's decision. These arguments are currently under discussion and it is expected that they will be legally correct.

Concurrently with its application for judicial review, Atresmedia sought an interim suspension of the orders to pay a fine and immediately cease the disapproved conduct. This request regarding the financial penalties was granted (contingent on delivering a bank guarantee or similar) but the rest were rejected. In June 2021, a bank guarantee was secured for the full amount of the fine. An appeal for reversal was filed against this ruling, but a response is still pending.



Nevertheless, in keeping with maximum prudence, Atresmedia amended its commercial policy to ensure that its conduct is compatible with that order to cease such contact and, more broadly, the content of the sanction. In addition, as expected, the CNMC initiated surveillance to ensure the resolution, asking Atresmedia for certain information which it has been duly providing.

The Parent's directors and legal advisers of the Company believe that the application for judicial review against the CNMC's decision is likely to succeed. It is probable that the court decision will be favourable to the interests of Atresmedia, and therefore the business model so far implemented by the Company will not be materially affected.

Meanwhile, in 2017, Central Examining Court 2 of the Audiencia Nacional (National Court) made an order to enter and search the homes of several authors and other parties related to the engagement under contract for television of musical authors and works. These court proceedings at criminal law affected Atresmedia directly in the person of its musical rights management officer and indirectly via Atresmedia's contractual relationship with the SGAE for settlements of musical broadcasts on television in early morning hours.

In February 2020, this Court decided to investigate Atresmedia in the same proceedings for alleged criminal activities that could include business corruption as provided for and punishable in article 286 bis of the Criminal Code. This offence may be attributed to the legal person where one of its employees or managers has committed the offence, provided that (i) the company benefited directly or indirectly and (ii) the company lacks effective monitoring and control measures to prevent the crime. The charge contained in the ruling extends to 13 other public and private television operators with national and regional coverage.

The Company's directors and Atresmedia's legal advisers specialised in criminal law consider that no crime has been committed by any natural person, employee or manager of Atresmedia. In their opinion, the initial budget required by Article 31.bis 1 of the Criminal Code is not met.

## 14. Financial instruments

The Group's financial assets and liabilities at 31 December 2023 are as follows:

EUR thousand	Categories				Fair value level			Carrying amount at 31/12/23
	Measured at amortised cost	Measured at fair value through profit or loss	Measured at fair value through equity	Measured at fair value Hedging instruments	Level 1 (market prices)	Level 2 (estimates based on other observable market data)	Level 3 (estimates not based on other observable market data)	
Equity instruments	—	303	162,454	—	—	—	162,757	162,757
Non-current loans	3,533	—	—	—	—	—	—	3,533
Guarantees and deposits	348	—	—	—	—	—	—	348
<b>Non-current financial assets</b>	<b>3,881</b>	<b>303</b>	<b>162,454</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>162,757</b>	<b>166,638</b>
<b>Derivatives (Note 14.c)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4,015</b>	<b>—</b>	<b>4,015</b>	<b>—</b>	<b>4,015</b>
<b>Total non-current financial assets</b>	<b>3,881</b>	<b>303</b>	<b>162,454</b>	<b>4,015</b>	<b>—</b>	<b>4,015</b>	<b>162,757</b>	<b>170,653</b>
<b>Trade receivables</b>	<b>257,851</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>257,851</b>
Loans and other receivables	15,507	—	—	—	—	—	—	15,507
Guarantees and deposits	3,000	—	—	—	—	—	—	3,000
<b>Other current financial assets</b>	<b>18,507</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>18,507</b>
<b>Derivatives (Note 14.c)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,538</b>	<b>—</b>	<b>1,538</b>	<b>—</b>	<b>1,538</b>
<b>Cash and cash equivalents</b>	<b>203,550</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>203,550</b>
<b>Total current financial assets</b>	<b>479,908</b>	<b>—</b>	<b>—</b>	<b>1,538</b>	<b>—</b>	<b>1,538</b>	<b>—</b>	<b>481,446</b>
<b>Bonds and debentures</b>	<b>113,122</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>113,122</b>
<b>Bank borrowings (Note 14.b)</b>	<b>47,362</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>47,362</b>
<b>Derivatives (Note 14.c)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>61</b>	<b>—</b>	<b>61</b>	<b>—</b>	<b>61</b>
Loans and other payables	17	155	—	—	—	—	155	172
<b>Other financial liabilities</b>	<b>17</b>	<b>155</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>155</b>	<b>172</b>
<b>Total non-current financial liabilities</b>	<b>160,501</b>	<b>155</b>	<b>—</b>	<b>61</b>	<b>—</b>	<b>61</b>	<b>155</b>	<b>160,717</b>
<b>Bonds and debentures</b>	<b>2,711</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,711</b>
<b>Bank borrowings (Note 14.b)</b>	<b>21,015</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>21,015</b>
<b>Derivatives (Note 14.c)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>142</b>	<b>—</b>	<b>142</b>	<b>—</b>	<b>142</b>
Loans and other payables	1,132	6,782	—	—	—	—	6,782	7,914
<b>Other financial liabilities</b>	<b>1,132</b>	<b>6,782</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6,782</b>	<b>7,914</b>
<b>Payable to suppliers</b>	<b>281,541</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>281,541</b>
<b>Other non-trade payables</b>	<b>22,290</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>22,290</b>
<b>Advances from customers</b>	<b>2,908</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,908</b>
<b>Other current liabilities</b>	<b>14,823</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>14,823</b>
<b>Total current financial liabilities</b>	<b>346,420</b>	<b>6,782</b>	<b>—</b>	<b>142</b>	<b>—</b>	<b>142</b>	<b>6,782</b>	<b>353,344</b>

“Non-current financial assets - Equity instruments” includes the fair value of non-current investments in the equity instruments of companies over which the Group does not exercise significant influence either because its ownership interest is below 20% or because it does not participate in the setting of financial or commercial policies. In line with its strategy of diversifying the sources of growth other than advertising revenues, the Group makes investments using the model of broadcasting advertising in exchange for an ownership interest

in a company. Key investments include Fever Labs Inc. and JobToday, S.A., which represent a combined 88% of the total investment made.

The Group does not hold these investments for the purpose of generating a short-term profit, but rather considers them strategic for the medium-to-long term.

At year-end, the Group assesses the fair value of its equity instruments in accordance with the measurement standards explained in Note 3-f.

In 2023, the change in the amount of equity instruments at fair value through profit or loss in non-current assets was primarily the result of the sale carried out in 2023 of a non-controlling interest in FEVER LABS, Inc. for EUR 12,279 thousand, which generated a gain EUR 9,986 thousand recognised in equity. In addition, impairment losses were recognised on equity instruments measure at fair value through equity for EUR 2,400 thousand in "Equity - Valuation adjustments" and EUR 6,092 thousand of equity instruments measured at fair value through profit or loss in "Impairment and gains/(losses) on disposals of financial assets" in the consolidated statement of profit or loss. The Group also recognised impairments on the loans associated with these investments in the amount of EUR 1,095 thousand in the same line item of the consolidated statement of profit or loss.

In 2022, the increase in value of equity instruments at fair value through equity of EUR 114,211 recognised in "Valuation adjustments" in the consolidated balance sheet relate primarily to the increase in the value of the equity investment in FEVER LABS, Inc. arising from the funding round carried out in January 2022 in which Atresmedia took part. There were also disposals of equity instruments at fair value through equity for EUR 2,032 thousand.

In 2022, gains/(losses) on disposals and impairment of financial assets in the consolidated statement of profit or loss related primarily to the impact of the sale of Smartclip Latam, S.L. and its subsidiaries explained in Note 2.b.

In 2023, bank deposits amounting to EUR 75,000 thousand, which at 31 December 2022 were recognised under "Other current financial assets - Deposits and guarantees" in the consolidated balance sheet were reclassified based on their maturity to "Cash and cash equivalents". At 31 December 2023, the total amount of these deposits stood at EUR 100,000 thousand. Loans and other receivables in current assets reflect primarily short- and long-term loans with associates bearing interest at a fixed annual market rate.

As at 31 December 2023, the Group had received dividends from these investments amounting to EUR 2,600 thousand (2022: EUR 1,201 thousand).

The Group's financial assets and liabilities at 31 December 2022 are as follows:

EUR thousand	Categories				Fair value level			Carrying amount at 31/12/22
	Measured at amortised cost	Measured at fair value through profit or loss	Measured at fair value through equity	Measured at fair value Hedging instruments	Level 1 (market prices)	Level 2 (estimates based on other observable market data)	Level 3 (estimates not based on other observable market data)	
Equity instruments	—	4,988	176,995	—	—	—	181,983	181,983
Non-current loans	4,884	—	—	—	—	—	—	4,884
Guarantees and deposits	420	—	—	—	—	—	—	420
<b>Non-current financial assets</b>	<b>5,304</b>	<b>4,988</b>	<b>176,995</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>181,983</b>	<b>187,287</b>
<b>Derivatives (Note 14.c)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>14,437</b>	<b>—</b>	<b>14,437</b>	<b>—</b>	<b>14,437</b>
<b>Total non-current financial assets</b>	<b>5,304</b>	<b>4,988</b>	<b>176,995</b>	<b>14,437</b>	<b>—</b>	<b>14,437</b>	<b>181,983</b>	<b>201,724</b>
<b>Trade receivables</b>	<b>267,510</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>267,510</b>
Loans and other receivables	10,663	—	—	—	—	—	—	10,663
Guarantees and deposits	77,977	—	—	—	—	—	—	77,977
<b>Other current financial assets</b>	<b>88,640</b>	<b>600</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>600</b>	<b>89,240</b>
<b>Derivatives (Note 14.c)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,257</b>	<b>—</b>	<b>3,257</b>	<b>—</b>	<b>3,257</b>
<b>Cash and cash equivalents</b>	<b>173,585</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>173,585</b>
<b>Total current financial assets</b>	<b>529,735</b>	<b>600</b>	<b>—</b>	<b>3,257</b>	<b>—</b>	<b>3,257</b>	<b>600</b>	<b>533,592</b>
<b>Bonds and debentures</b>	<b>117,195</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>117,195</b>
<b>Bank borrowings (Note 14.b)</b>	<b>65,492</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>65,492</b>
<b>Derivatives (Note 14.c)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>72</b>	<b>—</b>	<b>72</b>	<b>—</b>	<b>72</b>
Loans and other payables	16	7,153	—	—	—	—	7,153	7,169
<b>Other financial liabilities</b>	<b>16</b>	<b>7,153</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>7,153</b>	<b>7,169</b>
<b>Total non-current financial liabilities</b>	<b>182,703</b>	<b>7,153</b>	<b>—</b>	<b>72</b>	<b>—</b>	<b>72</b>	<b>7,153</b>	<b>189,928</b>
<b>Bonds and debentures</b>	<b>74,787</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>74,787</b>
<b>Bank borrowings (Note 14.b)</b>	<b>20,487</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>20,487</b>
<b>Derivatives (Note 14.c)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>84</b>	<b>—</b>	<b>84</b>	<b>—</b>	<b>84</b>
Loans and other payables	30	—	—	—	—	—	—	30
<b>Other financial liabilities</b>	<b>30</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>30</b>
<b>Payable to suppliers</b>	<b>311,077</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>311,077</b>
<b>Other non-trade payables</b>	<b>21,775</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>21,775</b>
<b>Advances from customers</b>	<b>2,607</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,607</b>
<b>Other current liabilities</b>	<b>17,489</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>17,489</b>
<b>Total current financial liabilities</b>	<b>448,252</b>	<b>—</b>	<b>—</b>	<b>84</b>	<b>—</b>	<b>84</b>	<b>—</b>	<b>448,336</b>

#### a) **Bonds and debentures**

On 11 July 2018, the Group, to diversify its funding sources, carried out an issuance of senior series A notes, for seventy-five million US dollars with maturity at five years, with semi-annual interest payment of an applicable coupon in US dollars of 4.48%, and an issuance of senior series B notes, for one hundred and twenty-five million US dollars with maturity at seven years, with semi-annual interest payment of an applicable coupon in US dollars of 4.75%, targeting US institutional investors. All the notes are listed on the Open Market (Freiverkehr) of the

Frankfurt Stock Exchange. In July 2023, payment of the Series A bonds for EUR 67,838 thousand was made at maturity.

Cross currency swaps were entered into to hedge the risk of fluctuations of the Series B issuance, resulting in a fixed exchange rate and half-yearly coupon payments at a fixed rate in euros (see Note 14-c).

## b) Loans and credit facilities

On 2 June 2021, the Parent arranged a new syndicated facility with an initial limit of EUR 250,000 thousand, which was earmarked to repay the syndicated financing arranged in July 2017 and to meet the Parent's general corporate and cash requirements. Six banks with which the Parent has regular dealings participated in the transaction.

Of the total amount, 40% is a five-year loan, with partial repayments, and 60% a revolving credit facility maturing at five years. No amounts had been drawn down on the credit facility as at 31 December 2023.

The applicable interest rate is Euribor plus a market spread, subject to compliance with financial covenants habitually used in transactions of this kind: the debt to EBITDA ratio and the interest coverage ratio, with semi-annual and annual assessments, and three ESG indicators based on level of compliance and reviewed annually. The Parent's directors expect the covenants to be complied with at 31 December 2023.

The fair value of this financing approximates its carrying amount. In July 2021, the Group entered into cash flow hedges (CAP) to minimise the interest rate risk related to this financing (see Note 14-c).

The Parent also has bilateral financing facilities to meets its cash requirements.

Bank borrowings at 31 December 2023 and 2022:

EUR thousand	2023			2022		
	Limit	Current balance drawn down	Non-current balance drawn down	Limit	Current balance drawn down	Non-current balance drawn down
Syndicated financing	220,000	20,000	47,061	240,000	20,000	65,484
Credit facilities	73,772	495	301	73,000	18	8
Interest payable	—	520	—	—	469	—
<b>Total</b>	<b>293,772</b>	<b>21,015</b>	<b>47,362</b>	<b>313,000</b>	<b>20,487</b>	<b>65,492</b>

Breakdown by maturity of non-current financial liabilities relating to financing activities in 2023 and 2022:

EUR thousand	2025	2026	Total
Bonds and debentures	113,122	—	113,122
Syndicated financing	18,634	28,427	47,061
Bank borrowings	301	—	301
<b>Total at 31/12/22</b>	<b>132,057</b>	<b>28,427</b>	<b>160,484</b>

EUR thousand	2024	2025	2026	Total
Bonds and debentures	—	117,195	—	117,195
Syndicated financing	18,423	18,634	28,427	65,484
Bank borrowings	8	—	—	8
<b>Total at 31/12/21</b>	<b>18,431</b>	<b>135,829</b>	<b>28,427</b>	<b>182,687</b>

Reconciliation between the change in financial liabilities related to financing activities and the related cash flows in 2023 and 2022:

EUR thousand	Balance at 31/12/22	Additions/Receipts		Disposals/Impairments	Translation differences	Changes in fair value	Other changes	Balance at 31/12/23
		Principal	Interest					
Bonds and debentures	191,982	—	3,306	(72,110)	(7,345)	—		<b>115,833</b>
Derivatives, net	(8,078)	—	—	—	—	7,345		<b>(733)</b>
Bank borrowings	85,979	—	—	(18,622)	—	967	53	<b>68,377</b>
<b>Total</b>	<b>269,883</b>	<b>—</b>	<b>3,306</b>	<b>(90,732)</b>	<b>(7,345)</b>	<b>8,312</b>	<b>53</b>	<b>183,477</b>

EUR thousand	Balance at 31/12/21	Additions/Receipts		Disposals/ Payments	Translation differences	Changes in fair value	Other changes	Balance at 31/12/22
		Principal	Interest					
Bonds and debentures	180,450	—	4,659	(4,659)	11,532	—		<b>191,982</b>
Derivatives, net	3,430	—	—	—	—	(11,532)	24	<b>(8,078)</b>
Bank borrowings	94,280	—	—	(10,872)	—	1,962	609	<b>85,979</b>
<b>Total</b>	<b>278,160</b>	<b>—</b>	<b>4,659</b>	<b>(15,531)</b>	<b>11,532</b>	<b>(9,570)</b>	<b>633</b>	<b>269,883</b>

### c) Derivative financial instruments

#### Foreign currency hedges

As explained in Note 3-i, the Group uses currency derivatives to hedge significant future transactions and cash flows in USD and mitigate the foreign currency risk.

At 31 December 2023, the Group had entered into hedging instruments on its foreign currency asset and liability positions amounting to USD 9,415 thousand, at a weighted average exchange rate of 1.1035 (EUR/USD). Hedging instruments at 31 December 2022 amounted to USD 17,337 thousand, at a weighted average exchange rate of 1.1290 (EUR/USD).

Total amounts of the outstanding forward currency purchase contracts entered into by the Group at year-end 2023 and 2022:

2023	Classification	Type	Expiry	Notional amount contracted (USD thousand)	Amount contracted (EUR thousand)	Ineffective portion recognised in profit or loss (EUR thousand)	Fair value (EUR thousand)	
							Assets	Liabilities
Currency forwards	Foreign currency hedge	Purchase of USD	2024	6,692	6,060	—	72	142
Currency forwards	Foreign currency hedge	Purchase of USD	2025	2,723	2,472	—	—	61
<b>Total</b>				<b>9,415</b>	<b>8,532</b>	<b>—</b>	<b>72</b>	<b>203</b>

2022	Classification	Type	Expiry	Notional amount contracted (USD thousand)	Amount contracted (EUR thousand)	Ineffective portion recognised in profit or loss (EUR thousand)	Fair value (EUR thousand)	
							Assets	Liabilities
Currency forwards	Foreign currency hedge	Purchase of USD	2023	9,815	8,479	—	692	84
Currency forwards	Foreign currency hedge	Purchase of USD	2024	5,712	5,221	—	65	61
<b>Total</b>				<b>17,337</b>	<b>15,355</b>	<b>—</b>	<b>757</b>	<b>156</b>

At 31 December 2023, the estimated fair value of the Group's foreign currency derivatives, which are designated and effective as cash flow hedges, represented a financial asset of EUR 72 thousand and a financial liability of EUR 203 thousand (2022: asset of EUR 757 thousand and liability of EUR 156 thousand). The impact on profit or loss of changes in the fair value of foreign currency hedges whose underlying was effective at the closing date amounted to a negative EUR 696 thousand (2022: EUR 406 thousand), recognised under "Net gain/(loss) on changes in value of financial instruments at fair value". This impact offsets exchange differences on balances with suppliers in USD, which at that date were a positive EUR 613 thousand (2022: EUR 49 thousand).

At 31 December 2023, there were no derivative instruments whose underlying was not effective at the closing date. At 31 December 2022, the impact recognised in equity of instruments whose underlying was not effective at that date amounted to EUR 57 thousand.

The measurement method consists of estimating the present value of the future cash flows that will arise under the terms and conditions arranged by the parties for the derivative instrument. The spot price is taken to be the reference exchange rate of the European Central Bank on 31 December 2023, the swap points (offer/bid), the interest rates prevailing at the measurement date and the credit risk.

The Group assessed the hedge effectiveness of outstanding hedges at the end of the current period. It verified the continuing economic relationship between the hedged item and the hedging instrument and the absence of a significant impact on credit risk that could affect the measurement of the hedging instrument.

The sensitivity analysis of the foreign currency derivative financial instruments demonstrates that changes of +/-10% in the EUR/USD exchange rate prevailing at year-end would give rise to changes in fair value within a range of EUR +/-0.9 million for hedges whose underlying is in force at year-end. At 31 December 2023, there were no hedges whose underlyings that had not yet become effective. Appreciation in the USD/EUR exchange rate gives rise to increases in value, and depreciation to decreases.

The sensitivity analysis of the balances payable to suppliers in USD, shows that changes of +/-10% in the EUR/USD exchange rate prevailing at year-end would give rise to changes in the fair value recognised of around EUR +/-1.5 million, and would be sufficiently offset by the changes in the value of the derivatives entered into.

In 2022, changes of +/-10% in the exchange rate prevailing at year-end would have given rise to changes in fair value within a range of EUR +/-1.5 million for hedges whose underlying was in force at year-end and changes of EUR +/-0.1 million for hedges whose underlying was not yet in force and therefore affected equity.

Financial instruments measured at fair value must be classified into Levels 1 to 3, based on the degree to which their fair value is observable (inputs). Level 1 inputs are quoted prices in active markets. Level 2 inputs are from external data other than quoted prices. Level 3 inputs are values obtained from valuation techniques that include unobservable inputs in active markets. The Group's derivatives detailed in this item would be classified as Level 2, since they are observable inputs that refer to market data.

### **Interest rate hedges**

Regarding the syndicated financing (see Note 14-a), in July 2021 the Group entered into cash flow hedges (CAP) to minimise interest rate risk, limiting the payment of interest on the floating rate borrowing due to an increase in the benchmark 6-month Euribor rate. The hedged item are the financial flows from interest payments referenced to that index. The facility matures in December 2025.

At 31 December 2023, the fair value of the derivative instrument under non-current and current assets was EUR 3,357 thousand and EUR 219 thousand, respectively (2022: EUR 6,127 thousand and EUR 181 thousand, respectively).

Hedge effectiveness was assessed using a qualitative assessment to verify the economic relationship between the hedged item and the hedging instrument, analysing the compatibility

of notional amounts, interest settlement periods, maturity dates and the reference of the variable-interest cash flows. The fair value measurement method is based on the present value of the estimated future contractual cash flows by the parties to the hedging instrument. The market swap curve at the measurement date and other normal market techniques are used for the calculation. Changes in the fair value of this financial instrument designated as a hedge are recognised temporarily in equity as they meet the hedge effectiveness requirements, and reclassified to profit or loss as the changes in fair value of the hedged item affect profit or loss. This derivative would be included in Level 2.

### Cross currency swaps

As indicated in Note 14-a B 11 July 2018, the Group carried out an issue of Series A bonds for USD 200,000 thousand, with maturity at five years (USD 75,000 thousand) and Series B bonds with maturity at seven years (USD 125,000 thousand), with semi-annual payment of coupons at a fixed rate of interest. Cross currency swaps have been entered into to hedge the risk of fluctuations of these issuances, resulting in a fixed exchange rate and half-yearly payments of coupons on the bonds and debentures at a fixed rate in euros. These are cash flow hedges that hedge exposure to the currency and interest rate risk of the cash flows related to the hedged underlying. At 31 December 2023, the derivative instrument associated with the Series B bonds was still effective.

At 31 December 2023, the fair value of the derivative related to the bond issue was EUR 1,905 thousand, of which EUR 1,247 thousand was recognised in derivative financial instruments in current assets and EUR 658 thousand under derivative financial instruments in non-current assets. At 31 December 2022, the fair value amounted to EUR 10,629 thousand, with EUR 2,384 thousand recognised as derivatives under current assets and EUR 8,245 thousand under non-current liabilities.

The Group measures the effectiveness of these cash flow hedges by analysing the extent to which changes in the fair value or the cash flows of the hedging instrument offset changes in the fair value or the cash flows of hedged items attributable to the hedged risk. The fair value measurement method is based on the present value of the estimated future contractual cash flows by the parties to the hedging instrument. This determination is made using the quoted prices of swap rates at the measurement date, interest rates prevailing on the measurement, credit risk and generally accepted techniques in the market. It determined that they are effective hedges, so the gain or loss on the hedging instrument is recognised temporarily in equity and taken to profit or loss in the periods in which the hedged transaction affects profit or loss. Both derivatives would be included in Level 2.

In the current year, no transfers were made between the fair value hierarchy levels corresponding to the Group's derivative financial instruments.

The Group assessed the hedge effectiveness of outstanding hedges at the end of the current period. It verified the continuing economic relationship between the hedged item and the hedging instrument and the absence of a significant impact on credit risk that could affect the measurement of the hedging instrument.

## **15. Payables and other current liabilities**

Breakdown of this item in the consolidated balance sheet as at 31 December 2023 and 2022:

EUR thousand	2023	2022
Payable to suppliers	261,728	296,508
Payable to associates and related parties (Note 22)	19,813	14,569
<b>Total payables to suppliers</b>	<b>281,541</b>	<b>311,077</b>
Other tax payable (Note 21.d)	29,095	18,004
Other non-trade payables	22,290	21,775
Advances from customers	2,908	2,607
<b>Total other payables</b>	<b>54,293</b>	<b>42,386</b>



"Payables to suppliers" included EUR 33,378 thousand (2022: EUR 40,310 thousand) of payables to suppliers through reverse factoring agreements with banks.

At 31 December 2023, the balance of "Other current liabilities" in the consolidated balance sheet of EUR 14,823 thousand (2022: EUR 17,489 thousand) related primarily to the charge of advertising campaigns related with the media for equity investments and revenue from sales of audiovisual rights that had yet to take effect.

The Group has financial risk management policies in place to ensure that all payables are settled within the previously agreed-upon credit terms.

In the Group's opinion, the amount of trade and other payables in the consolidated balance sheet does not differ from their carrying amount.

The Group has payables to suppliers, relating mainly to external production rights denominated in foreign currency, mostly USD, which are recognised at each accounting close using the EUR/USD exchange rate prevailing at that date. Breakdown by maturity in 2023 and 2022:

2023	2024	2025	2026	Total
EUR thousand				
<b>Foreign currency payables to suppliers</b>	9,865	4,914	1,148	<b>15,927</b>

  

2022	2023	2024	2025	Total
EUR thousand				
<b>Foreign currency payables to suppliers</b>	8,664	5,687	190	<b>14,541</b>

Note 14-c Derivative financial instruments refers to the sensitivity analysis of the balances payable to suppliers in USD in relation to changes in the exchange rate at year-end.

The statutory payment limit applicable under Law 3/2004, of 29 December, establishing measures to combat late payment in commercial transactions and the transitional provisions set out in Law 15/2010, of 5 July, was 60 days as from 2013, as agreed upon between the parties.

The following table presents the disclosures required by Additional Provision Three of Law 18/2022, of 28 September, on the creation and growth of companies and Law 15/2010, of 5 July (amended by Final Provision Two of Law 31/2014, of 3 December), prepared in accordance with the Spanish Accounting and Auditing Institute (ICAC) Resolution of 29 January 2016 on the disclosures to be included in notes to financial statements in relation to the average period of payment to suppliers in commercial transactions.

	2023	2022
	Days	Days
Average supplier payment period	40	39
Ratio of transactions paid	41	40
Ratio of transactions outstanding	37	28
	EUR thousand	EUR thousand
Total payments made	651,289	678,053
Total payments outstanding	103,703	113,931

In accordance with the ICAC Resolution, the calculation of the average supplier payment period considered commercial transactions involving the delivery of goods and the rendering of services from the effective date of Law 31/2014, of 3 December.

For the sole purpose of the disclosures provided for in the Resolution, suppliers are considered to be the trade creditors for the supply of goods or services included in "Payable to suppliers" and "Payable to suppliers - Group companies and associates" under current liabilities in the balance sheet.

“Average supplier payment period” is the time elapsed between the delivery of the goods or the rendering of the services by the supplier and the actual payment of the transaction.

Set out below is the monetary volume and number of invoices paid before the statutory deadline.

	2023	2022
Monetary volume paid before the statutory deadline (EUR thousand)	500,085	402,958
% of total payments to suppliers	76.78%	59.43%
No. of invoices paid before the statutory deadline	34,171	23,911
% of total invoices paid	61.96%	48.82%

## **16. Other guarantee commitments to third parties**

At 31 December 2023, the Group had provided bank guarantees to third parties amounting to EUR 45,077 thousand (2022: EUR 45,173 thousand).

These guarantees relate mainly to obligations arising from ongoing litigation and the concession of television and radio licences.

The Parent’s directors consider that any liabilities not foreseen at 31 December 2023 that might arise from the guarantees provided would not be material.

## **17. Risk management policy**

The Group's risk management and control system is reviewed and updated regularly in response to how the Group's businesses perform and evolve, to risks that actually materialise, to changes in the law, and to how the organisation itself changes and evolves.

This risk management and control system helps the management team to make the right decisions and address risk effectively. We identify and implement any controls and action plans necessary targeting known risks; this enhances our ability to create value and minimises any impact of losses that actually materialise.

Risk analysis and control touches on all the Group's businesses and activities, and involves all our organisational units. This means that risk management and control is a corporate system in which the entire organisation is on alert. The system is headed and overseen by the Board, yet some of its functions are delegated to the Audit and Control Committee. Risk management also brings into play the coordinating role of the Compliance Committee, and input from the Legal Affairs, in risk management and compliance control, Finance, related to financial risks and the controls comprising the system for internal control over financial reporting (ICFR), and, lastly, Internal Audit and Process Control, the coordination and oversight of the overall operation of the risk management system.

The Group has the necessary tools and organisation to ensure the effectiveness of the control procedures approved.

The Corporate Governance Report contains a broad summary of the risk control systems in place.

The main financial risks to which the Group is exposed are outlined below:

### **a) Credit risk**

The Group generally places cash and cash equivalents with financial institutions with high credit ratings. The Group does not have significant credit risk since the average customer collection period is short and the advertising contract terms allow for bank guarantees to be required prior to the launch of advertising campaigns.

There is also no significant concentration of credit risk to third parties and no significant incidents arose in the year. The Group enters into derivatives with institutions of recognised solvency. The percentage of past-due receivables at 31 December 2023 was 7.97% (2022: 8.28%).

#### **b) Liquidity risk**

The Group's liquidity policy is to arrange credit facilities and short-term investments for sufficient amounts to cover funding requirements based on the outlook for the business. All are at floating rates (see Note 14-b).

#### **c) Market risk (interest rate and currency risk)**

The Group's cash and borrowings are exposed to interest rate risk, which could have an adverse impact on its financial performance and cash flows. The Group's financing is arranged at interest rates tied to Euribor. Based on the level of borrowings at 31 December 2023, a 100 basis point increase or decrease in the average interest rate on the debt would result in a +/- EUR (0.2) million change in the interest on the borrowings at that date (2022: +/- EUR 0.2 million). To mitigate this risk, the Parent has entered into interest rate hedges (CAP) to reduce its exposure to increases in the benchmark rate (see Note 14-c).

Foreign currency risk is concentrated in the Parent and relates basically to payments in international markets to acquire broadcasting rights. To mitigate foreign currency risk, the Parent enters into hedging instruments, mainly currency forwards, to hedge its exposure to the EUR/USD forward exchange rate. Sensitivity to changes in exchange rates is described in Note 14-c.

#### **d) Foreign currency risk**

The Group uses cross currency swaps that swap capital and interest flows in dollars for other capital and interest flows in euros, fixing the exchange rate and half-yearly coupons of the debt from bonds and debentures at a fixed rate in euros (see Note 14-c).

#### **e) Capital management risk**

For management purpose, the Group considers equity attributable to the Parent as capital. The only external requirements to which this capital for management purposes is subject are those contained in current Spanish corporate law. There are no other legal restrictions.

Quantitative capital data for management purposes relating to 2023 and 2022 are presented in the consolidated balance sheet and amount to EUR 759,975 thousand and EUR 685,126 thousand, respectively, under "Equity attributable to equity holders of the parent".

No qualitative or quantitative changes took place in capital management in 2023 from the year before. The change in the amount of capital for management purposes in 2023 did not arise due to any external requirement. In addition, dividends were distributed to the shareholders listed in Note 12-f to the consolidated financial statements.

The Group determines the financial resources required with the dual objective of ensuring the Group companies' capacity to continue operating and maximising profitability by optimising Group debt and equity. The Group's financial structure taken as a whole consists of the equity attributable to the equity holders of the parent (comprising share capital, share premium, retained earnings and other items), borrowings, and cash and cash equivalents. The Group reviews this structure regularly and, taking into account the costs and risks associated with each type of funding (debt or equity), takes the appropriate decisions to achieve the aforementioned objectives.

The objective of the Group's capital management is to ensure that Group companies can continue to operate as a going concern, while maximising shareholder returns by optimising the debt and capital balance. The Group's general strategy has not changed.

## **18. Revenue and expenses**

### **a) Revenue**

Group revenue in 2023 and 2022 by business line:

<b>EUR thousand</b>	<b>2023</b>	<b>2022</b>
Advertising sales	748,003	761,756
Other sales	158,512	125,925
Trade and other discounts	(20,409)	(20,392)
<b>Total</b>	<b>886,106</b>	<b>867,289</b>

“Other sales” includes revenue primarily from the production and distribution of films and audiovisual content and from the digital activity.

In 2023, transactions equal to or greater than 10% of total operating income were conducted with three customers -media buyers grouping together advertising orders of various advertisers- with individual shares of 12%-14% and representing a combined 39% of total advertising sales.

In 2022, transactions equal to or greater than 10% of total operating income were conducted with three customers -media buyers grouping together advertising orders of various advertisers- with individual shares of 10%-12% and representing a combined 32% of total advertising sales.

Geographical breakdown of Group revenue in 2023 and 2022:

<b>EUR thousand</b>	<b>2023</b>	<b>2022</b>
Spain	837,187	839,626
International market	48,919	27,663
A) European Union	42,461	24,507
a) Euro area	41,062	24,503
b) Non-euro area	1,399	4
B) Other	6,458	3,156
<b>Total</b>	<b>886,106</b>	<b>867,289</b>

“Other operating income” in the consolidated statement of profit or loss for the year ended 31 December 2023 amounted to EUR 85,323 thousand (2022: EUR 83,505 thousand) and included sales made by the Group that do not form part of its core business. The most important related to revenue from subscribers to Atresmedia's SVOD platform, Atresplayer, and from Canal Internacional, and revenue from the sale of broadcasting rights.

### **b) Programming costs and other procurements**

Programming costs and other procurements in 2023 and 2022:

<b>EUR thousand</b>	<b>2023</b>	<b>2022</b>
External production services	273,326	259,644
Broadcasting of in-house productions	259,896	240,860
Programme broadcasting rights	96,439	111,933
Live broadcasting rights	433	254
Performances and contributions of entertainers	24,363	24,024
Other amortisation	9,682	5,502
Other procurements	35,920	28,124
Addition to programme rights	(305,021)	(287,556)
<b>Total</b>	<b>395,038</b>	<b>382,785</b>

“Addition to programme rights” includes expenses incurred in programmes production. The Parent's policy is to capitalise and subsequently amortise this expenditure as described in Note 3.f.

### c) Personnel costs

Personnel costs in 2023 and 2022:

EUR thousand	2023	2022
Wages and salaries	141,255	134,337
Social Security costs	31,149	28,229
Other employee benefits expense	3,508	2,919
<b>Total</b>	<b>175,912</b>	<b>165,485</b>

At 31 December 2023, the amount recognised under “Personnel costs” in the consolidated statement of profit or loss related to the variable remuneration plan was EUR 5,307 thousand (2022: EUR 5,667 thousand) (see Note 25).

In 2023, the Group had an average of 2,490 employees (2022: 2,420), broken down by gender and employment category as follows:

Employment category	2023		2022	
	Female	Male	Female	Male
Directors	—	3	—	3
Senior management	2	10	2	10
Managers	85	155	81	151
Technicians	904	861	869	850
Administrative	122	19	117	21
Other	200	129	191	125
<b>Total</b>	<b>1,313</b>	<b>1,177</b>	<b>1,260</b>	<b>1,160</b>

At year-end 2023, the Group had a total of 2,558 employees (2022: 2,502), broken down by gender and employment category as follows:

Employment category	2023		2022	
	Female	Male	Female	Male
Directors	—	3	—	3
Senior management	2	10	2	10
Managers	85	154	82	152
Technicians	929	877	898	859
Administrative	123	19	120	20
Other	221	135	218	138
<b>Total</b>	<b>1,360</b>	<b>1,198</b>	<b>1,320</b>	<b>1,182</b>

Data for senior management are obtained based on the criteria for the preparation of the Annual Corporate Governance Report.

Average number of employees in 2023 and 2022 with a disability of more than 33% by employment category:

Employment category	2023	2022
Managers	2	3
Technicians	22	21
Administrative	11	10
Other	13	9
<b>Total</b>	<b>48</b>	<b>43</b>

#### d) Other operating expenses

Breakdown of other operating expenses in the consolidated statement of profit or loss:

EUR thousand	2023	2022
Operating leases and royalties	28,990	29,633
Subcontracted work	58,654	54,900
Copyrights	41,745	44,912
Communications	41,490	40,836
Advertising and publicity	9,296	7,687
Other overheads	47,178	51,763
<b>Total</b>	<b>227,353</b>	<b>229,731</b>

The most significant item under "Operating leases and royalties" in the accompanying consolidated statement of profit or loss is the television operators' contribution to the financing of Corporación RTVE.

#### e) Other information

Fees for financial audit and other professional services in 2023 and 2022 provided by the statutory auditor of the Parent and its subsidiaries, or by a firm in the same group or related to the auditor (in EUR thousand):

	Audit of financial statements	Other accounting assurance services	Tax advisory services	Other services
2023	293	65	—	11
2022	299	43	—	—

Other accounting assurance services related primarily to the limited review report of the condensed consolidated financial statements for the six months ended 30 June 2023, several reports of agreed-upon procedures, the most important of which related to compliance with covenants in financing transactions and the report on compliance with the investment in audiovisual production, provided by KPMG Auditores, S.L. to Atresmedia Corporación de Medios de Comunicación during the years ended 31 December 2023 and 2022.

The Annual Corporate Governance Report includes a description of the work of the Audit Committee and an explanation of how the auditor's objectivity and independence is guaranteed when providing non-audit services.

### 19. Other income/(expenses)

#### a) Net gain/(loss) on changes in value of financial instruments at fair value

This item in the consolidated statement of profit or loss includes mainly the net gain or loss arising from changes in the fair value of the currency and interest rate hedges disclosed in Note 14.

Net gain/(loss) on changes in fair value in 2023 and 2022 by item:

EUR thousand	2023	2022
Hedging instruments (Note 14)	(696)	(406)
Other non-current financial assets	(125)	44
<b>Total</b>	<b>(821)</b>	<b>(362)</b>

## b) Exchange differences

This item includes the exchange gains and losses arising on the Group's commercial and financial transactions, relating to the purchase of audiovisual productions and financing transactions in foreign currencies.

## c) Net finance income/(expense)

This item in the consolidated statement of profit or loss for 2023 includes mainly the interest expense on bank borrowings and interest on bonds and debentures. Finance costs in the year ended 31 December 2023 amounted to EUR 11,511 thousand and finance income to EUR 9,304 thousand.

In 2022, finance costs and income amounted to EUR 9,771 thousand and EUR 3,434 thousand, respectively.

## d) Impairment and gains/(losses) on disposals of financial assets

This item in the consolidated statement of profit or loss includes impairment losses or reversals on financial assets recognised in the year, determined on the basis of an analysis of the recoverability of the investments, including investments in companies accounted for using the equity method, and the net gains or losses arising from the disposal of these assets.

The balance as at 31 December 2023 related mainly to the recognition of impairment losses on investments in equity instruments and on the loans related to those investments amounting to EUR 6,674 thousand.

The balance of "Impairment and gains/(losses) on disposals of financial assets" as at 31 December 2022 related mainly to the recognition of impairment losses on investments in debt instruments amounting to EUR 308 thousand and gains on disposals of investments in equity instruments of EUR 1,460 thousand.

## 20. Operating and geographical segments

### Basis of segmentation

The Atresmedia Group's segment reporting organises its operations into two large lines of business: Audiovisual and Radio. The objective of this model is to contribute to a better understanding and provide more details on the Group's business performance, especially in its digital activity, and the production and distribution of content in the audiovisual business.

Key segment information for 2023 and 2022:

EUR thousand	2023	2022
<b>NET REVENUE</b>		
<b>Audiovisual</b>	<b>902,784</b>	<b>884,217</b>
Advertising in Audiovisual content	783,785	774,211
Production and distribution of content	76,133	70,881
Other income	43,624	39,906
Inter-segment eliminations	(758)	(781)
<b>Radio</b>	<b>77,037</b>	<b>75,622</b>
Inter-segment eliminations	(8,392)	(9,045)
<b>TOTAL NET REVENUE</b>	<b>971,429</b>	<b>950,794</b>

EUR thousand	Audiovisual		Radio		Adjustments and inter-segment eliminations		Atresmedia Group consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Net revenue</b>	902,784	884,217	77,037	75,622	(8,392)	(9,045)	971,429	950,794
<b>Operating expenses</b>	744,094	724,375	62,601	62,671	(8,392)	(9,045)	798,303	778,001
<b>GROSS OPERATING PROFIT</b>	<b>158,690</b>	<b>159,842</b>	<b>14,436</b>	<b>12,951</b>	—	—	<b>173,126</b>	<b>172,793</b>
Depreciation and amortisation, impairment and gains/(losses) on disposal of non-current assets	15,408	15,012	2,416	2,485	—	—	17,824	17,497
<b>OPERATING PROFIT</b>	<b>143,282</b>	<b>144,830</b>	<b>12,020</b>	<b>10,466</b>	—	—	<b>155,302</b>	<b>155,296</b>

EUR thousand	Audiovisual		Radio		Adjustments and inter-segment eliminations		Atresmedia Group consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
Investments accounted for using the equity method	4,460	1,063	—	—	—	—	4,460	1,063
Fixed assets	156,159	148,628	10,091	12,222	—	—	166,250	160,850
Total allocable assets	1,289,421	1,328,224	199,537	196,037	(25,235)	(13,431)	1,463,723	1,510,830
Total allocable liabilities	664,346	786,170	42,276	44,380	(2,879)	(6,706)	703,743	823,844

## 21. Tax matters

### a) Consolidated tax group

Pursuant to current legislation, the consolidated tax group includes Atresmedia Corporación de Medios de Comunicación, S.A., as the parent, and as subsidiaries the Spanish investees that meet the requirements provided for in Spanish legislation regulating the taxation of the consolidated profits of corporate groups (percentage ownership interest of more than 75% held throughout the year) (see Note 2-b).

Pursuant to Spanish Income Tax Law 43/1995, of 27 December, on 26 December 2000, Atresmedia Corporación de Medios de Comunicación, S.A. notified the Madrid taxation authority of its decision to file consolidated income tax returns. Application of the consolidated tax regime is considered indefinite provided that the requirements established in the current Article 58 of Income Tax Law 27/2014, of 27 November, are met and the Company does not opt to cease to apply the aforementioned regime. Filing consolidated tax returns gives rise to reciprocal intra-Group balances, due to the offset of the losses incurred by certain companies against the profit earned by other Group companies.



The 2023 consolidated tax group comprised the following companies:

<b>Type</b>	<b>Company</b>	<b>Date of inclusion in the tax group</b>
Parent	Atresmedia Corporación de Medios de Comunicación, S.A.	1/1/01
Subsidiary	Música Aparte S.A.U.	1/1/01
Subsidiary	Uniprex, S.A.U.	1/1/01
Subsidiary	Atresmedia Cine, S.L.U.	1/1/03
Subsidiary	Antena 3 Multimedia, S.L.U.	1/1/04
Subsidiary	Atres Advertising, S.L.U.	1/1/04
Subsidiary	Uniprex Televisión, S.L.U.	1/1/04
Subsidiary	Inversión y Distribución Global de Contenidos, S.L.U.	1/1/05
Subsidiary	Antena 3 Televisión Digital Terrestre de Canarias, S.A.U.	1/1/06
Subsidiary	Antena 3 Noticias, S.L.U.	1/1/12
Subsidiary	6&M Producciones y Contenidos Audiovisuales, S.L.U.	1/1/13
Subsidiary	Atresmedia Studios, S.L.U.	1/1/14
Subsidiary	Atresmedia Música, S.L.U.	1/1/15
Subsidiary	Atresmedia Capital, S.L.U.	1/1/15
Subsidiary	Smartclip Hispania, S.L.U.	1/1/18
Subsidiary	Atresmedia Tech S.L.U.	1/1/20
Subsidiary	Diariomotor Medios Digitales, S.L.	1/1/22
Subsidiary	Pazy Digital Venture, S.L.	17/6/22
Subsidiary	Sociedad de Distribución Digital Sonora, S.L.U.	1/1/23
Subsidiary	Atresmedia Smart Tools, S.L.U.	1/1/23

The Group's other subsidiaries file individual tax returns in accordance with applicable tax legislation in each country.

## b) Reconciliation of accounting profit and tax expense

Reconciliation of accounting profit and income tax expense:

EUR thousand	2023	2022
<b>Consolidated profit before tax</b>	<b>147,663</b>	<b>150,394</b>
Permanent differences	(14,365)	(19,720)
Gain from a bargain purchase	(27,708)	(25,550)
Impairment of equity instruments	22,284	5,435
Penalties and other non-deductible expenses	313	579
Donations	808	630
Double taxation exemption	(10,062)	(814)
Tax losses incurred prior to the formation of the tax group recognised in 2023	(453)	(69)
<b>Adjusted profit/(loss)</b>	<b>132,845</b>	<b>130,605</b>
Tax rate	25.00%	25.00%
Adjusted profit multiplied by tax rate	33,211	32,651
Tax credits	(362)	(243)
Current income tax expense	32,849	32,408
Deferred tax expense	5,258	5,393
Income tax adjustments	(61,466)	266
Difference in income tax per tax return	653	266
Inspection adjustments	407	—
Recognition in taxable profit of the carry forward of unused tax losses	(62,526)	—
<b>Total tax expense</b>	<b>(23,359)</b>	<b>38,067</b>
<b>Effective tax rate (expense/taxable profit)</b>	<b>(15.82)%</b>	<b>25.31%</b>

The gains from a bargain purchase arose from the share of profit/(loss) of companies accounted for using the equity method (EUR -1,450 thousand), increased amortisation of the trademark under IFRSs (EUR 2,184 thousand) and accounting elimination differences (EUR 15,434 thousand). In addition, the amortisation of the licence and goodwill recognised for the various Group companies as a result of the entry into force on 1 January 2016 of Spanish Audit Law 22/2015, of 20 July, is not envisaged under IFRSs, which results in a gain on bargain purchases of EUR 21,068 thousand. Application of IFRS 9 and IFRS 16 gave rise to positive differences of EUR 8,021 thousand and EUR 39 thousand, respectively.

In 2023, the Group recognised EUR 362 thousand of tax credits, with EUR 281 thousand for donations to not-for-profit entities and EUR 81 thousand to R&D&I expenditure.

The differences between the estimate made at year-end 2022 and the tax return effectively filed gave rise to income tax adjustments of EUR 653 thousand (positive).

The deferred tax expense relates to the tax effect of the deferred tax assets and liabilities under IFRSs (see Note 21-e).

In the wake of the recent ruling by the Constitutional Court related to limits to the offset of unused tax losses (see Note 21-g), the Group recognised the impact of the new estimate of timing and amounts of tax payments related to unused tax losses for EUR 62,526 thousand.

### c) Reconciliation of accounting profit and taxable income

Reconciliation of accounting profit and profit for income tax purposes for 2023 and 2022:

EUR thousand	2023	2022
<b>Accounting profit after tax</b>	<b>171,022</b>	<b>112,327</b>
Income tax	(23,359)	38,067
Permanent differences	(16,309)	(19,260)
Temporary differences	19,371	22,577
Offset of prior years' tax losses	(101,218)	(34,328)
<b>Taxable income</b>	<b>49,507</b>	<b>119,383</b>
<b>Tax rate</b>	<b>25.00%</b>	<b>25.00%</b>
<b>Gross tax payable</b>	<b>12,377</b>	<b>29,846</b>
Tax credits taken in the year	(4,951)	(11,939)
Tax prepayments in the year	(25,160)	(25,951)
<b>Tax payable (refundable)</b>	<b>(17,734)</b>	<b>(8,044)</b>

The temporary differences include increases of EUR 44,232 thousand and decreases of EUR 24,861 thousand (see Note 21-e).

Increases include deferred tax assets of EUR 35,165 thousand and deferred tax liabilities of EUR 9,067 thousand, while decreases include EUR 20,055 thousand of deferred tax assets and EUR 4,806 thousand of deferred tax liabilities.

Of the EUR 4,951 thousand of tax credits taken in the year, EUR 4,127 thousand were deductions for audiovisual production, EUR 503 thousand for international double taxation, EUR 281 thousand for donations to not-for-profit entities, and EUR 40 thousand for reversal of temporary measures (Transitional Provision Thirty-Seven of the Spanish Income Tax Law).

### d) Tax receivables and payables

Tax receivables and payables at 31 December 2023 and 2022:

EUR thousand	2023	2022
<b>NON-CURRENT ASSETS</b>		
Deferred tax assets (Note 21.e)	29,873	28,494
Carry forward of unused tax losses	93,046	54,278
Unused tax credits and tax relief	75,118	80,276
	<b>198,037</b>	<b>163,048</b>
<b>CURRENT ASSETS</b>		
Prior year income tax refundable	40	10,540
2023 income tax refundable	17,734	8,044
Tax refundable for unconsolidated companies	—	—
Other tax receivables	53	72
VAT refundable	285	161
	<b>18,112</b>	<b>18,817</b>
<b>Total tax receivables</b>	<b>216,149</b>	<b>181,865</b>
<b>OTHER NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities (Note 21-e)	<b>42,619</b>	<b>40,407</b>
<b>CURRENT LIABILITIES</b>		
Tax payable for unconsolidated companies	—	263
Tax withholdings payable	7,524	7,149
Social security payable	3,035	2,760
VAT payable	17,692	7,302
Other tax payables	845	752
	<b>29,096</b>	<b>18,226</b>
<b>Total tax payables</b>	<b>71,715</b>	<b>58,633</b>

Based on the timing of future profits estimated by the Parent's directors for the offset and use of these tax items, only EUR 28,591 thousand were considered to be recoverable in the tax return for the coming year, EUR 2,238 thousand of which relate to deferred taxes, EUR 3,434 thousand to unused tax credits and tax relief and EUR 22,919 thousand to the carry forward of tax losses.

### e) Deferred tax assets and liabilities recognised

The difference between the tax charge allocated to the current year and to prior years and the tax charge already paid or payable for those years, recognised under deferred tax assets, arose as a result of temporary differences on the following items:

CHANGES IN DEFERRED TAX ASSETS	EUR thousand						2023
	2022	Increases	Decreases	Other	IFRS adjustments	Changes in the scope of consolidation	
Contingencies and charges	16,997	1,648	2,185	104	—	19	16,583
Payables	11,907	1,327	2,199	50	—	—	11,085
Hedging instruments	(2,477)	1,102	—	—	—	—	(1,375)
Tax effect of assets at fair value	217	—	—	—	—	—	217
Other items	1,850	3,993	630	77	(3,750)	—	1,540
Adjust. consol. taxable profit addit. prov. 19 CIT law	—	1,823	—	—	—	—	1,823
<b>Total</b>	<b>28,494</b>	<b>9,893</b>	<b>5,014</b>	<b>231</b>	<b>(3,750)</b>	<b>19</b>	<b>29,873</b>

The detail for 2022 is as follows:

CHANGES IN DEFERRED TAX ASSETS	EUR thousand						2022
	2021	Increases	Decreases	Other	IFRS adjustments	Changes in the scope of consolidation	
Contingencies and charges	18,092	4,118	2,085	(2,454)	—	(674)	16,997
Payables	12,440	1,733	2,158	(107)	—	—	11,907
Hedging instruments	(1,693)	—	784	—	—	—	(2,477)
Tax effect of assets at fair value	214	—	—	—	2	—	217
Other items	2,182	4,005	1,054	495	(3,778)	—	1,850
<b>Total</b>	<b>31,235</b>	<b>9,856</b>	<b>6,081</b>	<b>(2,066)</b>	<b>(3,776)</b>	<b>(674)</b>	<b>28,494</b>

The changes in deferred tax assets recognised in "Other" include mainly the difference between the estimated tax for the previous year and the tax return actually filed with the taxation authorities. "Changes in the scope of consolidation" in 2023 include the addition of balances of companies added to the Group during the year (2022: derecognition of the deferred tax assets generated by the Group's foreign subsidiaries in accordance with the various tax regulations following the sale of these companies in that period).

The deferred tax assets table includes hedging instruments, which are not included in the temporary differences or deferred tax assets in the tables in Note 21.c, since for tax purposes they are recognised directly in equity.

"IFRS adjustments" includes the elimination of the tax effect of amortisation of goodwill of Uniprex, which is not allowed under IFRS, and the addition of a "Tax effect for fair value of assets" arising from the adjustment to profit or loss not applicable under Spanish GAAP.

At 31 December 2023, the Group had EUR 118,739 thousand of unused tax credits, arising mainly on investment in audiovisual and film productions. Of the total unused tax credits, the Group has recognised EUR 75,118 thousand.

Tax credits				
EUR thousand				
Deadline for utilisation	Unused at 31/12/22	Deducted in the year	Other	Unused at 31/12/23
2027	82	—	—	82
2028	1,631	(1,123)	(468)	40
2029	15,678	(3,044)	—	12,634
2030	15,037	—	—	15,037
2031	14,506	—	—	14,506
2032	13,388	—	—	13,388
2033	12,842	—	—	12,842
2034	19,045	—	—	19,045
2035	16,371	—	(102)	16,269
2036	10,440	—	15	10,455
2037	4,302	—	—	4,302
2038	139	—	—	139
	<b>123,461</b>	<b>(4,167)</b>	<b>(555)</b>	<b>118,739</b>

Changes in deferred tax liabilities in 2023:

DEFERRED TAX LIABILITIES EUR thousand	2022	Increases	Decreases	IFRS adjustments	2023
Recognition of intangible assets at fair value	26,661	—	1,886	963	25,738
Government grants	2,213	4,933	2,452	—	4,694
Payables	2,384	—	547	—	1,837
Amortisation of merger goodwill	9,149	1,201	—	—	10,350
<b>Total</b>	<b>40,407</b>	<b>6,134</b>	<b>4,885</b>	<b>963</b>	<b>42,619</b>

Changes in deferred tax liabilities in 2022:

DEFERRED TAX LIABILITIES EUR thousand	2021	Increases	Decreases	IFRS adjustments	Other	Additions	2022
Recognition of intangible assets at fair value	28,611	—	2,732	847	—	(65)	26,661
Government grants	10	2,661	458	—	—	—	2,213
Payables	2,963	—	567	—	(12)	—	2,384
Amortisation of merger goodwill	7,948	1,201	—	—	—	—	9,149
<b>Total</b>	<b>39,532</b>	<b>3,863</b>	<b>3,757</b>	<b>847</b>	<b>(12)</b>	<b>(65)</b>	<b>40,407</b>

The "Recognition of intangible assets at fair value" deferred tax liability relates to the temporary difference between the carrying amount and the tax base of the identified trademark and signal broadcasting licence (IAS 12), and the recognition of assets by applying IFRS 9.

The difference in interpretation between international accounting standards and local GAAP regarding the recognition of intangible assets gives rise to a greater deferred tax liability under IFRSs than under the Spanish General Accounting Plan (Plan General de Contabilidad), to which the income tax legislation is not applicable.

International accounting standards also do not recognise the amortisation of intangible assets with an indefinite useful life. The difference in standards is included in "IFRS adjustments", for EUR 1,517 thousand, which entails the elimination of the tax effect of the accounting

amortisation of the license (non-deductible). This column also includes the tax effect of applying IFRS 9, which amounted to a negative EUR 554 thousand.

Spain's 2021 General State Budget Law (*Ley 11/2020, de 30 de diciembre, de Presupuestos Generales del Estado para el año 2021*) introduced financing agreements in Article 39.7 of Spain's Corporate Income Tax Law whereby taxpayers participating in the financing of Spanish feature films, short films, fiction, animation or documentary audiovisual series productions, or in the production and broadcast of live shows of performing arts and music by other taxpayers, may utilise the tax credits provided for in sections 1 and 3 of Article 36 of the Corporate Income Tax Law in accordance with the terms and conditions stipulated therein. The amount is determined under the same terms and conditions as those that would have applied to the producer, provided that they have been generated by the producer when the producer contributes amounts intended to finance all or part of the production costs.

The Group entered into financing agreements with different investors for works produced in 2023.

Therefore, "Grants" under deferred tax liabilities includes the tax effect of the accounting recognition of the financing agreements.

The Group has considered the following as positive evidence for recognising deferred tax assets:

- The carry forward of tax losses arose in the business combination with la Sexta, which had losses before being absorbed by the Atresmedia Group.
- Atresmedia Group has a history of recurring profits, even after absorbing the loss-making La Sexta, with a stable customer portfolio.
- The Group operates in a mature sector, which allows it to plan convincing tax strategies.

Chapter IV of Title VI of the Income Tax Law sets a limit for the offset of taxes of 15 years and for R&D&I credits of 18 years. Management performed an assessment of the recoverability of deferred tax assets, estimating that the recognised assets will be recovered within eight years as of 31 December 2023.

Pursuant to Spanish tax legislation, there is no time limit on the offset of tax losses.

As for the carry forward of tax losses, in the wake of the recent ruling by the Constitutional Court (see Note 21-g) declaring unconstitutional and, therefore, null and void the legal provision limiting the offset of tax losses to 25%, the Group has re-estimated the utilisation of tax assets for the carry forward of tax losses factoring in the new limit of 70%. It concluded that as a result it could recognise unused tax losses amounting to EUR 62,526 thousand (see Note 21-b). Taking this estimate, the entire amount of tax losses carried forward would be recognised over a period of less than four years.

Given the minimum tax with effect from 1/1/2022 introduced in the CIT Law and the ability to apply tax credits that have been modified with the new limit on the offset of tax losses, the Company did not recognise any new credits, although the recognised deferred tax assets will be able to be recovered in full over that legally stipulated period and even though application of that Constitutional Court ruling or a new tax regulation could lead to a different conclusion.

Assessments were made regarding the outlook for growth of the advertising market in the coming years, based on estimated audience numbers, advertising effectiveness ratios and cost forecasts. Except for advertising, which is measured on the basis of external information sources, the rest of the assumptions are based on past experience and reasonable projections approved by management of the Company and updated in accordance with the performance of the advertising markets. These estimates do not provide any evidence that the tax assets and tax credits recognised will be not recovered.

## f) Tax recognised in equity

In addition to the income tax recognised in the consolidated statement of profit or loss, in 2023 and 2022 the Group recognised the following amounts in consolidated equity:

EUR thousand	2023	2022
Hedging instruments	1,102	(784)
Recognition of assets at fair value	710	1,778
<b>Total</b>	<b>1,812</b>	<b>994</b>

## g) Other information

At 31 December 2023, the Group's unused tax losses from prior years are detailed below, with EUR 93,046 thousand recognised. All unused tax losses of the Parent carried forward (EUR 90,924 thousand) were transferred to the company from the absorbed company, Gestora de Inversiones Audiovisuales La Sexta in 2012, as a result of the universal succession of the former to the rights and obligations of the transferor arising from the application of the special tax regime for mergers, spin-offs, asset contributions and security exchanges provided for in Title VII, Chapter VIII of the Consolidated Spanish Income Tax Law approved by Legislative Royal Decree 4/2004, of 5 March.

Carry forward of unused tax losses					
EUR thousand					
Year generated	Unused at 31/12/22	Deducted in the year	Other	Additions	Unused at 31/12/23
2007	18,648	(18,795)	147	—	—
2008	31,918	(6,396)	—	—	25,522
2009	28,965	—	—	—	28,965
2010	8,379	—	—	—	8,379
2011	15,475	—	—	—	15,475
2012	12,909	(113)	—	—	12,796
2013	494	—	—	—	494
2014	37	—	—	5	42
2015	33	—	—	17	50
2016	9	—	—	269	278
2017	—	—	—	446	446
2018	228	—	—	91	319
2020	—	—	—	86	86
2021	—	—	—	65	65
2022	—	—	—	819	819
2023	—	—	—	296	296
	<b>117,095</b>	<b>(25,304)</b>	<b>147</b>	<b>2,094</b>	<b>94,032</b>

Pursuant to Spanish tax legislation, there is no time limit on the offset of prior years' tax losses.

The Group is currently open to inspection for income tax from 2016 and for the rest of the taxes applicable to it from 2019.

On 23 March 2021, the National Court (Audiencia Nacional) issued an order to raise to the Constitutional Court (Tribunal Constitucional) a matter of potential unconstitutionality of Royal Decree-Law 3/2016, of 2 December, adopting certain tax measures to consolidate public finances and other urgent social measures (the "RDL"). The RDL introduced considerable amendments to Spain's Corporate Income Tax (CIT) Law 27/2014, of 27 November, mainly Article 3.1. What mainly impacts the Group are the specific limits established on offsetting tax losses, i.e. 25% of taxable profit, and the non-deductibility of capital losses on sales of equity interests in certain entities (art. 21.6 of the CIT).

As the National Court raised the issue of unconstitutionality of the RDL to the Constitutional Court, the Group considered the possibility of annulment of the RDL. This would lead to changes in the income tax self-assessment filed, with considerably different and more favourable results for the Group's interests.

Accordingly, in 2021, 2022 and 2023, the Parent submitted written requests for rectification of self-assessments of income tax for the years 2016 to 2022, inclusive.

On 18 January 2024, the Constitutional Court in full unanimously upheld the issue of unconstitutionality raised by the Administrative Chamber of Spain's National Court (Audiencia Nacional) involving several amendments to corporate income tax (CIT). Accordingly, it ruled that additional provision 15 and section 3 of the transitional provision 16 of Law 27/2014, in the wording given by Article 3(1), sections One and Two of Royal Decree-Law 3/2016, are unconstitutional and, therefore, null and void.

This ruling removes the 25% limit on the carry forward of tax losses from tax laws in Spain. Based on this, the Parent's directors considered that corporate income tax for 2023 should be calculated taking into account the 70% limit stipulated in Article 26.1 of Law 27/2014.

As explained in Note 3.o, the Group performed an assessment aimed at reviewing safe harbours and the tax rate and does not expect having an effective tax rate below the global minimum tax rate established in the GloBE rules to have any significant impacts.

Nevertheless, the Parent's directors Business combination consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, any liabilities that may arise would not have a material effect on the accompanying financial statements.

#### **h) Other information on prior periods' corporate transactions**

On 5 June 2009, the public deed was executed of the agreement for the merger by absorption of Radio Tormes, S.A. Unipersonal, Radio Alamedilla, S.A. Unipersonal, Compañía Tres Mil Ochocientos, S.L. Unipersonal, La Veu de Lleida, S.L. Unipersonal, Grupo Universal de Emisoras Radio Amanecer, S.A. Unipersonal, Ondadit, S.L. Unipersonal and Unión Ibérica de Radio, S.A. Unipersonal by the sole shareholder Uniprex, S.A. Unipersonal through the dissolution without liquidation of the absorbed companies and the en bloc transfer of their assets and liabilities to Uniprex, S.A. Unipersonal, the absorbing company, which acquired them by universal succession and assumed all the rights and obligations of the absorbed companies, as stipulated in Article 233 of the Corporate Enterprises Act. The date from which the transactions of the absorbed companies were considered to have been performed for accounting and tax purposes by the absorbing company was 1 January 2009.

The merger gave rise to the merger goodwill shown in Note 4, which differs from the merger goodwill for tax purposes (amounting to EUR 24,775 thousand) calculated and amortised as provided for in Article 89.3 of the Consolidated Spanish Income Tax Law which, net of the impairment losses recognised, amounted to EUR 11,373 thousand.

On 16 December 2011, the joint merger agreement entered into on 30 June 2011 was executed in a public deed, whereby Publicidad 3, S.A.U. absorbed Antena de Radiodifusión, S.A.U., Medipress Valencia, S.A.U., Canal Radio Baleares, S.L.U., Radio Media Aragón, S.L.U., Canal Radio Madrid, S.L.U., Canal Radio Valencia, S.L.U. and Uniprex, S.A.U., which simultaneously and in the same act absorbed Radio Noticias Noventa, S.A.U., Radio Sistemas Radiofónicos Cinco, S.L.U. and Rkor Radio, S.L.U. in a preliminary phase.

The resolution to change the resulting company's name to Uniprex, S.A.U. was contained in the aforementioned deed.

Consequently, the new company, Uniprex, S.A.U., acquired the assets and liabilities of the absorbed companies, which were dissolved without liquidation, in accordance with their balance sheets. Those assets and liabilities were transferred en bloc to the absorbing company.



The merger goodwill for tax purposes at 31 December 2023 was EUR 45,966 thousand, which can be amortised at a rate of 5% regardless of the rate at which the related amortisation is charged to profit or loss for accounting purposes. This amortisation is tax deductible. The merger goodwill for tax purposes does not coincide with the goodwill recognised for accounting purposes (see Note 4). Goodwill arising from the merger amounted to EUR 99,137 thousand and the accumulated impairment losses on goodwill that are tax deductible were EUR 53,171 thousand.

On 31 October 2012, the merger by absorption of Gestora de Inversiones Audiovisuales La Sexta ("La Sexta") into Antena 3 de Televisión was placed on file at the Madrid Mercantile Register.

As a result of the merger, Antena 3 de Televisión acquired all the assets and liabilities of La Sexta by universal succession and assumed all the rights and obligations of the absorbed company.

The merger became effective for accounting purposes on 5 October 2012.

The Company availed itself of the special tax regime for mergers, spin-offs, asset contributions and security exchanges provided in Title VII, Chapter VIII of the Consolidated Spanish Income Tax Law approved by Legislative Royal Decree 4/2004, of 5 March.

The La Sexta trademark and the La Sexta multiplex operating licence were identified in the purchase price allocation of the business combination to assets and liabilities. The trademark is amortised for accounting purposes over 20 years, while the licence was considered to have an indefinite useful life. Pursuant to Spanish Audit Law 22/2015, of 20 July, as of 1 January 2016 the license has been amortised at a rate of 10%, solely in the separate financial statements of Atresmedia Corporación prepared in accordance with the Spanish General Accounting Plan.

On 8 November 2013, the merger by absorption of Estaciones Radiofónicas de Aragón, S.A. Unipersonal, Ipar Onda, S.A. Unipersonal, Onda Cero, S.A. Unipersonal and Radio Media Galicia, S.L. Unipersonal by Uniprex, S.A. Unipersonal and dissolved without liquidation, was executed in a public deed, which also reflected the approval of the balance sheet for the year ended 31 December 2012 as the merger balance sheet.

Merger goodwill for tax purposes amounted to EUR 554 thousand (EUR 260 thousand of Ipar Onda, S.A. and EUR 294 thousand of Radio Media Galicia, S.L.) and is being amortised at an annual rate of 5%, regardless of the rate at which the related amortisation is charged to profit or loss for accounting purposes. This amortisation is tax deductible and amounted to EUR 305 thousand at 31 December 2023.

On 3 November 2014, the merger, whereby Publiseis Iniciativas Publicitarias was absorbed by Atres Advertising, S.L.U. and dissolved without liquidation, was executed in a public deed subsequent to the sale of the ownership interest by Atresmedia Corporación to its subsidiary. In addition, the balance sheet for the year ended 31 December 2013 was approved as the merger balance sheet. The company availed itself of the special merger regime provided for in Title VII, Chapter VIII of the Consolidated Spanish Income Tax Law.

On 24 November 2015, the merger whereby Antena 3 Eventos, S.L.U. was absorbed by Atres Advertising, S.L.U. and dissolved without liquidation, was executed in a public deed subsequent to the sale of the ownership interest by Atresmedia Corporación to its subsidiary. In addition, the balance sheet for the year ended 31 December 2014 was approved as the merger balance sheet. The company availed itself of the special merger regime provided for in Title VII, Chapter VII of the Spanish Income Tax Law 27/2014.

Also, on 24 November 2015, the merger, whereby La Sexta Editorial Musical, S.L.U. was absorbed by Música Aparte, S.L.U. and dissolved without liquidation, was executed in a public deed subsequent to the sale of the ownership interest by Atresmedia Corporación to its subsidiary. In addition, the balance sheet for the year ended 31 December 2014 was approved as the merger balance sheet. The company availed itself of the special merger regime provided for in Title VII, Chapter VII of the Spanish Income Tax Law 27/2014.

On 27 October 2017, the merger whereby Guadiana Producciones, S.A.U. was absorbed by Atres Advertising, S.L.U. and dissolved without liquidation, was executed in a public deed subsequent to the sale of the ownership interest by Atresmedia Corporación to its subsidiary. In addition, the balance sheet for the year ended 31 December 2016 was approved as the merger balance sheet. The company availed itself of the special merger regime provided for in Title VII, Chapter VII of the Spanish Income Tax Law 27/2014.

On 26 November 2018, the merger whereby Canal Media Radio, S.A.U. was absorbed by UNIPREX, S.A.U, and dissolved without liquidation, and the approval of the balance sheet at 31 December 2017 as the merger balance sheet was executed in a public deed. The company availed itself of the special merger regime provided for in Title VII, Chapter VII of the Spanish Income Tax Law 27/2014.

## **22. Related party transactions**

Transactions between the Parent and its subsidiaries, which are related parties, were eliminated upon consolidation and no disclosures are provided in this note. Balances and transactions between the Group and its associates, joint ventures and other related parties are disclosed below:

Balance at 31/12/23	EUR thousand			
	Trade receivables (Note 11)	Current trade payables (Note 15)	Other non-current receivables	Other current receivables
<b>Group companies and associates:</b>				
Fundación Atresmedia	164	—	—	—
Hola Televisión América, S.L.	110	—	—	3,905
Hola TV US, LLC	1,771	264	—	—
Suma Content, S.L.	3	30	—	—
<b>Total group companies and associates:</b>	<b>2,048</b>	<b>294</b>	<b>—</b>	<b>3,905</b>
<b>Joint ventures:</b>				
Buendía Estudios, S.L.	5	6,620	—	1,606
Buendía Producción, S.L.	—	—	—	—
Buendía Estudios Canarias, S.L.	9	3,035	—	—
<b>Total joint ventures</b>	<b>14</b>	<b>9,655</b>	<b>—</b>	<b>1,606</b>
<b>Other related parties</b>				
Planeta - De Agostini Group	1,087	2,247	—	—
RTL Group	2,100	7,617	—	1,300
<b>Total other related parties</b>	<b>3,187</b>	<b>9,864</b>	<b>—</b>	<b>1,300</b>
<b>Total</b>	<b>5,249</b>	<b>19,813</b>	<b>—</b>	<b>6,811</b>

Balance at 31/12/22	EUR thousand			
	Trade receivables	Current trade payables	Other non-current receivables	Other current receivables
	(Note 11)	(Note 15)		
<b>Group companies and associates:</b>				
Fundación Atresmedia	128	—	—	—
Hola Televisión América, S.L.	401	—	—	3,205
Hola TV US, LLC	1,511	241	—	—
Suma Content, S.L.	—	2,223	—	—
<b>Total group companies and associates:</b>	<b>2,040</b>	<b>2,464</b>	<b>—</b>	<b>3,205</b>
<b>Joint ventures:</b>				
Buendía Estudios, S.L.	32	6	751	—
Buendía Producción, S.L.	125	10,149	410	—
Buendía Estudios Canarias, S.L.	9	25	—	—
<b>Total joint ventures</b>	<b>166</b>	<b>10,180</b>	<b>1,161</b>	<b>—</b>
<b>Other related parties</b>				
Planeta - De Agostini Group	839	1,352	—	—
RTL Group	2,400	573	—	1,000
<b>Total other related parties</b>	<b>3,239</b>	<b>1,925</b>	<b>—</b>	<b>1,000</b>
<b>Total</b>	<b>5,445</b>	<b>14,569</b>	<b>1,161</b>	<b>4,205</b>

Transactions at 31.12.23	EUR thousand				
	Income from rendering of services	Purchase of inventories	Leases	Receipt of services	Finance income
<b>Group companies and associates:</b>					
CTK Live Esports, S.L.	23	—	—	—	—
Fundación Atresmedia	144	—	—	—	—
Hola TV América, S.L.	—	—	—	—	301
Hola TV US, LLC	445	—	—	1,373	—
Suma Content, S.L.	4	6,238	—	—	—
<b>Total group companies and associates:</b>	<b>616</b>	<b>6,238</b>	<b>—</b>	<b>1,373</b>	<b>301</b>
<b>Joint ventures:</b>					
Buendía Estudios, S.L.	16	8,891	—	646	—
Buendía Producción, S.L.	177	14,000	—	780	24
Buendía Estudios Canarias, S.L.	8	6,812	—	5	—
Buendía Estudios Bizkaia, S.L.	3	—	—	—	—
<b>Total joint ventures</b>	<b>204</b>	<b>29,703</b>	<b>—</b>	<b>1,431</b>	<b>24</b>
<b>Other related parties</b>					
Planeta - De Agostini Group	3,909	3,280	—	2,815	—
RTL Group	8,429	8,203	—	3,086	—
<b>Total other related parties</b>	<b>12,338</b>	<b>11,483</b>	<b>—</b>	<b>5,901</b>	<b>—</b>
<b>Total</b>	<b>13,158</b>	<b>47,424</b>	<b>—</b>	<b>8,705</b>	<b>325</b>

In addition to these transactions, the Group sold and purchased advertising space to and from related companies in 2023 amounting to EUR 3,528 thousand and EUR 1,210 thousand, respectively, through advertising agencies.

EUR thousand					
Transactions at 31.12.22	Income from rendering of services	Purchase of inventories	Leases	Receipt of services	Finance income
<b>Group companies and associates:</b>					
Atres Hub Factory, S.L.	—	—	—	—	—
Fundación Atresmedia	183	—	—	—	—
Hola TV América, S.L.	—	—	—	—	291
Hola TV US, LLC	465	—	—	2,088	—
Suma Content, S.L.	—	6,627	—	—	—
<b>Total group companies and associates:</b>	<b>648</b>	<b>6,627</b>	<b>—</b>	<b>2,088</b>	<b>291</b>
<b>Joint ventures:</b>					
Buendía Estudios, S.L.	524	—	—	299	—
Buendía Producción, S.L.	—	19,778	—	412	—
Buendía Estudios Canarias, S.L.	—	5,212	—	4	—
<b>Total joint ventures</b>	<b>524</b>	<b>24,990</b>	<b>—</b>	<b>715</b>	<b>—</b>
<b>Other related parties</b>					
Planeta - De Agostini Group	4,195	348	—	2,725	—
RTL Group	6,226	5,708	—	2,334	—
<b>Total other related parties</b>	<b>10,421</b>	<b>6,056</b>	<b>—</b>	<b>5,059</b>	<b>—</b>
<b>Total</b>	<b>11,593</b>	<b>37,673</b>	<b>—</b>	<b>7,862</b>	<b>291</b>

In addition to these transactions, the Group sold and purchased advertising space to and from related companies in 2022 amounting to EUR 3,172 thousand and EUR 1,386 thousand, respectively, through advertising agencies.

Transactions with related parties are carried out on an arm's length basis.

### **23. Earnings per share**

Basic earnings per share are calculated by dividing net profit for the year attributable to the Parent by the weighted average number of ordinary shares of the Parent outstanding during the year.

Diluted earnings per share is calculated by dividing net profit for the period attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding adjusted for the dilutive effects of potential ordinary shares, understood as shares whose conversion into outstanding shares could reduce earnings per share. The treasury shares held by the Company for the share-based payment plan (see Note 25) were considered to be outstanding shares for the purposes of diluted earnings per share.

Accordingly:

	2023	2022
Profit for the period attributable to the Parent (EUR thousand)	171,163	112,910
Weighted average number of ordinary shares outstanding (thousands of shares)	225,178	225,178
<b>Basic earnings per share (EUR)</b>	<b>0.760</b>	<b>0.501</b>
<hr/>		
	2023	2022
Profit for the period attributable to the Parent (EUR thousand)	171,163	112,910
Weighted average number of shares outstanding for the purposes of diluted earnings per share (thousands of shares)	225,733	225,733
<b>Diluted earnings per share (EUR)</b>	<b>0.758</b>	<b>0.500</b>

## **24. Proposed distribution of profit**

The proposed distribution of the profit for the year of Atresmedia Corporación de Medios de Comunicación, S.A. that the Parent's directors will submit for approval by the shareholders at the General Meeting is as follows (in EUR thousand):

	<b>2023</b>
Interim dividend paid in 2023 (EUR 0.18/share)	40,532
Maximum final dividend (EUR 0.24/share)	54,043
To voluntary reserves	64,822
<b>Total</b>	<b>159,397</b>

### **LIQUIDITY STATEMENT FOR THE PAYMENT OF THE 2023 INTERIM DIVIDEND**

<b>EUR thousand</b>	
<b>Liquidity at 31 October 2023</b>	<b>278,494</b>
<b>Projected cash until 31 October 2024</b>	
Operating activities from November 2023 to October 2024	83,925
Financing activities from November 2023 to October 2024	85,566
Projected payment of 2023 interim dividend	(40,532)
<b>Projected liquidity at 31 October 2024</b>	<b>407,453</b>

The proposed distribution of the Parent's profit for 2022 approved by shareholders at the General Meeting held on 26 April 2023 is disclosed in the consolidated statement of changes in equity.

## **25. Remuneration and other benefits earned by the members of the Board of Directors of the Parent and senior management**

The remuneration earned in 2023 by the current and former members of the Parent's Board of Directors (composed of four women and eight men at 31 December 2023 and 2022) in the form of salaries, attendance fees and insurance premiums amounted to EUR 4,861 thousand, EUR 746 thousand and EUR 50 thousand, respectively (2022: EUR 4,540 thousand, EUR 737 thousand and EUR 45 thousand, respectively).

Salaries and life insurance premiums paid to members of senior management who are not directors in 2023 amounted to EUR 6,092 thousand and EUR 97 thousand, respectively (2022: EUR 4,978 thousand and EUR 86 thousand, respectively).

The third-party liability insurance taken out for Atresmedia Group directors and managers in 2023 amounted to EUR 214 thousand (2022: EUR 227 thousand).

At 31 December 2023 and 2022, the Parent had not granted any loans or advances to its Board members and senior executives, and it did not have any supplementary pension or retirement bonus obligations with them. As for two Executive Directors, the Annual Report on Director Remuneration sets out certain special conditions in the event their relationship with the Parent is terminated.

At the General Meeting of Atresmedia Corporación de Medios de Comunicación, S.A. held on 28 April 2021, approval was given to implement a long-term variable remuneration scheme for executive directors and certain managers of the Group. The scheme is a long-term variable incentive tied to the Group's performance.

The plan has a duration of four years from approval, with 2021, 2022 and 2023 as the period for achieving targets. For entitlement to settlement, the reference date for fulfilment by beneficiaries of the requirement for continuing to hold their post at the Group is 28 April 2025. Payment of this remuneration will be between 28 April 2025 and 30 June 2025.

The targets assessed for calculating the remuneration are 1) profitability, linked to consolidated EBITDA, with a 70% weighting; 2) an income-source diversification target, with a 25% weighting, and 3) an environmental, social and corporate governance (ESG) target, with a 5% weighting.

Beneficiaries will be entitled to receive an amount, determined based on the achievement of the financial and non-financial targets outlined in the plan, and on fulfilment of the continued employment requirement.

According to the plan, an amount is established that vests at the end of the first two years linked to the level of achievement of the EBITDA target for those two years.

Of the amount of remuneration to which beneficiaries are entitled under this plan, the executive directors and managers will be paid 90% in cash and 10% in shares of Atresmedia Corporación, with treasury shares held by the Parent. To complete payment, the plan includes the possibility of buying back additional shares as necessary.

## **26. Information regarding situations of conflict of interest involving directors**

Pursuant to Article 229 of the Corporate Enterprises Act, the following information is included:

- In 2023, none of the directors reported to the Board of Directors any direct or indirect conflict of interest that they or their affiliates, as defined in Article 231 of the Corporate Enterprises Act, might have with respect to the Company.

## **27. Events after the reporting period**

No significant event took place between the end of the reporting period and the date of authorisation for issue of the consolidated financial statements.



# ATRESMEDIA

**ATRESMEDIA CORPORACIÓN DE MEDIOS  
DE COMUNICACIÓN, S.A. AND  
SUBSIDIARIES**

**Consolidated management report**

2023

## ATRESMEDIA AND SUBSIDIARIES (CONSOLIDATED GROUP) MANAGEMENT REPORT FOR 2023

### Business performance and situation of the Group

Atresmedia Group, through its audiovisual and radio arms, produces and distributes audiovisual and radio content for a wide variety of audiences, in which it inserts the advertising formats it sells to advertisers for their advertising campaigns. Atres Advertising currently oversees this business activity, which is the Group's main source of revenue.

In addition to TV and radio advertising airtime sales, Atresmedia also sells various types of advertising on internet, whether embedded in its own video-on-demand offering via Atresplayer (AVOD), on its own websites, through Atres Advertising or third-party media via its Smartclip subsidiary. Atresmedia also offers advertisers a new way of publicising their brands through influencer marketing agencies Human to Human and Digital Marketing for Humans.

Thanks to all these activities, Atresmedia is the leading seller of advertising in Spain, with a share of the total advertising market of roughly 15%.

It is also involved in other businesses that are not advertising-driven, such as the sale of content the Group produces to other television networks or the operation of SVOD (Atresplayer Premium) platforms, individually or bundled as complete international pay platforms. This bid to diversify includes third-party content creation and production. Here, the key player is Buendía Estudios, S.L., set up jointly with Telefónica with the aim of becoming the largest creator of Spanish-language content, distributing their products across the globe. Lastly, Atresmedia complies with its statutory obligations to fund European audiovisual works (set out in the Spanish Audiovisual Act, *Ley General Audiovisual*) through its producer, Atresmedia Cine.

The Group reported net revenue in 2023 of EUR 971.4 million, up 2.2% from the year before. Revenue for the Audiovisual division, which comprises advertising in audiovisual content, content production and distribution and other revenues, amounted to EUR 902.8 million, 2.1% higher than in 2022. Advertising in audiovisual content revenue, which accounts for the largest share of the Group's revenue and comprises TV and digital advertising revenue, increased by 1.2% in the year to EUR 783.8 million. This growth was driven by Atresmedia's leadership in audience and an excellent performance by its commercial team. Content production and distribution revenue increased by 7.4% to EUR 76.1 million. The rest of the Audiovisual division's revenue totalled EUR 43.6 million (+9.3%).

The geopolitical landscape during the year remained extremely volatile, with the international instability caused by the war in Ukraine exacerbated by war in the Middle East. Against this backdrop, the overall advertising market grew by 4.1% in the year according to external sources (Infoadex), outstripping GDP growth for the year. By media, advertising spend in total TV; i.e. conventional and digital television, rose by 2.9% in 2023 to EUR 1,850 million. For total radio, i.e. conventional and digital radio, it increased by 5.2% to EUR 602.4 million.

The combined audience share of Atresmedia's six TV channels was 26.8%. This was the second year running above its rival, Mediaset España, whose audience share was 25.6%, but with one more channel than Atresmedia. By channel, Antena 3 had a 13.3% share (-0.6 p.p. from 2022), la Sexta a 6.2% share (+0.2 p.p.) and the set of specialty channels (Neox, Nova, Mega and Atreseries) a 7.3% share (+0.04 p.p.).

TV viewing in 2023 was 182 minutes per person and day on average, 5% lower than in 2022, but the pace of decline was smaller, which could indicate a trend towards stabilisation.

The radio business fared slightly better than the audiovisual business. Robust local radio was the main growth driver of radio advertising spend. Atresmedia Radio reported a 1.9% increase in revenue for the year, to EUR 77.0 million.

Atresmedia Radio had an average of around 2.9 million listeners in the latest EGM survey (rolling year ended with the third 'wave' of 2023). Onda Cero had 1.9 million listeners, a



slightly improvement (45 thousand listeners) from the previous wave, while Europa FM had 0.8 million listeners, down slightly.

Atresmedia's subscription video on demand (SVOD) platform, Atresplayer Premium, ended the year with a record 593,215 subscribers, delivering exponential growth from the year before thanks to agreements entered into with the telecommunications operators that include Atresplayer in the TV packages.

Total operating expenses, including depreciation and amortisation, increased by 2.6% from 2022 to EUR 798.3 million. Programming costs and other procurements were 3.2% higher, while personnel costs were 6.3% higher. Other operating expenses were down slightly (-1.0%). Gross operating profit for the year; i.e. profit from operations, plus depreciation and amortisation, and impairment and gains/(losses) on disposals of non-current assets, was EUR 173.1 million, compared to EUR 172.8 million in 2022.

Net profit was EUR 171.2 million, compared to EUR 112.9 million in 2022.

The agenda for the 2023 General Meeting of Shareholders held in April 2023 included the distribution of a dividend out of 2022 profit. In June, a gross dividend of EUR 0.22 per share was distributed. Meanwhile, at its meeting held on 22 November, the Board of Directors approved the payment of an interim dividend out of profit for the year of a gross EUR 0.18 per share. Therefore, Atresmedia Corporación distributed a total dividend in 2023 of EUR 0.40 per share.

Atresmedia's share price increased by 12.6% during the year, to EUR 3.594/share at year-end. Atresmedia delivered the best performance of any European television company in 2023 behind only Media for Europe; on average, the industry fell by 5.8%. The Ibx 35 index ended the year at 10,102.10 points, up 22.8% from the year earlier.

In the first half of 2023, Atresmedia stepped up its diversification strategy by acquiring Waynabox, the Spanish leader in mystery holidays and gift trips. With this transaction, Atresmedia gained control over the Catalanian start-up, in which it held an interest since 2015 through its media for equity investment model. Meanwhile, Waynabox will gain access to the resources it needs to cement its leadership and drive forward its ambitious international expansion plan. The move is a milestone in the media for equity strategy, since it is the first holding company to be included in the Group.

Also in 2023, Atresmedia raised its positioning in influencer marketing, acquiring the Digital Marketing for Humans (DM4H) agency in June. This purchase reinforces Atresmedia's commitment to the market, which started three years ago when it acquired H2H. It brings in additional social media strategy and management services, which have an increasing influence on advertisers' marketing and communication activities.

Also in the first half, Atresmedia acquired Ac2ality, a Spanish Tik Tok-native news start-up with more than 4 million users that rounds out the digital market offering.

There were also two key events involving Fever Labs in 2023. First, in January, the company completed a new round of funding after the one carried out in 2022, led by Goldman Sachs' growth equity fund. Then, on 17 February, Atresmedia entered into an agreement with other company shareholders to sell a minority stake in Fever Labs, Inc. The sale was worth EUR 13.3 million. Atresmedia's stake after the two transactions was 9.01%, fully diluted; i.e. considering the share options and plans granted to FEVER LABS, Inc.'s management team.

Atresmedia Group's environmental impact is minimal, as set out in its Environmental Policy and its Corporate Social Responsibility Policy. Even so, it is committed to environmental protection and fighting climate change. On this front, Atresmedia is implementing several initiatives to minimise the environmental impact of its operations, while using its power as a media to raise awareness and teach people about climate change and its consequences.

As for its sustainability strategy, the Group has started some of the initiatives included in its Zero Waste strategy to streamline and optimise its waste management. Measures undertaken include: training Group employees on recycling; installing recycling points for proper waste management at the San Sebastián de los Reyes head office; replacing single-use containers

with more sustainable alternatives; and raising awareness about the importance of reducing food waste.

Also during the year, the Company worked on developing its double materiality assessment. In response to the requirements of Spain's new Sustainability Law, effective starting next year, Atresmedia must identify the most relevant topics with an impact on its business environment and those with a financial impact on the Company (e.g. diversity, accessibility to content, the war against fake news and disinformation, climate change). As part of this exercise, the Company has worked on identifying the topics with a double impact on the Company, which were then validated by the areas involved.

Just like the year before, 2023 was also affected by geopolitical instability arising from the war in Ukraine, which began in February 2022. In addition to the conflict there, which is still going on and has been for two years now, there was also war in the Middle East, adding tensions throughout the area and extending to neighbouring countries.

Economic growth has been uneven across the world. The U.S. economy grew in 2023, driven by robust investment and consumption. Europe also grew, but at a slower pace, as the continent's main economy, Germany, is on the verge of dipping into technical recession (i.e. contraction for two consecutive quarters).

In Spain, gross domestic product (GDP) expanded by 2.5% in 2023, above expectations at the beginning of the year (1.3%) thanks to better-than-expected performances in the year's first two quarters. Growth was led primarily by domestic demand, with both consumption and investment remaining strong throughout the year. Nevertheless, high inflation and interest rates resulted in a lower contribution by domestic demand to GDP growth than originally estimated.

Despite these tensions, commodity prices such as oil and gas were stable, with gas prices even falling slightly. Price containment now appears to be a reality and all signs are that interest rates have peaked. In the United States, the FED hiked its key rate by 100 basis points (to 5.25%), while in Europe the European Central Bank raised its key rate six times during the year by a total of 200 basis points, to 4.5%. The FUNCAS panel expects the Euribor rate to ease to 3.25% by December 2024.

In Spain, the CPI rose at different paces over the months, but ended the year well below the 2022 closing level (5.7%). Headline inflation in December was 3.1%, leaving an average for the year of 3.5%. Meanwhile, average core inflation (i.e. excluding energy and non-processed food prices) was still running at 6.1%.

Against this backdrop, the world's main stock indices fared well in 2023 after widespread falls in 2022. The EuroStoxx 50 rose by 11.9%, the IBEX 35 by 22.8%, Germany's DAX by 20.3%, the Paris CAC index by 9.49% and the FTSE index in London by 3.8%.

### **Events after the reporting period**

No significant event took place between the end of the reporting period and the date of authorisation for issue of the consolidated financial statements.

### **Outlook for the Group**

Geopolitical and macroeconomic volatility is unlikely to ease in the near term. The uncertainty this causes in markets reduces our visibility over the medium term. The FUNCAS expert panel is forecasting GDP growth for Spain of 1.6%, although the Spanish Government is expecting growth of 2.0%. For its part, the International Monetary Fund is estimating economic growth for Spain of around 1.5%.

FUNCAS' inflation forecast for 2024 is lower than in 2023, with a headline rate of around 3% (and core inflation of 3.2%), although price trends in 2024 will be shaped by several factors,

including the timing of the withdrawal of the anti-inflationary measures taken by the Government. The stabilisation of interest rates will ease the burden on businesses and households; however, saving rates are set to remain high compared to levels seen two years ago. According to FUNCAS, private consumption should increase by 1.8% in 2024, while the unemployment rate should fall further, to 11.7%. For its part, Spain's budget deficit according to the same source ended 2023 at 4.1% of GDP and will ease to 3.5% in 2024.

In this setting, our growth forecasts for markets that affect our advertising-related operations (TV, Radio and Digital) are pretty much a mirror image of what happened in 2023.

Therefore, Atresmedia continues to adapt its cost structure to the challenging situation, leaving in place many of the cost-cutting decisions taken in the past.

Since 1 April, Atresmedia has been implementing a new and pioneering commercial policy in Spain, putting it at the forefront in media. Atresmedia decided to use the same metrics in the sale of TV advertising space and those used in digital advertising space, as TV and digital not only complement each other, but increasingly go hand in hand. Atresmedia began billing advertising sales at cost per mille (CPM) rather than at cost per GRP, as it had done until then.

With this change, it aimed to unify its billing metrics in a bid to unlock the value and profitability of TV as measured by coverage, context, security and notoriety, compared to other offerings in the market. Here, hybridisation is a crucial factor. Data, segmentation and incremental coverage, alongside traditional attributes, make Atresmedia's media the market's most comprehensive premium audiovisual offering.

Moreover, for several years now, Atresmedia has made efforts to diversify its revenue mix to ease the impact of fluctuations in advertising with other more stable revenue streams. On this front, one area on which the Group is focusing is Atresplayer, the Video on Demand (VOD) platform relaunched in 2019. It ended 2023 with 593,215 subscribers.

Atresmedia is also investing in start-ups, leveraging its available advertising space. In this way, companies that otherwise would not be able to advertise on TV are able to do so and therefore grow their sales and size (media for equity). To this end, one of Atresmedia's most decisive moves involves its ownership interest in FEVER LABS, Inc, a global leader in entertainment experiences and digital content, with a strong footprint in Europe and the US.

Amid a fiercely competitive environment, while we are still transforming the business model, we will continue to keep a tight grip on costs, aiming to maximise margins at all times. We will also implement a prudent financing policy, aimed at preserving liquidity and a sound balance sheet, while limiting the Group's exposure to financial risks.

### **Research and development activities**

The Group does not directly carry out any research and development activities. However, it invests, on an ongoing basis, in all new technologies related to engineering, systems and content distribution. On this front, Atresmedia Corporación de Medios de Comunicación, S.A. has and uses state-of-the-art technology, enabling it to be at the forefront in the deployment of digital activities and in the internet.

### **Movements in treasury shares**

At 31 December 2023, the shares of the Parent held by it represented 0.246% of the Parent's share capital and totalled 554,376 shares, with a value of EUR 6,168 thousand and an average acquisition price of EUR 11.13 per share

### **Average supplier payment period**

“Average supplier payment period” is the time elapsed between the delivery of the goods or the rendering of the services by the supplier and the actual payment of the transaction.

The statutory payment limit applicable under Law 3/2004, of 29 December, establishing measures to combat late payment in commercial transactions and the transitional provisions set out in Law 15/2010, of 5 July, was 60 days as from 2013, as agreed upon between the parties.

The average supplier payment period in 2023 was 40 days.

### **Main business risks**

The businesses of Group companies and, accordingly, the Group's operations and earnings, are exposed to risks related to the environment where they activities are carried out and, in any event, to external factors, especially the macroeconomic situation, which has a considerable impact on volume in the advertising market, as explained in the preceding section.

The risk management model in place in the Group has identified risks and classified them into the following categories: strategy risks, operational risks (advertising spaces and commercial policy, programme production, acquisition of broadcasting rights, purchasing and general procurement), occupational health and safety risks, IT risks, financial risks, integrity risks and information risks for decision-making.

Atresmedia has the appropriate channels in place to ensure that all key information affecting risk management is identified and updated for appropriate and timely reporting to the rest of the organisation so that any required measures are taken.

### **Use of financial instruments and main financial risks**

At 31 December 2023, the Group had entered into hedging instruments on its foreign currency asset and liability positions amounting to USD 9,415 thousand, at a weighted average exchange rate of 1.1035 (EUR/USD). Hedging instruments at 31 December 2022 amounted to USD 17,337 thousand, at a weighted average exchange rate of 1.1290 (EUR/USD). At 31 December 2023, the estimated fair value of the Group's foreign currency derivatives, which are designated and effective as cash flow hedges, represented a financial asset of EUR 72 thousand and a financial liability of EUR 203 thousand (2022: asset of EUR 757 thousand and liability of EUR 156 thousand).

Regarding the syndicated financing signed in July 2021, that year the Group entered into cash flow hedges (CAP) to minimise interest rate risk, limiting the payment of interest on the floating rate borrowing due to an increase in the benchmark 6-month Euribor rate. The hedged item are the financial flows from interest payments referenced to that index. The facility matures in December 2025. At 31 December 2023, the fair value of the derivative instrument under non-current and current assets was EUR 3,357 thousand and EUR 219 thousand, respectively (2022: EUR 6,127 thousand and EUR 181 thousand, respectively).

On 11 July 2018, the Parent carried out an issue of bonds for USD 200,000 thousand, with maturity at five years (USD 75,000 thousand) and seven years (USD 125,000 thousand), with semi-annual payment of coupons at a fixed rate of interest. Cross currency swaps have been entered into to hedge the risk of fluctuations of these issuances, resulting in a fixed exchange rate and half-yearly payments of coupons on the bonds and debentures at a fixed rate in euros. These are cash flow hedges that hedge exposure to the currency and interest rate risk of the cash flows related to the hedged underlying. At 31 December 2023, the derivative instrument associated with the issue of 7-year bonds was still effective. At 31 December 2023, the fair value of the derivative related to the bond issue was EUR 1,905 thousand, of which EUR 1,247 thousand was recognised in derivative financial instruments in current assets and EUR 658 thousand under derivative financial instruments in non-current assets.

The Parent uses financial instruments to hedge the foreign currency risk on the purchases of broadcasting rights in the year.

The Group has the necessary risk management systems in place to ensure that market transactions are carried out in accordance with the established policies, rules and procedures, and that all are within the limits approved in each case.

The Group's main financial risks are:

- a. Foreign currency risk. Foreign currency risk is concentrated basically in payments in international markets to acquire broadcasting rights. To mitigate this risk, the Group enters into hedging instruments, mainly currency forwards.
- b. Liquidity risk. The Group's liquidity policy is to arrange credit facilities and short-term investments for sufficient amounts to cover funding requirements based on the outlook for the business.
- c. Credit risk. The Group generally places cash and cash equivalents with financial institutions with high credit ratings. The Group does not have significant credit risk since the average customer collection period is short and the advertising contract terms allow for bank guarantees to be required prior to the launch of advertising campaigns.

There is also no significant concentration of credit risk to third parties and no significant incidents arose in the year. The Group enters into derivatives with institutions of recognised solvency.

- d. Interest rate risk. The Group's borrowings are exposed to interest rate risk. Regarding the new syndicated financing, in July the Group entered into cash flow hedges (CAP) to minimise interest rate risk, limiting the payment of interest on the floating rate borrowing due to an increase in the benchmark 6-month Euribor rate. The hedged item are the financial flows from interest payments referenced to that index. The facility matures in December 2025. At 31 December 2023, the fair value of the derivative instrument under non-current and current assets was EUR 3,357 thousand and EUR 219 thousand, respectively.
- e. Foreign currency cash flow risk. The Group uses cross currency swaps that swap capital and interest flows in dollars for other capital and interest flows in euros, fixing the exchange rate and half-yearly coupons of the debt from bonds and debentures at a fixed rate in euros.

### Alternative performance measures

To comply with the European Securities Market Authority (ESMA) guidelines on Alternative Performance Measures ("APMs"), the Group presents additional information to improve comparability, reliability and comprehensibility of its financial information.

The Group presents its earnings in accordance with the applicable financial reporting framework (EU-IFRSs), but the directors consider that certain APMs add useful financial information that should be considered when assessing its performance. Directors and management may also use these APMs in their financial, operational and planning decision-making and to evaluate the Group's performance. The Group provides the APMs it considers appropriate and useful for decision-making by users.

**Net revenue:** the sum of revenue and other operating income.

EUR thousand	2023	2022
Revenue	886,106	867,289
Other operating income	85,323	83,505
<b>Net revenue</b>	<b>971,429</b>	<b>950,794</b>

**Operating expenses:** the sum of programming costs and other procurements, personnel expenses and other operating expenses.

<b>EUR thousand</b>	<b>2023</b>	<b>2022</b>
Programming costs and other procurements	395,038	382,785
Personnel costs	175,912	165,485
Other operating expenses	227,353	229,731
<b>Operating expenses</b>	<b>798,303</b>	<b>778,001</b>

**EBITDA** (Earnings before interest, tax, depreciation and amortisation): operating profit or loss plus depreciation and amortisation, impairment and gains/(losses) on disposals of non-current assets.

<b>EUR thousand</b>	<b>2023</b>	<b>2022</b>
<b>Operating profit</b>	<b>155,302</b>	<b>155,296</b>
Depreciation and amortisation	16,754	17,789
Impairment and gains/(losses) on disposals of non-current assets	1,070	(292)
<b>EBITDA</b>	<b>173,126</b>	<b>172,793</b>

**Net financial income/(loss):** finance costs and income (financial result) plus net gains or losses in changes in the value of financial instruments at fair value and exchange gains or losses.

**Working capital:** current assets minus current liabilities. This a financial measure of the operational liquidity available to the Group.

<b>EUR thousand</b>	<b>2023</b>	<b>2022</b>
Current assets	761,983	825,229
Current liabilities	436,418	528,601
<b>Working capital</b>	<b>325,565</b>	<b>296,628</b>

Any ratios between APMs can also be considered an alternative performance measure.

### Statement of Non-Financial Information

In accordance with the provisions of article 49 of the Spanish Code of Commerce, the includes the 2023 the Statement of Non-Financial Information, which is published on the website of the Spanish National Securities Market Commission ([www.cnmv.es](http://www.cnmv.es)) and our corporate website ([www.atresmediacorporacion.com](http://www.atresmediacorporacion.com), consolidated management report).

### Annual corporate governance report

In accordance with article 538 of the Corporate Enterprises Act, the 2023 Annual Corporate Governance Report, which is published on the website of the Spanish National Securities Market Commissions ([www.cnmv.es](http://www.cnmv.es)) and our corporate website ([www.atresmediacorporacion.com](http://www.atresmediacorporacion.com), is part of the consolidated management report.

### Annual report on director remuneration

In accordance with article 538 of the Spanish Code of Commerce, the 2023 Annual Report on Director Remuneration, which is published on the website of the Spanish National Securities

Market Commission ([www.cnmv.es](http://www.cnmv.es)) and our corporate website ([www.atresmediacorporacion.com](http://www.atresmediacorporacion.com)) is part of the consolidated management report.

The Board of Directors of Atresmedia Corporación de Medios de Comunicación, S.A., at its meeting held on 28 February 2024, authorised for issue the consolidated financial statements and consolidated management report of Atresmedia Corporación de Medios de Comunicación, S.A. and subsidiaries for the year ended 31 December 2023.

San Sebastián de los Reyes, 28 February 2024

José Creuheras Margenat  
Chairman

Silvio González Moreno  
Executive Vice Chairman

Javier Bardají Hernando  
Chief Executive Officer

Mauricio Casals Aldama  
Director

Marco Drago  
Director

Patricia Estany Puig  
Director

Carlos Fernández Sanchiz  
Director

Elmar Heggen  
Director

Rosa María Lleal Tost  
Director

Mónica Ribé Salat  
Director

Beatriz Roger Torres  
Director

Nicolas de Tavernost  
Director

**STATEMENT** issued for the record that, in accordance with article 253.2 of the Corporate Enterprises Act, the consolidated financial statements and consolidated management report (the latter of which includes the Statement of Non-Financial Information) of Atresmedia Corporación de Medios de Comunicación, S.A. and subsidiaries for the year ended 31 December 2023 were authorised for issue on 28 February 2024 with the agreement of all directors, as recorded in the minutes of the meeting, with the unanimous vote in favour of all members of the Board of Directors for their authorisation for issue and signed by all the directors, except for Mr Heggen, whose proxy and vote in favour of the approval of these documents was exercised by Mr Tavernost by express delegation, which was made in writing with voting instructions for that meeting of the Board of Directors, as recorded in this document.



## STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL REPORT

The members of the Board of Directors of Atresmedia Corporación de Medios de Comunicación, S.A., hereby state that, to the best of their knowledge, the consolidated financial statements for the year ended 31 December 2023, authorised for issue at the meeting held on 28 February 2024 and prepared in accordance with the applicable accounting principles to give a true and fair view of the equity, financial position and results of Atresmedia Corporación de Medios de Comunicación, S.A. and of the companies included in the consolidation taken as a whole, and that the consolidated management report presents fairly the business performance and the results and position of Atresmedia Corporación de Medios de Comunicación, S.A. and of the companies included in the consolidation taken as a whole, and a description of the main risks and uncertainties they face.

San Sebastián de los Reyes, 28 February 2024

José Creuheras Margenat  
Chairman

Silvio González Moreno  
Executive Vice Chairman

Javier Bardají Hernando  
Chief Executive Officer

Mauricio Casals Aldama  
Director

Marco Drago  
Director

Patricia Estany Puig  
Director

Carlos Fernández Sanchiz  
Director

Elmar Heggen  
Director

Rosa María Lleal Tost  
Director

Mónica Ribé Salat  
Director

Beatriz Roger Torres  
Director

Nicolas de Tavernost  
Director

STATEMENT issued for the record that, at the meeting of the Board of Directors held on 28 February 2024, with the favourable vote of all directors, the consolidated financial statements and consolidated management report (the latter which includes the non-financial statement) of Atresmedia Corporación de Medios de Comunicación, S.A. and subsidiaries for the year ended 31 December 2023 were authorised for issue. The minutes of that meeting include the favourable and unanimous vote of all members of the Board of Directors for such authorisation for issue and their agreement with the statements of responsibility regarding their content, as signed by all of them in this document except Mr Drago, who attended the meeting via video conference, and Mr Heggen, whose proxy and favourable vote to approve these documents were exercised by Mr Tavernost through express delegation, in writing and with voting instructions for that meeting of the Board of Directors.