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. for the year ended 31 December 2020)

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

KPMG Auditoría
Paseo de la Castellana, 259 C
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 2020, 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 2020 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.

KPMG Auditores, S.L., a limited liability Spanish company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
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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

Key audit matter	*How the matter was addressed in our audit*
Advertising sales, which make up a large proportion of revenue, amount to Euros 713,510 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. 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. 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.	Our audit procedures included the following: – We assessed the design and implementation of the most relevant controls established by Group management for the recognition of advertising sales revenue. We also tested the effectiveness of key controls related to the aforementioned revenue process. – For a sample of commercials broadcast by the various media managed by the Group, we also obtained supporting documentation for the broadcast. – We performed analytical substantive tests on the advertising sales. – We obtained confirmation from third parties for a sample of invoices reflecting trade receivables that were outstanding at the reporting date. – We assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

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

Recoverable amount of goodwill and licences

See notes 2. a), 3. a), 3. c), 4 and 6 to the consolidated annual accounts

Key audit matter	*How the matter was addressed in our audit*
At 31 December 2020, the Group has goodwill of Euros 157,544 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. The Group calculates the recoverable amount of goodwill and licences on an annual basis to determine whether they are impaired. The epidemiological situation caused by the expansion of the COVID-19 virus has resulted in a significant reduction in advertising investment in 2020. 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. 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.	Our audit procedures included the following: – We assessed the design and implementation of the key controls relating to the process of estimating the recoverable amount of goodwill and licences. – With the assistance of our specialists, we analysed the reasonableness of the methodology, growth and discount rates and assumptions used by the Group to estimate the cash flows which served as the basis for calculating the recoverable amount of goodwill and licences. – 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 2020. – We assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

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

Recognition of deferred tax assets

See notes 2. a), 3. o) and 21 to the consolidated annual accounts.

Key audit matter	*How the matter was addressed in our audit*
At 31 December 2020, the Group has recognised deferred tax assets amounting to Euros 204,311 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. The epidemiological situation caused by the expansion of the COVID-19 virus has resulted in a significant reduction in advertising investment in 2020. 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.	Our audit procedures included the following: – We assessed the design and implementation of the most relevant controls established by the Group over the recognition and measurement of deferred tax assets. – 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. – 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. – We assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Group.

Other Information: Consolidated Directors' Report

Other information solely comprises the 2020 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, 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.

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 2020, 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 economic decisions of users taken on the basis of these consolidated 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 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

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 24 February 2021.

Contract Period

We were appointed as auditor by the shareholders at the ordinary general meeting held on 30 April 2020 for a period of one year, from the year commenced 1 January 2020.

Previously, we had been appointed for a period of four 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)

Manuel Martín Barbón
On the Spanish Official Register of Auditors ("ROAC") with No. 16239

24 February 2021

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

Consolidated financial statements for the year ended 31 December 2020

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

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CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2020

Thousands of euros	NOTES	31/12/20	31/12/19
ASSETS			
Goodwill	4	157,544	163,223
Other intangible assets	6	115,661	119,970
Property, plant and equipment	7	39,597	44,403
Right-of-use assets	8	3,912	3,787
Investments accounted for using the equity method	9	264	204
Non-current financial assets	14	35,270	34,771
Derivative financial instruments	14-c	-	15,057
Deferred tax assets	21-d	204,311	201,527
NON-CURRENT ASSETS		**556,559**	**582,942**
Programme rights	10	283,750	315,632
Inventories		7,415	5,449
Trade receivables	11	244,955	238,506
Other receivables	11	6,795	6,619
Current tax assets	21-d	26,897	18,884
Derivative financial instruments	14-c	1,726	3,814
Other current financial assets		13,070	19,542
Other current assets		4,987	5,229
Cash and cash equivalents	14	172,792	85,831
CURRENT ASSETS		**762,387**	**699,506**
TOTAL ASSETS		**1,318,946**	**1,282,448**
EQUITY AND LIABILITIES			
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		216,716	237,047
Treasury shares	12-e	(6,168)	(7,489)
Interim dividends	12-f	-	(45,012)
Other equity instruments	12-h	-	1,355
Valuation adjustments		5,634	2,210
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**466,261**	**438,190**
Non-controlling interests	12-g	25	(30)
EQUITY		**466,286**	**438,160**
Provisions	13	66,138	37,475
Bonds and debentures	14-a	162,986	178,030
Bank borrowings	14-b	69,463	103,516
Derivative financial instruments	14-c	13,383	1,273
Other non-current financial liabilities	21-d	7,705	2,428
Non-current lease liabilities	8	2,738	2,582
Deferred tax liabilities	21-e	34,618	32,183
Other non-current liabilities	13	134	514
NON-CURRENT LIABILITIES		**357,165**	**358,001**
Provisions		46,541	72,340
Bonds and debentures	14-a	3,771	4,046
Bank borrowings	14-b	36,240	8,676
Derivative financial instruments	14-c	835	151
Other current financial liabilities		39	44
Current lease liabilities	8	1,248	1,258
Payable to suppliers	15	356,318	337,556
Other payables	15	35,332	44,218
Other current liabilities		15,171	17,998
CURRENT LIABILITIES		**495,495**	**486,287**
TOTAL EQUITY AND LIABILITIES		**1,318,946**	**1,282,448**

The accompanying Notes 1 to 27 are an integral part of the consolidated balance sheet as at 31 December 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2020

Thousands of euros	NOTES	2020	2019
Revenue	18-a	799,116	978,693
Other operating income		67,184	60,713
Programme amortisation and other procurements	18-b	(393,801)	(470,764)
Staff costs	18-c	(197,577)	(161,741)
Other operating expenses	18-d	(200,660)	(222,956)
Depreciation and amortisation	6 and 7	(19,028)	(19,587)
Impairment and gains/(losses) on disposals of non-current assets	4	(15,101)	48
PROFIT FROM OPERATIONS		**40,133**	**164,406**
Net gain/(loss) on changes in value of financial instruments at fair value	19	(1,851)	354
Exchange differences	19	1,757	183
Financial loss	19	(5,898)	(7,325)
Impairment and gains/(losses) on disposals of financial assets	19	17	(427)
Share of profit/(loss) of associates	9	(382)	(397)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**33,776**	**156,794**
Income tax expense	21-b	(9,994)	(38,848)
PROFIT FOR THE YEAR		**23,782**	**117,946**
Profit/(loss) attributable to non-controlling interests		(71)	(79)
PROFIT ATTRIBUTABLE TO THE PARENT		**23,853**	**118,025**
Earnings per share:		**2020**	**2019**
From continuing operations			
Basic	23	0.106	0.525
Diluted	23	0.106	0.524

The accompanying Notes 1 to 27are an integral part of the consolidated statement of profit or loss for the year ended 31 December 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

Thousands of euros	2020	2019
CONSOLIDATED PROFIT FOR THE YEAR	**23,782**	**117,946**
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS:	**3,424**	**1,172**
Cash flow hedges:		
Amounts recognised directly in equity	(14,151)	(11,653)
Amounts transferred to profit or loss	18,832	13,246
Tax effect	(1,257)	(421)
TOTAL COMPREHENSIVE INCOME	**27,206**	**119,118**
Profit/(loss) attributable to non-controlling interests	(71)	(79)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PARENT	**27,277**	**119,197**

The accompanying Notes 1 to 27 are an integral part of the consolidated statement of comprehensive income for the year ended 31 December 2020

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

Thousands of euros	Share capital	Share premium	Legal and bylaw reserves	Treasury shares	Retained earnings	Interim dividend	Other equity instruments	Valuation adjustments	Equity attributable equity holders of the Parent	Non-controlling interests	Equity
Balance at 31 December 2018	**169,300**	**38,304**	**42,475**	**(8,810)**	**221,073**	**(44,988)**	**2,254**	**1,038**	**420,646**	**(116)**	**420,530**
Total comprehensive income	-	-	-	-	118,025	-	-	1,172	119,197	(79)	119,118
Distribution of profit:											
2018 interim dividend paid in 2018	-	-	-	-	(44,988)	44,988	-	-	-	-	-
2019 special dividend paid in 2019	-	-	-	-	(56,265)	-	-	-	(56,265)	-	(56,265)
2019 interim dividend paid in 2019	-	-	-	-	-	(45,012)	-	-	(45,012)	-	(45,012)
Changes in the scope of consolidation and other:											
Shared-based payments (Note 25)	-	-	-	1,321	(236)	-	(899)	-	186	-	186
Other changes	-	-	-	-	(562)	-	-	-	(562)	165	(397)
Balance at 31 December 2019	**169,300**	**38,304**	**42,475**	**(7,489)**	**237,047**	**(45,012)**	**1,355**	**2,210**	**438,190**	**(30)**	**438,160**
Total comprehensive income	-	-	-	-	23,853	-	-	3,424	27,277	(71)	27,206
Distribution of profit:											
2019 interim dividend paid in 2019	-	-	-	-	(45,012)	45,012	-	-	-	-	-
Changes in the scope of consolidation and other:											
Shared-based payments (Note 25)	-	-	-	1,321	34	-	(1,355)	-	-	-	-
Other changes	-	-	-	-	794	-	-	-	794	126	920
Balance at 31 December 2020	**169,300**	**38,304**	**42,475**	**(6,168)**	**216,716**	**-**	**-**	**5,634**	**466,261**	**25**	**466,286**

The accompanying Notes 1 to 27 are an integral part of the consolidated statement of changes in equity for the year ended 31 December 2020

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

Thousands of euros	2020	2019
1.- CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated profit for the year before tax	**33,776**	**156,794**
Adjustments for:	**83,856**	**25,478**
- Depreciation and amortisation	**19,028**	**19,587**
- Provisions and other:	**58,836**	**(897)**
- Provisions	43,370	(1,673)
- Net impairment losses (+/-)	15,084	379
- Share of profit/(loss) of associates	382	397
- Financial profit	**5,992**	**6,788**
Changes in working capital	**(1,284)**	**29,366**
Cash flows from operating activities	**116,348**	**211,638**
Income tax paid	**(11,704)**	**(27,341)**
Net cash flows from operating activities	**104,644**	**184,297**
2.- CASH FLOWS FROM INVESTING ACTIVITIES		
Investments	**(31,790)**	**(46,665)**
Subsidiaries, joint ventures and associates	(17,134)	(14,631)
Property, plant and equipment and intangible assets	(14,656)	(32,034)
Disposals	**9,515**	**9,784**
Subsidiaries, joint ventures and associates	9,515	9,784
Net cash flows used in investing activities	**(22,275)**	**(36,881)**
3.- CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments	(1,186)	(1,477)
Finance costs paid	(6,741)	(6,838)
Financing - Associates and related parties	1,219	(209)
Net bank borrowings	10,393	(37,696)
Dividends received	542	-
Dividends paid	-	(101,277)
Net cash flows from/(used) in financing activities	**4,227**	**(147,497)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**86,596**	**(81)**
Cash and cash equivalents at beginning of year	**85,831**	**85,626**
Changes in the scope of consolidation	365	286
Cash and cash equivalents at end of year	**172,792**	**85,831**

The accompanying Notes 1 27 are an integral part of the consolidated statement of cash flows for the year ended 31 December 2020

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

Notes to the consolidated financial statements for the year ended 31 December 2020.

1. Group activities

Atresmedia Corporación de Medios de Comunicación, S.A., parent of the Atresmedia 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 communication services in any type of broadcasting. Specifically, it holds three national audiovisual television licences, under the legal framework of the General Audiovisual Communication 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 iHOLA! TV. Other activities include the production and marketing of content, telesales and licenses.

The wholly-owned subsidiary Uniprex, S.A.U. also provides audiovisual communication 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).

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.

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 2020, 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 2020 (EU-IFRSs) differ from those used by the Group companies (Spanish National Chart of Accounts, *Plan General Contable*), 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 Companies 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 consolidated financial statements for the year ended 31 December 2020 were authorised for issue by the Parent's directors at the Board of Directors Meeting held on 24 February 2021. The Group’s consolidated financial statements for 2020 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 2019 consolidated financial statements, which were approved by the shareholders at the General Meeting held on 29 April 2020 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 2019 annual consolidated financial statements except for the new standards described in section 1 of this note.

1. New standards effective

The following standards and amendments became effective in the first half of 2020 and were adopted by the Group in the preparation of the consolidated financial statements:

New standards, amendments and interpretations:		Mandatory application for annual periods beginning on or after:
Approved for use in the European Union		
Amendments to IFRS 3 *Definition of a Business* (issued in October 2018)	Clarification of the definition of a business	1 January 2020
Amendments to IAS 1 and IAS 8 *Definition of Material* (issued in October 2018)	Amendments to IAS 1 and IAS 8 to align the definition of 'material' with the definition used in the conceptual framework	
Amendments to IFRS 9, IAS 39 and IFRS 7 *Interest Rate Benchmark Reform* (issued in September 2019)	Amendments to IFRS 9, IAS 39 and IFRS 7 *Interest Rate Benchmark Reform* (Phase 1)	
Amendments to IFRS 16 *Leases Covid-19-related Rent Concessions* (issued in May 2020)	Amendments to provide relief to lessees on accounting for COVID-19-related rent concessions.	1 June 2020

Application of these amendments did not have a significant impact on the 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:
Approved for use in the European Union		
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 *Interest Rate Benchmark Reform* (issued in August 2020)	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 *Interest Rate Benchmark Reform* (Phase 2)	1 January 2021
Amendment to IFRS 4 *Extension of the Temporary Exemption from Applying IFRS 9* (issued in June 2020)	Exemption of the application of IFRS until 2023	
Amendments to IFRS 3 *Reference to the Conceptual Framework* (issued in May 2020)	The amendments update IFRS 3 to align the definitions of assets and liabilities recognised in a business combination to the definitions in the conceptual framework. They also introduce certain clarifications regarding the recognition of contingent assets and contingent liabilities	1 January 2022
Amendments to IAS 16 *Proceeds before Intended Use* (issued in May 2020)	The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.	
Amendments to IAS 37 *Onerous Contracts - Cost of Fulfilling a Contract* (issued in May 2020)	The amendment specifies that costs that relate directly to the contract include incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts	
Annual Improvements to IFRSs 2018-2020 Cycle (issued in May 2020)	Minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	
Amendments to IAS 1 Classification of Liabilities as Current or Non-current (issued in January 2020)	Clarification regarding the presentation of liabilities as current or non-current	1 January 2023
IFRS 17 *Insurance Contracts* 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	

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 *Interest Rate Benchmark Reform* (Phase 2)

This amendment provides specific guidance on how to treat financial assets and financial liabilities where the basis for determining the contractual cash flows changes as a result of the interest rate benchmark reform. The amendment by the IASB requires an entity to apply the impact of the change in the basis for determining the contractual cash flows prospectively by revising the effective interest rate.

The same prospective adjustment to the effective interest rate is applicable to lease liabilities in IFRS 16.

For hedge accounting, the amendment introduces an exception allowing entities to make changes in the formal designation and documentation of the hedging relationship to reflect the changes required by the reform without the hedging relationship being discontinued or the need to designate a new hedging relationship.

The Group's interest rate hedges are tied to the Euribor (see Notes 14-b and 14-c), which has been modified without giving rise to any uncertainty in applying hedge accounting.

Amendments to IFRS 3 *Reference to the Conceptual Framework*

The amendments update the definitions of assets and liabilities recognised in a business combinations so that they refer to the definitions in the 2018 Conceptual Framework. They also add new requirements for liabilities within the scope of IAS 31 and IFRIC 21. Acquirers must apply IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. Finally, the IABS adds an explicit statement in IFRS 3 that an acquirer should not recognise contingent assets acquired in a business combination.

Amendments to IAS 16 *Proceeds before Intended Use*

The amendments prohibit entities from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while preparing the asset for its intended use.

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.

2. Highlights of the year: Impact of COVID-19

The COVID-19 pandemic had a severe and far-reaching impact on the global economy. The health situation was hit by ensuing waves and, although vaccines have been obtained in record time, it will still take several months before enough shots have been given to reach sufficient immunity for the impacts on social life and economic activity to be considered moderate. Against this challenging backdrop, Atresmedia weathered a number of greater or lesser impacts depending on the health situation and the measures taken to stop the spread of the virus:

- Despite the exceptional circumstances there were no interruptions in Atresmedia’s TV and radio broadcasts whatsoever. To achieve this, it had to implement measures to ensure that business continued as usual and that the quality of its broadcasts was maintained, while protecting the health of all its employees and external partners. A work-from-home model was instituted in a large number of areas, which worked, and is still working, extremely well. In other areas, such as news and current affairs programmes, employees had no choice but to physically go to work. In these cases, strict protocols were put in place immediately to minimise the risk of spread. Overall, the effect was positive and underscores the organisation's ability to adapt to unforeseen circumstances.

• Programme production was hurt during the strict lockdown period, but resumed as restrictions were eased. This activity is now back to normal, while all the safety and precautionary measures needed in the current situation are still in place. Production delays in some content had no impact, nor is any expected, on our channels' programming offer beyond some temporary adjustments that had to be made at the height of the pandemic.

• TV consumption rose sharply. The lockdown itself, let alone people's thirst for information, led to the highest ever levels of consumption of free-to-air (FTA) television on record. Daily TV consumption during the first weeks of lockdown (the second fortnight of March) soared 39% to 5 hours and 9 minutes. As people were gradually allowed back out, consumption fell, but remained at record highs, with double-digit growth. This trend, which is still ongoing, led to average consumption in December last year of 4 hours and 7 minutes, 7.4% higher than the same month of 2019. Overall daily average consumption per person was 4 hours in 2020, up from 3 hours and 42 minutes in 2019. This enabled Atresmedia to up its audience share from 26% at the beginning of 2020 to 27% by the end of the year and in early 2021. These figures show that FTA is still the TV option of choice among the entire population, including younger people, for entertainment and news. Atresmedia played a major role, ranking among the leaders in news and still far and away the top medium for following breaking news.

• The advertising market sustained its sharpest downturn ever from mid-March to June, falling by over 50% in some months. After that, a somewhat better health situation and ease in confinement measures helped economic activity and advertising gain momentum, growing at a similar pace to November and December 2019. Infoadex data for the full year show an 18.1% decline in the total advertising market, with declines of 18.4% in TV, 22.9% in radio and 5.3% in digital markets as a whole.

This prompted Atresmedia to undertake major adjustment measures to mitigate the negative impact of the economic effects of the pandemic on the Group's operating performance and financial situation. There were cutbacks in virtually all expense items, especially programming and employee bonuses, but no jobs were lost since the pace of activity remained normal. Atresmedia believes that no matter how serious the situation is, it will be temporary, and its business fundamentals remain intact. Without losing sight of its long-term plans, investments were adjusted to the new paradigm.

Lastly, out of caution the Board of Directors decided to withdraw the item on the agenda for the 2020 General Meeting regarding the distribution of 2019 profit, which included payment of a EUR 0.25 per share dividend, for a total of EUR 56,433. This decision was ratified by shareholders at the new General Meeting held in October.

The liquidity required for the Group's operations was never in jeopardy and is unlikely to be going forward. Alongside these adjustments and the dividend reduction, medium- and long-term financing facilities are available for Atresmedia to comfortably meet its needs (see Note 14.b). As it almost always has, Atresmedia met all the obligations under financing agreements during the year.

With the pandemic seriously undermining economic activity and earnings, the Group conducted a thorough review of the potential effects on its future results, expected cash flows and the value of its on-balance sheet assets. The conclusion was that the long-term outlook for Atresmedia's various businesses pre-crisis was not particularly affected, so the long-term strategic focus and objectives are still the same.

Different scenarios were drawn up based on varying assumptions regarding the depth of the crisis and the pace of recovery by the economy and our markets. The analysis was carried out based on information available at the time, with myriad questions surrounding the speed of economic recovery, the support policies and their effectiveness, the emergence of new outbreaks, and the pace of vaccination. Since the situation is still unprecedented, forecasts are based on reasonable assumptions that may no longer be reasonable depending how events unfold over the coming months. This could affect future measurements of assets.

As required by accounting standards, the recoverable amount of the license held by the Television cash-generating unit (CGU); i.e. an asset with indefinite useful life, was re-estimated, along with the goodwill allocated to the various CGUs, the timing of the recovery of unused tax losses and unused tax credits for investments. The new calculations included an estimate of the COVID-19 pandemic's effects on the radio and TV businesses.

In this situation, the advertising market (radio, TV and digital) is the variable affected the most and the one with the greatest weight in the estimate of future business trends and performance. This variable has a strong correlation with overall economic activity, so three scenarios were drawn up for advertising using the estimates for GDP and private consumption growth included in the latest scenarios of Banco de España and other organisations.

All three scenarios assume a sharp decline in 2020 and recovery by the advertising market to pre-COVID levels over the medium term, but at a slower place after macroeconomic forecasts were revised down. The differences lie in the pace of improvement, all of which are slower than estimated in mid-2020 due to new waves of the pandemic and in line with the latest updated economic growth forecasts. Forecasts for TV advertising point to growth of 10%-15% over the next three years depending on the scenario. All three scenarios have the market in 2023 still below 2019 levels, within a 5%-10% growth range. The radio advertising market looks set to sustain its sharpest drop in 2020, but has the best prospects. The best-case scenario has the market almost near 2019 levels in 2023, while the worst-case scenario has it 8% below. For both the TV and radio markets, the scenarios assume annual growth over the next few years ranging from 1.0% to 1.5%, depending on the scenario, in line with the estimated perpetuity growth rates.

The impact on profit of lower advertising revenue has been mitigated through aggressive cost-cutting. A large number of the cutbacks are expected to be kept in place no matter how long the market remains weak. Greater efforts were spent on strategic growth drivers other than TV and radio advertising, particularly third-party content production and video on demand (VOD), both FTA advertising- and subscription-based. The other variables were broadly unchanged from the December 2019 and June 2020 analyses.

Taking the calculations of deferred tax assets using these assumptions, the unused tax losses and unused tax credits would be fully utilised by year 8, both in the worst-case scenario. The conclusion was that no adjustments to tax assets was necessary given the Group's ability to absorb them.

For the Radio CGU, of the three scenarios considered, we attach the highest weight to the baseline scenario, but with a downward bias. The weight of the best-case scenario is a third of the worst-case scenario. Here the analysis uncovered the need to write down the carrying amount of goodwill from the business by EUR 15,150 thousand (see Note 4).

Regarding the recoverable amount of the Television CGU's licence, any reasonable downward revisions to the assumptions used in the valuation would still leave the asset's recoverable amount well above its carrying amount.

3. 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.

Estimates

In the consolidated financial statements for the year ended 31 December 2020, estimates were occasionally made in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein.

These estimates relate basically 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 the goodwill or the intangible asset with an indefinite useful life was 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 these values. The discounted cash flow calculations are based on the five-year projections of the budgets approved by the Group. The cash flows take into account past experience and represent the best estimate of future market performance. Cash flows beyond the fifth year are extrapolated using individual growth rates. The key assumptions for measuring fair value less costs of disposal and value in use include growth rates, the weighted average cost of capital (WACC) and tax rates. 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 given the absence of benchmark market values for these investments. 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. Note 3.c indicates the useful lives considered for each type of intangible asset.

- Calculations of programme amortisation 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, and the periods considered to be reasonable (see Note 21).

- The estimates, judgements and sources of uncertainty related to the application of IFRS 15, IFRS 9 and IFRS 16 are described in Note 3.

- 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 (see Notes 3.l and 13).

Although these estimates were made on the basis of the best information available at 31 December 2020 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 2020, the Group had positive working capital of EUR 266,892 thousand (2019: EUR 213,219 thousand). Excluding programme rights expected to be consumed in more than one year (see Note 10), working capital at year-end 2020 would still be positive at EUR 137,246 thousand (2019: EUR 89,830 thousand).

Significant judgements in applying accounting principles

The Group 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.

The Group does not exercise control over the associates that are 50% owned, because under the shareholders agreements it has no powers to participate in the associates' financial and operating policies.

b) Basis of consolidation

Subsidiaries

Subsidiaries included the scope of consolidation:

Company name	Registered address	Year incorporated	Activity	Owner	2020 percentage
6&M Producciones y Contenidos Audiovisuales, S.L.U. (*)	Madrid	2013	Audiovisual productions	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Antena 3 Multimedia, S.L.U.	Madrid	2004	Audiovisual services	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Antena 3 Noticias, S.L.U. (*)	Madrid	2012	Audiovisual productions	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Atres Advertising, S.L.U. (*)	Madrid	2004	Advertising management	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Atresmedia Capital, S.L.U.	Madrid	2015	Holding company	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Atresmedia Cine, S.L.U. (*)	Madrid	2000	Audiovisual productions	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Atresmedia Música, S.L.U.	Madrid	2015	Management of music rights	Atresmedia Corporación de Medios de Comunicación, S.A.	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
I3 Televisión, S.L.	Madrid	2005	Provision of IT services	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Música Aparte, S.A.U. (*)	Madrid	1990	Management of copyrights	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Human to Human Communications, S.L.	Madrid	2017	Provision of marketing and advertising services	Atres Advertising, S.L.U.	70
Smartclip Latam, S.L. (*)	Madrid	2015	Provision of advertising services	Atres Advertising, S.L.U.	94.82
Smartclip Hispania, S.L. (*)	Madrid	2008	Advertising services in digital environments	Smartclip Latam, S.L.	100
Smartclip Comunicacao Ltda (*)	Sao Paulo	2012	Advertising services in digital environments	Smartclip Latam, S.L.	77.84
Smartclip México S.A.P.I. de C.V. (*)	Mexico City	2011	Advertising services in digital environments	Smartclip Latam, S.L.	99.99
Smartclip Colombia S.A.S. (*)	Bogota, DC	2018	Advertising services in digital environments	Smartclip Latam, S.L.	100
Smarclip Perú S.A.C.	Lima	2018	Advertising services in digital environments	Smartclip Latam, S.L.	99.98
Smartclip Argentina S.A. (*)	Buenos Aires	2018	Advertising services in digital environments	Smartclip Latam, S.L.	55.20
Smartclip Chile SPA (*)	Santiago de Chile	2018	Advertising services in digital environments	Smartclip Hispania, S.L.	100
Adconion Brasil, S.L.	Sao Paulo	2014	Dormant	Smartclip Latam, S.L.	99.99
Uniprex, S.A.U. (*)	Madrid	1982	Radio broadcasting services	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Antena 3 Televisión Digital Terrestre de Canarias, S.A.U.	Las Palmas	2006	Local digital terrestrial television	Uniprex, S.A.U.	100
Uniprex Televisión Digital Terrestre de Andalucía, S.L.	Seville	2006	Local digital terrestrial television	Uniprex, S.A.U.	74.20
Uniprex Televisión, S.L.U. (*)	Madrid	2004	Indirect management of TV service	Uniprex, S.A.U.	100
Inversión y Distrubución Global de Contenidos, S.L.U.	Valencia	2005	Local digital terrestrial television	Uniprex, S.A.U.	100

(*) Audited companies

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 operations and joint ventures

Under IFRS 11, joint arrangements are classified as either joint operations or joint venture. The classification depends upon the contractual rights and obligations of the parties to the arrangement. A key feature of a joint arrangement is the existence of two or more parties that have joint control. 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.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. 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 joint venture.

The Group recognises in relation to joint operations its share of the assets, liabilities, revenue and expenses. Investments in joint ventures are accounted for using the equity method.

Company name	Registered address	Year incorporated	Activity	Owner	2020 percentage
Buendía Producción, S.L. (1)	Madrid	2020	Production of audiovisual content	Atresmedia Corporación de Medios de Comunicación, S.A.	50
Buendía Estudios, S.L. (2)	Madrid	2020	Production of audiovisual content	Atresmedia Corporación de Medios de Comunicación, S.A.	50

(1) Joint operation, (2) joint venture

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	Activity	Owner	2020 percentage
Atres Hub Factory, S.L.	Barcelona	2015	Creation of digital businesses	Atresmedia Corporación de Medios de Comunicación, S.A.	50
Aunia Publicidad Interactiva, S.L.	Madrid	2013	Online advertising management	Atres Advertising, S.L.U.	50
Hola Televisión América, S.L.	Madrid	2011	Audiovisual communication services	Atresmedia Corporación de Medios de Comunicación, S.A.	50
Hola TV Latam, S.L.	Madrid	2013	Audiovisual communication services	Hola Televisión América, S.L.	100
Hola TV US, LLC	Miami	2013	Audiovisual communication services	Hola TV Latam, S.L.	100

Changes in the scope of consolidation and main transactions in 2020

- On 26 June 2020, Buendía Producción, S.L. and Buendía Estudios, S.L. were incorporated, with the Parent holding 50% stakes in each. Both companies have share capital of EUR 3 thousand and their company object is the creation and production of audiovisual content. These companies were set up under the framework of the joint arrangement between Atresmedia and Telefónica to produce audiovisual content for both partners and third parties.

- On 30 July 2020, Atres Advertising, S.L.U. acquired 2,100 shares of EUR 1 par value each of Human to Human Communications, S.L. representing 70.00% of its share capital. Its purpose is the rendering of marketing and advertising services. This company was fully consolidated (see Note 5).

Other changes not affecting the scope of consolidation in 2020

- On 31 May 2020, the share capital increase agreed on the same date by the Parent as sole shareholder of Atresmedia Capital S.L.U. was completed with the creation of 500 shares of EUR 1 par value each. The capital increase included a share premium of EUR 2,202 thousand euros and was fully paid through the offset and capitalisation of EUR 2,203 thousand of participating loans owed to the Company.

On the same date, the Parent also contributed EUR 2,134 thousand of funds to Atresmedia Capital, S.L.U. to offset losses. Accumulated losses for 2019 amounting to EUR 1,914 thousand had been offset as at 31 May 2020.

- On 31 December 2020, the Parent contributed additional funds of EUR 1,783 thousand to Atresmedia Capital, S.L.U. to offset losses.

Subsidiaries and associates at 31 December 2019:

Company name	Registered address	Year incorporated	Activity	Owner	2019 percentage
6&M Producciones y Contenidos Audiovisuales, S.L.U.	Madrid	2013	Audiovisual productions	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Antena 3 Multimedia, S.L.U.	Madrid	2004	Audiovisual services	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Antena 3 Noticias, S.L.U. (*)	Madrid	2012	Audiovisual productions	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Atres Advertising, S.L.U. (*)	Madrid	2004	Advertising management	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Atresmedia Capital, S.L.U. (formerly Flooxplay, S.L.U.)	Madrid	2015	Holding company	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Atresmedia Cine, S.L.U. (*)	Madrid	2000	Audiovisual productions	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Atresmedia Música, S.L.U.	Madrid	2015	Management of music rights	Atresmedia Corporación de Medios de Comunicación, S.A.	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
I3 Televisión, S.L.	Madrid	2005	Provision of IT services	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Música Aparte, S.A.U. (*)	Madrid	1990	Management of copyrights	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Smartclip Latam, S.L. (*)	Madrid	2015	Provision of advertising services	Atres Advertising, S.L.U.	94.82
Smartclip Hispania, S.L. (*)	Madrid	2008	Advertising services in digital environments	Smartclip Latam, S.L.	100
Smartclip Comunicacao Ltda (*)	Sao Paulo	2012	Advertising services in digital environments	Smartclip Latam, S.L.	77.84
Smartclip México S.A.P.I. de C.V. (*)	Mexico City	2011	Advertising services in digital environments	Smartclip Latam, S.L.	99.99
Smartclip Colombia S.A.S.	Bogota, DC	2018	Advertising services in digital environments	Smartclip Latam, S.L.	100
Smarclip Perú S.A.C.	Lima	2018	Advertising services in digital environments	Smartclip Latam, S.L.	99.98
Smartclip Argentina S.A.	Buenos Aires	2018	Advertising services in digital environments	Smartclip Latam, S.L.	55.20
Smartclip Chile SPA	Santiago de Chile	2018	Advertising services in digital environments	Smartclip Hispania, S.L.	100
Adconion Brasil, S.L.	Sao Paulo	2014	Dormant	Smartclip Latam, S.L.	99.99
Uniprex, S.A.U. (*)	Madrid	1982	Radio broadcasting services	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Antena 3 Televisión Digital Terrestre de Canarias, S.A.U.	Las Palmas	2006	Local digital terrestrial television	Uniprex, S.A.U.	100
Uniprex Televisión Digital Terrestre de Andalucía, S.L.	Seville	2006	Local digital terrestrial television	Uniprex, S.A.U.	74.20
Uniprex Televisión, S.L.U. (*)	Madrid	2004	Indirect management of TV service	Uniprex, S.A.U.	100
Inversión y Distrubución Global de Contenidos, S.L.U.	Valencia	2005	Local digital terrestrial television	Uniprex, S.A.U.	100

(*) Audited companies

Company name	Registered address	Year incorporated	Activity	Owner	2019 percentage
Atres Hub Factory, S.L.	Barcelona	2015	Creation of digital businesses	Atresmedia Corporación de Medios de Comunicación, S.A.	50
Aunia Publicidad Interactiva,	Madrid	2013	Online advertising management	Atres Advertising, S.L.U.	50
Hola Televisión América, S.L	Madrid	2011	Audiovisual communication services	Atresmedia Corporación de Medios de Comunicación, S.A.	50
Hola TV Latam, S.L.	Madrid	2013	Audiovisual communication services	Hola Televisión América, S.L.	100
Hola TV US, LLC	Miami	2013	Audiovisual communication services	Hola TV Latam, S.L.	100

Changes in the scope of consolidation and main transactions in 2019

- A purchase agreement was entered into on 30 April 2019 whereby the Parent acquired 155 shares of I3 Televisión, S.L. representing 50.00% of its share capital, for EUR 1. This increased the Group's ownership interest in this company to 100%. This company is now fully consolidated.

- On 27 November 2019, Smartclip Argentina S.A., a subsidiary of Smartclip Latam, S.L., increased capital, leaving the Parent with a 55.20% share of the company's share capital.

- On 31 December 2019, Smartclip Latam, S.L. carried out two purchase-and-sale transactions of shares in its subsidiary, Smartclip Comunicacao Ltda., acquiring a total of 161 shares and raising its ownership interest to 77.84%.

Other changes not affecting the scope of consolidation in 2019

- On 30 April, the Parent contributed capital to offset losses of EUR 387 thousand to its subsidiary I3 Televisión, S.L. In December, it contributed a further EUR 229 thousand.

- On 29 September 2019, the Parent made a capital and share premium contribution of EUR 375 thousand to associate Atres Hub Factory, S.L. This did not result in any increase in its ownership interest in the company.

- A purchase agreement was entered into on 30 April 2019 whereby the Parent acquired 155 shares of I3 Televisión, S.L. representing 50.00% of its share capital, for EUR 1. This increased the Group's ownership interest in this company to 100%. This company is now fully consolidated.

- On 27 November 2019, Smartclip Argentina S.A., a subsidiary of Smartclip Latam, S.L., increased capital, leaving the Parent with a 55.20% share of the company's share capital.

- On 31 December 2019, Smartclip Latam, S.L. carried out two purchase-and-sale transactions of shares in its subsidiary, Smartclip Comunicacao Ltda., acquiring a total of 161 shares and raising its ownership interest to 77.84%.

c) Comparative information

The information contained in consolidated financial statements for 2019 is presented solely for comparison with the information relating to the annual period ended 31 December 2020.

3. Accounting policies

The principal 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) or groups of 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.

Impairment of goodwill is measured as the excess of its carrying amount over the recoverable amount of the CGU or CGUs to which the goodwill relates.

An impairment loss recognised for goodwill may not be reversed in a subsequent period.

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

These accounts include 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).

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.

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.

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 the film's first commercial cycle, which the Group considers 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 "Programme amortisation 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 performance of 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 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 solely payments of principal and interest on the principal amount outstanding.

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.

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 setted 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.

(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 fictional 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 "Programme amortisation and other procurements" in the accompanying consolidated statement of profit or loss.

   Amortisation of these programmes is recognised under "Programme amortisation 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.

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 "Programme amortisation 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.

   When payments to external production distributors are made in foreign currency, these rights are recognised in the consolidated balance sheet by applying the spot exchange rate prevailing when the term of the right commences to the foreign currency amount.

   Also, the initial value of all the external productions acquired by the Group for which derivative instruments designated as cash flow hedges pursuant to IFRS 9 were entered into in order to hedge foreign currency risk includes:

   - the portion of the cumulative gain or loss on the hedging instrument recognised in equity (effective hedge) at the beginning of the term of the right; and

   - the accumulated exchange gains or losses on that date for payments made prior to the commencement of the term of the right.

   The amortisation of the rights is recognised under "Programme amortisation 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 ascertain which assets will be amortised beyond the period of 12 months. 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 "Programme amortisation 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 makes write-downs 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 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 consumed in the operating cycle. There are no programme assets specifically acquired to be consumed within a period of over 12 months.

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 2020 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 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.

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

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 the syndicated financing arranged.

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 consolidated 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 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 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.

The Group's policy is to categorise its assets and liabilities measured at fair value within the fair value hierarchy, based on the availability of observable market inputs, and only transfers items between levels when these inputs are not available. In 2020, no transfers were made between the fair value hierarchy levels corresponding to the Group's financial instruments.

j) Treasury shares

All the treasury shares of the Parent held at 31 December 2020 represented 0.246% of the share capital of the Parent of the Group (2019: 0.298%). The transactions involving treasury shares in 2020 and 2019 are summarised in Note 12-e. The amount relating to these treasury shares is recognised as a reduction of equity.

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.

- Provisions for termination benefits: termination benefits for involuntary termination are recognised when there is a formal plan for the termination and a valid expectation among the affected employees that the employment will be terminated either because the plan has started or because its main characteristics have been published.

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 make up approximately more than 90% of the Group's total revenue, 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.

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 2020 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).

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 date of the transaction.

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

Until 2020, the Group had a remuneration scheme entailing the delivery of shares to certain directors and senior executives (see Note 25).

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.

4. Goodwill

Changes in goodwill in the consolidated balance sheets in 2020 and 2019:

Thousands of euros	Balance at 31/12/18	Balance at 31/12/19	Additions	Impairment	Balance at 31/12/20
TELEVISION BUSINESS:					
Human to Human Communications, S.L. (Note 5)	-	-	9,471	-	9,471
RADIO BUSINESS:	-	-	-	-	-
Uniprex, S.A.U.	150,012	150,012	-	(15,150)	134,862
OTHER BUSINESSES:	-	-	-	-	-
Smartclip Group	13,211	13,211	-	-	13,211
Total	**163,223**	**163,223**	**9,471**	**(15,150)**	**157,544**

Additions to goodwill in 2020 related to the goodwill arising on the business combination with Human to Human Communications, S.L. (see Note 5). This year, impairment of goodwill was recognised on the "Radio" CGU amounting to EUR 15,150 thousand under "Impairment and gains/(losses) on disposals of non-current assets" in the consolidated statement of profit or loss.

The Group periodically assesses the recoverability of the goodwill described in the foregoing table, considering the CGUs on the basis of the business activities of its subsidiaries, which at year-end were the television, radio business and other businesses.

The Group uses the strategic plans of the various businesses 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.

For the "Radio" CGU (which coincides with the radio segment) and the "Other businesses" CGU, which includes Smartclip, the key assumptions on which the cash flow projections are based relate mainly to advertising markets (the data relate to scenarios used by market participants to set prices, based on a consensus among analysts, who are independent third parties, employed by the industry in general), 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 the "Radio" CGU (unchanged from 2019) and 2.0% for the "Other businesses" CGU (unchanged from 2019).

In assessing value in use, the estimated cash flows are discounted to their present value using a pre-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 future discount rates of 9.5% for the "Radio" CGU in 2020 (2019: 8.2%) and 12.0% for the "Other businesses" CGU (unchanged from 2019).

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" and "Other businesses” CGUs. In this respect, the sensitivity analyses are prepared under various scenarios on the basis of 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 goodwill from the Radio business (“Radio” CGU), as in the June 2020 analysis, all three scenarios assume recovery by the market to pre-COVID levels over the medium term, but all at a slower pace, in line with the downward revisions to macroeconomic forecasts. As explained in section 2 of Note 2.a, of the three scenarios considered, we attach the highest weight to the baseline scenario, but with a downward bias. The weight of the best-case scenario is a third of the worst-case scenario. In this analysis, the estimated recoverable amount of goodwill allocated to the "Radio" CGU would be below its carrying amount, resulting in the recognition of a EUR 15,150 thousand impairment loss.

The baseline scenario for Radio calls for cumulative annual growth by the advertising market of 5.9%, making up for the drop caused by the pandemic and returning to 2019 levels by 2025. Uniprex would retain its market share, with certain adjustments made to programming expenses in less commercial time slots. As a result, EBITDA would register cumulative annual growth of 6% over the next five years.

According to the sensitivity analysis carried out using the baseline scenario, a decrease in the perpetuity growth rate of 0.5% would result in a larger adjustment, of EUR 8,276 thousand, while an increase of 0.5% would reduce the adjustment by EUR 7,302 thousand. A 1.0% increase in the discount rate would require an additional adjustment to the carrying amount of EUR 17,707 thousand, while a decrease of 1.0% would eliminate the need for an adjustment. Meanwhile, a 0.5% decrease in the perpetuity growth rate combined with a 1.0% increase in the discount rate would result in an additional adjustment of EUR 34,919 thousand.

For the "Other businesses" CGU, which includes the Smartclip business, no impairment was required since based on the methods used and estimates, projections and value in use measurements, its recoverable amount was not lower than its carrying amount.

Cumulative annual growth of the digital advertising market for this business is forecast at 11.0%. With expenses not directly linked to sales set to remain largely stable, the EBITDA margin is estimated to increase from 17.8% to 18.5% in five years. Given the large positive difference between recoverable amount and carrying amount, there are currently no reasonably potential changes that could reverse this difference.

The sensitivity analysis indicates that an increase in the perpetuity growth rate of 1.0% would give rise to an increase in value of EUR 4,341 thousand, whereas a decrease in the perpetuity growth rate of 1.0% would give rise to a decrease in value of EUR 4,370 thousand. Also, a 1.0% decrease in the discount rate would give rise to an increase of EUR 7,351 thousand, and a 1.0% increase in the discount rate would give rise to a decrease of EUR 6,006 thousand. The changes in value used in all these sensitivity analyses would not reduce the recoverable amount to below the carrying amount.

5. Business combinations

On 30 July 2020, the deed for purchase by subsidiary Atres Advertising, S.L.U. of 2,100 shares of Human to Human Communications, S.L., representing 70% of its share capital, was placed on public record. The consideration, which amounted to EUR 4,202 thousand, was duly paid in accordance with the terms and conditions of the purchase agreement. Within the scope of the transaction, the Group entered into a call option with the entity’s non-controlling shareholders for all of their entire interests, which represent a 30% stake. The options are exercisable four years after the date of the agreement, subject to compliance with certain business milestones. The acquisition-date fair value of the contingent consideration amounted to EUR 5,393 thousand and was part of the consideration transferred. Given the nature of these agreements, the company was fully consolidated.

Human to Human Communications, S.L. is a specialist influencer marketing agency and a benchmark in its industry in Spain. The addition of this company is in line with the Group's strategy to strengthen its position in the digital environment. Synergies from the project are predicated above all on sharing know-how, expanding the Group's portfolio of communication products, and speeding up the company's ability to growth.

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 goodwill was allocated to the Television CGU.

The following table summarises the 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. The amounts may be modified within one year from the acquisition, as provided for in the standard.

Thousands of euros	**2020**
Consideration paid in cash	4,202
Contingent consideration	5,393
(+) Consideration transferred	**9,595**
Other intangible assets	1
Trade and other receivables	726
Other non-financial assets	30
Cash and cash equivalents	362
Borrowings	(350)
Trade and other payables	(646)
(-) Fair value of net assets	**123**
Goodwill	**9,471**

The Group fully consolidated the company from the acquisition date (i.e. the date on which it obtained control).

6. Other intangible assets

Breakdown of balances and transactions under other intangible assets in the consolidated balance sheets in 2020 and 2019:

Thousands of euros	**Balance at 1/1/20**	**Additions or charges**	**Disposals or reductions**	**Transfers**	**Balance at 31/12/20**
Cost:					
Administrative concessions	46,302	-	-	-	46,302
Licences	82,804	-	-	-	82,804
Trademarks	21,591	-	-	-	21,591
Intellectual property	2,036	-	-	64	2,100
Computer software	74,039	35	(2)	5,316	79,388
Audiovisual productions	165,830	33	(32)	997	166,828
Other intangible assets	5,279	-	-	-	5,279
Intangible assets in progress	1,763	6,661	(121)	(6,377)	1,926
	399,644	**6,729**	**(155)**	**-**	**406,218**
Accumulated admortisation:					
Administrative concessions	(43,434)	(551)	-	-	(43,985)
Trademarks	(7,882)	(1,080)	-	-	(8,962)
Intellectual property	(1,707)	(141)	-	-	(1,848)
Computer software	(62,401)	(5,655)	2	-	(68,054)
Audiovisual productions	(160,499)	-	6	(3,358)	(163,851)
Other intangible assets	(3,241)	(340)	-	-	(3,581)
	(279,164)	**(7,766)**	**8**	**(3,358)**	**(290,281)**
Provisions:	**(510)**	**(99)**	**333**	**-**	**(276)**
Total	**119,970**	**(1,136)**	**186**	**(3,358)**	**115,661**

Thousands of euros	**Balance at 1/1/19**	**Additions or charges**	**Disposals or reductions**	**Transfers**	**Balance at 31/12/19**
Cost:					
Administrative concessions	46,302	-	-	-	46,302
Licences	82,804	-	-	-	82,804
Trademarks	21,591	-	-	-	21,591
Intellectual property	1,913	-	-	123	2,036
Computer software	69,088	119	(20)	4,852	74,039
Audiovisual productions	128,966	99	(155)	36,920	165,830
Other intangible assets	5,279	-	-	-	5,279
Intangible assets in progress	22,528	21,238	(108)	(41,895)	1,763
	378,471	**21,456**	**(283)**	**-**	**399,644**
Accumulated amortisation:					
Administrative concessions	(42,882)	(552)	-	-	(43,434)
Trademarks	(6,749)	(1,133)	-	-	(7,882)
Intellectual property	(1,596)	(111)	-	-	(1,707)
Computer software	(57,242)	(5,177)	18	-	(62,401)
Audiovisual productions	(119,284)	-	10	(41,225)	(160,499)
Other intangible assets	(2,873)	(368)	-	-	(3,241)
	(230,626)	**(7,341)**	**28**	**(41,225)**	**(279,164)**
Provisions:	**(523)**	**(347)**	**360**	**-**	**(510)**
Total	**147,322**	**13,768**	**105**	**(41,225)**	**119,970**

Fully amortised intangible assets in use at 31 December 2020 amounted to EUR 220,721 thousand (2019: EUR 205,348 thousand).

There were no impairments of intangible assets in 2020 and 2019. 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 "Programme amortisation and other procurements" since the impairment relates to cinema productions shown on television channels.

For the licence, since this asset has an indefinite useful life, a recoverability assessment was performed at year-end. The key assumptions on which the cash flow projections are based relate mainly to advertising markets (the data relate to scenarios used by market participants to set prices, based on a consensus among analysts, who are independent third parties, employed by the industry in general), 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 Parent and updated in accordance with the performance of the advertising markets. The measurement of this licence is included in the "Television" CGU.

Taking the correlation between the advertising market and the trend of domestic demand and private consumption as a reference, a retrospective analysis was conducted using the historical data of these two variables, based on market consensus. These future projections cover the next five years. The discount rate used to measure this intangible asset in 2020 was 8.9% (2019: 8.9%). A perpetual growth rate of zero was used.

Cumulative annual growth of 3.2% is estimated for the TV advertising market over the next five years, with 14.0% growth in the digital advertising market, in line with independent analysts' estimates. At the same time, revenue in the various exploitation windows and types of content produced is expected to grow. With it, the "Television" CGU's EBITDA margin stands to rise from 12.5% to 22.0% over the next five years. Given the large positive difference between recoverable amount and carrying amount, there are currently no reasonably potential changes that could reverse this difference.

The sensitivity analysis shows that a 1.0% increase in the perpetual growth rate gives rise to an increase in value of EUR 161.2 million, while a decrease of 1.0% gives rise to a decrease of EUR 128.6 million. Similarly, a 1.0% increase in the discount rate gives rise to a decrease of EUR 191.2 million, and a 1.0% decrease in the discount rate gives rise to an increase of EUR 171.4 million. The changes in value used in all these sensitivity analyses would not reduce the recoverable amount to below the carrying amount.

7. Property, plant and equipment

Breakdown of the balances and transactions recognised under property, plant and equipment in the consolidated balance sheets in 2020 and 2019:

Thousands of euros	Balance at 1/1/20	Additions or charges	Disposals or reductions	Transfers	Balance at 31/12/20
Cost:					
Land and buildings	72,171	-	-	476	72,647
Plant and machinery	100,315	-	(367)	2,096	102,044
Other fixtures and tools	61,149	-	(78)	694	61,765
Furniture	11,781	4	(8)	39	11,816
Computer hardware	39,977	85	(507)	1,856	41,411
Transport equipment and other items of property, plant and equipment	1,172	-	(115)	-	1,057
Property, plant and equipment in progress	87	5,110	-	(5,161)	36
	286,652	**5,199**	**(1,075)**	**-**	**290,776**
Accumulated depreciation:					
Land and buildings	(42,275)	(1,628)	-	-	(43,903)
Plant and machinery	(91,989)	(4,708)	365	-	(96,332)
Other fixtures and tools	(55,929)	(1,477)	78	-	(57,328)
Furniture	(10,819)	(285)	12	-	(11,092)
Computer hardware	(37,456)	(1,750)	506	-	(38,700)
Transport equipment and other items of property, plant and equipment	(904)	(52)	-	-	(956)
	(239,372)	**(9,900)**	**961**	**-**	**(248,311)**
Provisions:	**(2,877)**	**-**	**9**	**-**	**(2,868)**
Total	**44,403**	**(4,701)**	**(105)**	**-**	**39,597**

Thousands of euros	Balance at 1/1/19	Additions or charges	Disposals or reductions	Transfers	Balance at 31/12/19
Cost:					
Land and buildings	71,145	-	(117)	1,143	72,171
Plant and machinery	102,500	-	(4,398)	2,213	100,315
Other fixtures and tools	60,263	-	(503)	1,389	61,149
Furniture	12,814	4	(1,307)	270	11,781
Computer hardware	39,966	38	(783)	756	39,977
Transport equipment and other items of property, plant and equipment	1,216	15	(127)	68	1,172
Property, plant and equipment in progress	23	5,903	-	(5,839)	87
	287,926	**5,960**	**(7,235)**	**-**	**286,652**
Accumulated depreciation:					
Land and buildings	(40,806)	(1,586)	117	-	(42,275)
Plant and machinery	(91,335)	(5,089)	4,435	-	(91,989)
Other fixtures and tools	(54,773)	(1,659)	503	-	(55,929)
Furniture	(11,858)	(267)	1,306	-	(10,819)
Computer hardware	(36,077)	(2,160)	781	-	(37,456)
Transport equipment and other items of property, plant and equipment	(927)	(104)	127	-	(904)
	(235,776)	**(10,865)**	**7,269**	**-**	**(239,372)**
Provisions:	**(2,885)**	**-**	**8**	**-**	**(2,877)**
Total	**49,265**	**(4,905)**	**42**	**-**	**44,403**

At 31 December 2020, fully depreciated property, plant and equipment in use amounted to EUR 214,605 thousand (2019: EUR 205,691 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.

8. Right-of-use assets and lease liabilities

The relevant amounts of leases by class of asset at 31 December 2020 and 2019 are as follows:

	Right-of-use assets		
Thousands of euros	**Offices and premises**	**Broadcasting stations**	**Total**
Balance at 1/1/20	**3,269**	**518**	**3,787**
Additions of right-of-use assets	1,484	3	1,487
Depreciation of right-of-use assets	(1,218)	(144)	(1,362)
Balance at 31/12/20	**3,535**	**377**	**3,912**
Balance at 31/12/20			
Lease liabilities	3,601	385	3,986
Interest expenses on lease liabilities	126	17	143

	Right-of-use assets		
Thousands of euros	**Offices and premises**	**Broadcasting stations**	**Total**
Balance at 1/1/19	3,046	410	3,456
Additions of right-of-use assets	1,460	252	1,712
Depreciation of right-of-use assets	(1,237)	(144)	(1,381)
Balance at 31/12/19	3,269	518	3,787
Balance at 31/12/19			
Lease liabilities	3,316	525	3,841
Interest expenses on lease liabilities	127	22	149

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 as a result of the pandemic.

Breakdown of lease liabilities by maturity at 31 December 2020 and 2019:

Thousands of euros	**2021**	**2022**	**2023**	**2024**	**2025**	**Total**
Lease liabilities	1,248	572	455	307	1,404	3,986

Thousands of euros	**2020**	**2021**	**2022**	**2023**	**2024 and beyond**	**Total**
Lease liabilities	1,258	798	428	302	1,055	3,841

The Group also has short-term leases of assets for operations of the various businesses for which it recognised an expense at 31 December 2020 of EUR 7,659 thousand (2019: EUR 5,311) 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 2020 and 2019:

Thousands of euros	Balance at 1/1/20	Changes in the scope of consolidation	Additions or disposals	Share of profit/(loss)	Other changes	Balance at 31/12/20
Associates:						
Atres Hub Factory, S.L.	204	-	93	(33)	-	264
Aunia Publicidad Interactiva, S.L.	-	-	-	-	-	-
Hola TV América Group	-	-	741	(148)	(593)	-
Joint ventures:						
Buendía Estudios, S.L.	-	2	-	(201)	199	-
Investments accounted for using the equity method	**204**	**2**	**834**	**(382)**	**(394)**	**264**

Thousands of euros	Balance at 1/1/19	Changes in the scope of consolidation	Additions or disposals	Share of profit/(loss)	Other changes	Balance at 31/12/20
Associates:						
I3 Televisión, S.L.U.	66	(66)	-	-	-	-
Atres Hub Factory, S.L.	77	-	207	(80)	-	204
Aunia Publicidad Interactiva, S.L.	35	-	(11)	(24)	-	-
Hola TV América Group	-	-	(508)	(293)	802	-
Investments accounted for using the equity method	**178**	**(66)**	**(312)**	**(397)**	**802**	**204**

None of the Group's investees are listed on Spanish or foreign stock exchanges.

In January 2020, subsidiary Atresmedia Capital, S.L.U., based on a resolution adopted at Atres Hub Factory, S.L.'s Extraordinary General Meeting held on 31 December 2019, made a contribution of funds to Atres Hub Factory, S.L. of EUR 97 thousand through the offset of credits it held at that date against the company.

In April 2019, the Parent acquired an additional 50% stake in I3 Televisión, S.L., increasing its ownership interest to 100%. This company was then fully consolidated (see Note 2.b).

The following tables presents key financial indicators of associates accounted for using the equity method for 2020 and 2019:

	2020					
Thousands of euros	**% ownership**	**Assets**	**Equity**	**Liabilities**	**Revenue**	**Profit or loss**
Atres Hub Factory, S.L.	50%	931	403	529	24	(67)
Aunia Publicidad Interactiva, S.L.	50%	536	587	(51)	-	-
Hola TV América Group	50%	7,256	24,491	(17,235)	4,347	(298)

	2019					
Thousands of euros	**% ownership**	**Assets**	**Equity**	**Liabilities**	**Revenue**	**Profit or loss**
Atres Hub Factory, S.L.	50%	657	407	250	255	(160)
Aunia Publicidad Interactiva, S.L.	50%	536	(51)	587	-	(99)
Hola TV América Group	50%	7,712	(18,418)	26,130	5,989	(588)

As explained in Note 2.b, in June 2020, Buendía Producción, S.L. was incorporated as a joint operation, with the Group including its share of the operation's assets, liabilities, revenue and expenses, along with Buendía Estudios, S.L., a joint venture, which is now accounted for using the equity method.

Key financial indicators of the Group's interests in joint arrangements at 31 December 2020:

	2020					
Thousands of euros	**% ownership**	**Assets**	**Liabilities**	**Equity**	**Revenue**	**Profit or loss**
Buendía Producción, S.L.	50%	13,770	14,083	(313)	7,381	(316)
Buendía Estudios, S.L.	50%	3,355	3,881	(527)	1,256	(530)

10. Programme rights

Breakdown of programme rights:

Thousands of euros	**2020**	**2019**
Programme rights, net		
Rights on external productions	235,646	260,389
In-house productions and productions in progress	73,140	74,420
Sports broadcasting rights	3,214	3,214
Write-down of external productions	(36,636)	(28,292)
Impairment of sports broadcasting rights	(3,214)	(3,214)
	272,150	306,517
Advances to suppliers	11,600	9,115
Total	283,750	315,632

At 31 December 2020, the Parent had commitments, mainly for the purchase of audiovisual property rights and the production of programmes, amounting to EUR 74,402 thousand (2019: EUR 106,312 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 47,030 thousand (2019: EUR 68,021 thousand).

Inventoriable in-house productions are expected to be amortised in full and approximately EUR 106,000 thousand of external production rights will be amortised in 2021.

Changes in write-downs of external production rights included under "Programme rights" in the consolidated balance sheet:

Thousands of euros	**Balance at 1/1/20**	**Additions**	**Disposals or reductions**	**Balance at 31/12/20**
Write-downs	**(31,506)**	(11,414)	3,070	**(39,850)**

Thousands of euros	**Balance at 1/1/19**	**Additions**	**Disposals or reductions**	**Balance at 31/12/19**
Write-downs	**(32,020)**	(3,325)	3,839	**(31,506)**

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 "Programme amortisation 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 2020 and 2019:

Thousands of euros	2020	2019
Trade receivables	241,352	235,175
Receivables from associates and related parties (Note 22)	3,603	3,331
Total trade receivables	**244,955**	**238,506**
Other receivables	6,795	6,619
Total other receivables	**6,795**	**6,619**

The balances of "Trade receivables" are shown net of allowances for doubtful receivables. The allowance for doubtful receivables at year-end 2020 stood at EUR 20,429 thousand (2019: EUR 18,507 thousand). The charge for 2020 amounted to EUR 4,159 thousand (2019: EUR 843 thousand), and EUR 2,237 thousand of the allowance was used in the year (2019: EUR 5,145 thousand).

As set out in the measurement bases disclosed in Note 3 to these consolidated financial statements, 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 write-downs 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 2020 and 2019:

	2020		2019	
Thousands of euros	Trade receivables	Impairment allowance	Trade receivables	Impairment allowance
Not yet due	228,612	(259)	218,899	(701)
Past-due 0-60 days	13,280	(666)	17,236	(460)
Past-due 61-120 days	2,701	(273)	2,505	(353)
Past-due 121-150 days	1,048	(90)	1,286	(399)
Past-due 151-180 days	1,170	(568)	764	(305)
Past-due +180 days	18,573	(18,573)	16,323	(16,289)

12. Equity

a) Share capital

The Parent's share capital at 31 December 2020 and 2019 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 2020:

% ownership	2020
Grupo Pasa Cartera, S.A. Unipersonal	41.70
Ufa Film und Fernseh GMBH	18.65
Treasury shares	0.25
Free float	39.40
Total	**100**

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 consolidated management report.

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.

For management purposes, quantitative capital data relating to 2020 and 2019 are presented in the consolidated balance sheet and amount to EUR 466,261 thousand and EUR 438,190 thousand, respectively, under "Equity attributable to equity holders of the parent".

No qualitative or quantitative changes took place in capital management in 2020 from the year before. The change in the amount of capital for management purposes in 2020 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.

b) Share premium

This reserve is unrestricted.

c) Legal and bylaw reserves

Legal reserve

Under the Spanish Companies 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 Spanish Companies 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 of this reserve is EUR 8,333 thousand.

Other restricted reserves

"Legal and bylaw reserves" includes a restricted amount of EUR 281 thousand related to "Reserve for the adjustment of share capital to euros".

At 31 December 2019, "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 2020, 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 2020 and 2019:

Thousands of euros	2020	2019
Atresmedia Corporación de Medios de Comunicación subgroup	38,632	115,476
Uniprex subgroup	(14,850)	2,470
Total	**23,782**	**117,946**

e) Treasury shares

Treasury shares held by the Parent at the end of 2020 and 2019:

Year	No. of shares	Par value (euros)	Average acquisition price (euros)	Total cost (thousands of euros)
2020	554,376	415,782	11.13	6,168
2019	673,126	504,845	11.13	7,489

At 31 December 2020 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 2020 and 2019:

Number of shares	2020	2019
At beginning of year	673,126	791,880
Acquisitions	-	-
Sales	-	-
Delivery of shares (Note 11.h)	(118,750)	(118,754)
At end of year	**554,376**	**673,126**

On 27 February 2020, with settlement of the second part of the remuneration plan (see Note 25), 118,750 shares were delivered to the beneficiaries. On 26 April 2019, the first part of the plan was settled, with delivery of 118,754 shares to beneficiaries.

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 Spanish Companies 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

The Parent's Board of Directors, at the meeting held on 23 April 2020, as provided for in Royal Decree-Law 8/2020, of 17 March, as amended by Royal Decree-Law 11/2020 of 31 March, agreed, among other proposals to be laid before shareholders at the General Meeting held on 29 April, to withdraw the proposal to approve the appropriation of 2019 profit, which included payment of a EUR 0.25 per share dividend, for a total of EUR 56,433 thousand.

The Parent's Board of Directors submitted a new proposal for the appropriation of 2019 profit, which was approved by shareholders at the General Meeting held on 21 October 2020, earmarking EUR 45,012 thousand to payment of a EUR 0.20 per share interim dividend, which was paid on 18 December 2019, with the remaining EUR 58,016 thousand going to voluntary reserves.

g) Non-controlling interests

Non-controlling interests and changes in 2020 and 2019 (in thousands of euros):

Company	% non-controlling interest	Balance at 31/12/18	Changes in the scope of consolidation	Profit/(loss) for the year	Balance at 31/12/19	Changes in the scope of consolidation	Profit/(loss) for the year	Balance at 31/12/20
Uniprex Televisión Digital Terrestre de Andalucía, S.L.U.	25.80%	(20)	-	-	(20)	-	-	(20)
Smartclip Argentina S.A.	44.80%	(96)	165	(79)	(10)	126	(71)	45
Total		**(116)**	**165**	**(79)**	**(30)**	**126**	**(71)**	**25**

h) Other equity instruments

At the General Meeting of the Parent held on 22 April 2016, the shareholders approved the implementation of a remuneration plan with the delivery of shares to certain directors and executives. Note 25 detailed the plan's main features. "Other equity instruments" included the measurement of the equity instruments assigned, whose fair value at 31 December 2019 amounted to EUR 1,355 thousand. On 27 February 2020, the second part of the plan was settled, with delivery of shares to beneficiaries are described in section e of this note and Note 25.

13. Provisions and other non-current liabilities

Changes in provisions in 2020 and 2019:

Thousands of euros	Balance at 31/12/19	Charges	Amounts used and payments	Surplus	Transfers	Changes in the scope of consolidation	Balance at 31/12/20
Employee benefits	-	30,031	-	-	-	-	30,031
Provisions for litigation	24,564	-	-	-	-	-	24,564
Other provisions	12,911	1,180	-	(2,548)	-	-	11,543
Total non-current provisions	**37,475**	**31,211**	**-**	**(2,548)**	**-**	**-**	**66,138**
Operating provisions	62,720	13,566	(42,675)	(5,521)	-	-	28,090
Employee benefits	-	6,510	-	-	-	-	6,510
Provisions for litigation	8,933	2,237	(42)	(2,315)	-	-	8,813
Other provisions	686	3,012	(306)	-	(264)	-	3,128
Total current provisions	**72,339**	**25,325**	**(43,023)**	**(7,836)**	**(264)**	**-**	**46,541**

Thousands of euros	Balance at 31/12/18	Charges	Amounts used and payments	Surplus	Transfers	Changes in the scope of consolidation	Balance at 31/12/19
Provisions for litigation	-	-	-	-	24,564	-	24,564
Other provisions	-	1,138	(2,347)	-	14,120	-	12,911
Total non-current provisions	**-**	**1,138**	**(2,347)**	**-**	**38,684**	**-**	**37,475**
Operating provisions	61,161	49,634	(47,940)	(149)		14	62,720
Provisions for litigation	30,856	4,920	(197)	(2,082)	(24,564)	-	8,933
Other provisions	21,048	1,422	(7,089)	(574)	(14,120)	-	687
Total current provisions	**113,065**	**55,976**	**(55,226)**	**(2,805)**	**(38,684)**	**14**	**72,340**

"Provisions" in the consolidated balance sheet include, *inter alia*, operating provisions relating basically to volume rebates paid yearly, which accrue over the course of the year, the period additions, use and surplus amounts of which are recognised under "Revenue" in the consolidated statement of profit or loss. According to the 2019 resolution of the Spanish National Markets and Competition Commission (CNMC), the TV advertising commercial policy changed and the volume rebate recognised under operating provisions no longer accrued. This explains the decrease in this line item.

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 for the 110 employees who signed up to the 2020 Plan, updated using the yield curve of Spanish 10-year bonds, as explained in Note 3.m. The provision at 31 December 2020, recognised under "Staff costs" in the consolidated statement of profit or loss, will be utilised in accordance with the payment schedule agreed with each employee.

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 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 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. The CNMC will monitor the companies' future behaviour to ensure the prohibition is observed in practice.

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 has challenged the decision by filing an application for judicial review with the Administrative Chamber of the Audiencia Nacional, Spain's national court. The application has been found admissible and will proceed. 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 for the amount of the penalty) but the rest were rejected. An appeal for reversal was filed against this ruling, but a response is still pending.

In due course, the Court will ask Atresmedia to submit written arguments against the CNMC's decision. Those arguments are now in the process of discussion and are thought to be legally sound.

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 preliminary information, which it duly provided.

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.

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 in connection with Atresmedia's continuing relationship with the SGAE as to settlements for 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 directors 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, so the risk of a conviction for the Company is considered remote.

14. Financial instruments

The Group's financial assets and liabilities at 31 December 2020 are as follows:

Thousands of euros	Categories: Measured at amortised cost	Measured at fair value through profit or loss	Measured at fair value Hedging instruments	Fair value level: Level 1 (market prices)	Level 2 (estimates based on other observable market data)	Level 3 (estimates not based on other observable market data)	Carrying amount at 31/12/20
Equity instruments	-	31,303	-	-	-	31,303	31,303
Non-current loans	3,651	-	-	-	-	-	3,651
Guarantees and deposits	316	-	-	-	-	-	316
Non-current financial assets	**3,967**	**31,303**	-	-	-	**31,303**	**35,270**
Derivatives (Note 14.c)	-	-	-	-	-	-	-
Total non-current financial assets	**3,967**	**31,303**	-	-	-	**31,303**	**35,270**
Trade receivables	**244,955**	-	-	-	-	-	**244,955**
Investments	-	215	-	-	-	215	215
Loans and other receivables	9,782	-	-	-	-	-	9,782
Guarantees and deposits	3,073	-	-	-	-	-	3,073
Other current financial assets	**12,855**	**215**	-	-	-	**215**	**13,070**
Derivatives (Note 14.c)	-	-	**1,726**	-	**1,726**	-	**1,726**
Cash and cash equivalents	**172,792**	-	-	-	-	-	**172,792**
Total current financial assets	**430,602**	**215**	**1,726**	-	**1,726**	**215**	**432,543**
Bonds and debentures	**162,986**	-	-	-	-	-	**162,986**
Bank borrowings (Note 14.b)	**69,463**	-	-	-	-	-	**69,463**
Derivatives (Note 14.c)	-	-	13,383	-	13,383	-	13,383
Loans and other payables	**178**	7,527	-	-	-	7,527	7,705
Other financial liabilities	**178**	**7,527**	-	-	-	**7,527**	**7,705**
Total non-current financial liabilities	**232,627**	**7,527**	**13,383**	-	**13,383**	**7,527**	**253,537**
Bonds and debentures	**3,771**	-	-	-	-	-	**3,771**
Bank borrowings (Note 14.b)	**36,240**	-	-	-	-	-	**36,240**
Derivatives (Note 14.c)	-	-	**835**	-	**835**	-	**835**
Loans and other payables	39	-	-	-	-	-	39
Other financial liabilities	**39**	-	-	-	-	-	**39**
Payable to suppliers	**356,318**	-	-	-	-	-	**356,318**
Advances from customers	**1,738**	-	-	-	-	-	**1,738**
Other current liabilities	**15,171**	-	-	-	-	-	**15,171**
Total current financial liabilities	**413,277**	-	**835**	-	**835**	-	**414,112**

"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., Fintonic Servicios Financieros, S.L., JobToday, S.A. and Bady App2015 S.L., which represent a combined 66% of the total investment made.

The Group measured the fair value of its equity investments as explained in Note 3.f and taking into account COVID-19-related changes in economic conditions, recognising impairment where applicable under "Impairment and gains/(losses) on disposals of financial assets" in the consolidated statement of profit or loss. At 31 December 2020, an impairment loss of EUR 1,402 thousand was recognised. In 2020, gains on disposals of financial assets amounting to EUR 1,982 thousand were included under this item. At 31 December 2019, the Group recognised impairment losses and gains on disposals of financial assets of EUR 427 thousand.

Loans and other receivables includes mainly short- and long-term loans with associates bearing interest at a fixed annual market rate.

The Group's financial assets and liabilities at 31 December 2019 are as follows:

Thousands of euros	Categories			Fair value level			Carrying amount at 31/12/19
	Measured at amortised cost	Measured at fair value through profit or loss	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	-	33,957	-	-	-	33,957	33,957
Non-current loans	461	-	-	-	-	-	461
Guarantees and deposits	353	-	-	-	-	-	353
Non-current financial assets	**814**	**33,957**	**-**	**-**	**-**	**33,957**	**34,771**
Derivatives (Note 14.c)	**-**	**-**	**15,057**	**-**	**15,057**	**-**	**15,057**
Total non-current financial assets	**814**	**33,957**	**15,057**	**-**	**15,057**	**33,957**	**49,828**
Trade receivables	**238,506**	**-**	**-**	**-**	**-**	**-**	**238,506**
Investments	-	2,415	-	-	-	2,415	2,415
Loans and other receivables	14,064	-	-	-	-	-	14,064
Guarantees and deposits	3,063	-	-	-	-	-	3,063
Other current financial assets	**17,127**	**2,415**	**-**	**-**	**-**	**2,415**	**19,542**
Derivatives (Note 14.c)	**-**	**-**	**3,814**	**-**	**3,814**	**-**	**3,814**
Cash and cash equivalents	**85,831**	**-**	**-**	**-**	**-**	**-**	**85,831**
Total current financial assets	**341,464**	**2,415**	**3,814**	**-**	**3,814**	**2,415**	**347,692**
Bonds and debentures	**178,030**	**-**	**-**	**-**	**-**	**-**	**178,030**
Bank borrowings (Note 14.b)	**103,516**	**-**	**-**	**-**	**-**	**-**	**103,516**
Derivatives (Note 14.c)	-	-	1,273	-	1,273	-	1,273
Loans and other payables	**17**	2,412	-	-	-	2,412	2,429
Other financial liabilities	**17**	**2,412**	**-**	**-**	**-**	**2,412**	**2,428**
Total non-current financial liabilities	**281,563**	**2,412**	**1,273**	**-**	**1,273**	**2,412**	**285,248**
Bonds and debentures	**4,046**	**-**	**-**	**-**	**-**	**-**	**4,046**
Bank borrowings (Note 14.b)	**8,676**	**-**	**-**	**-**	**-**	**-**	**8,676**
Derivatives (Note 14.c)	**-**	**-**	**151**	**-**	**151**	**-**	**151**
Loans and other payables	44	-	-	-	-	-	44
Other financial liabilities	**44**	**-**	**-**	**-**	**-**	**-**	**44**
Payable to suppliers	**337,556**	**-**	**-**	**-**	**-**	**-**	**337,556**
Advances from customers	**2,174**	**-**	**-**	**-**	**-**	**-**	**2,174**
Other current liabilities	**17,998**	**-**	**-**	**-**	**-**	**-**	**17,998**
Total current financial liabilities	**370,494**	**-**	**151**	**-**	**151**	**-**	**370,646**

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.

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 14.c).

b) Loans and credit facilities

On 26 July 2017, the Parent arranged a new syndicated loan with an initial limit of EUR 350,000 thousand, which was earmarked to repay the syndicated financing arranged in May 2015 and to meet the Company's general corporate and cash requirements. Eight banks with which the Company has regular dealings participated in the transaction.

Of the total amount, 50% is a five-year loan, with partial repayments, and 50% a revolving credit facility maturing at five years. At 31 December 2020, the limit was EUR 280,000 thousand, with no drawdown of the credit tranche.

The applicable interest rate is Euribor plus a market spread and the transaction is subject to compliance with financial covenants habitually used in transactions of this kind: the debt to EBITDA ratio and the interest coverage ratio. The Parent's directors expect the covenants to be complied with at 31 December 2020.

The fair value of this financing approximates its carrying amount. At the date the transaction was arranged, the risk of changes in interest rates was hedged with a fixed interest-rate swap for an amount equal to 90% of the loan tranche (see Note 14-c).

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

Bank borrowings at 31 December 2020 and 2019:

	2020			2019		
Thousands of euros	**Limit**	**Current balance drawn down**	**Non-current balance drawn down**	**Limit**	**Current balance drawn down**	**Non-current balance drawn down**
Syndicated financing	280,000	35,000	69,085	280,000		103,475
Credit facilities	92,450	114	378	94,000	7,952	41
Interest payable	-	1,126	-	-	724	-
Total	**372,450**	**36,240**	**69,463**	**374,000**	**8,676**	**103,516**

Breakdown by maturity of financial liabilities relating to financing activities in 2020 and 2019:

Thousands of euros	**2022**	**2023**	**2024**	**2025**	**Total**
Bonds and debentures	-	61,120	-	101,866	162,986
Syndicated financing	69,085	-	-	-	69,085
Bank borrowings	143	88	89	58	378
Total at 31/12/20	**69,228**	**61,208**	**89**	**101,924**	**232,449**

Thousands of euros	**2021**	**2022**	**2023**	**2024**	**2025**	**Total**
Bonds and debentures	-	-	66,761	-	111,269	178,030
Syndicated financing	35,000	68,475	-	-	-	103,475
Total at 31/12/19	**35,000**	**68,475**	**66,761**	**-**	**111,269**	**281,505**

Reconciliation between the change in financial liabilities related to financing activities and the related cash flows in 2020 and 2019:

Thousands of euros	Balance at 31/12/19	Additions/Receipts		Disposals/ Payments	Translation differences	Changes in fair value	Other changes	Balance at 31/12/20
		Principal	Interest					
Bonds and debentures	182,076	-	3,815	(3,815)	(15,319)	-	-	166,757
Derivatives, net	(15,428)	17,034	-	-	-	15,319	198	17,123
Bank borrowings	112,192	27,901	-	(35,000)	-	-	610	105,703
Total	**278,840**	**44,935**	**3,815**	**(38,815)**	**(15,319)**	**15,319**	**808**	**289,583**

Thousands of euros	Balance at 31/12/18	Additions/Receipts		Disposals/ Payments	Translation differences	Changes in fair value	Other changes	Balance at 31/12/19
		Principal	Interest					
Bonds and debentures	174,694	-	3,717	(3,717)	7,382	-	-	182,076
Derivatives, net	(8,046)	-	-	-	-	(7,382)	-	(15,428)
Bank borrowings	149,889	-	-	(38,307)	-	-	610	112,192
Total	**316,537**	**-**	**3,717**	**(42,024)**	**7,382**	**(7,382)**	**610**	**278,840**

c) Derivative financial instruments

Foreign currency hedges

The Group 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 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.

At 31 December 2020, the Group had entered into hedging instruments on its foreign currency asset and liability positions amounting to USD 33,072 thousand, at a weighted average exchange rate of 1.1880 (EUR/USD). Hedging instruments at 31 December 2019 amounted to USD 69,796 thousand, at a weighted average exchange rate of 1.1802 (EUR/USD).

Total amounts of the outstanding forward currency purchase contracts entered into by the Group at year-end 2020 and 2019:

Fair value (thousands of euros)

2020	Classification	Type	Maturity	Amount contracted (thousand euros)	Ineffective portion recognised in profit or loss (thousands of euros)	Assets	Liabilities
Currency forwards	Foreign currency hedge	Purchase of USD	2021	19,566	-	17	835
Currency forwards	Foreign currency hedge	Purchase of USD	2022	7,096	-	-	247
Currency forwards	Foreign currency hedge	Purchase of USD	2023	1,177	-	-	26
Total				**27,839**	**-**	**17**	**1,108**

Fair value (thousands of euros)

2019	Classification	Type	Maturity	Amount contracted (thousand euros)	Ineffective portion recognised in profit or loss (thousands of euros)	Assets	Liabilities
Currency forwards	Foreign currency hedge	Purchase of USD	2020	36,588	-	1,632	151
Currency forwards	Foreign currency hedge	Purchase of USD	2021	10,141	-	199	83
Currency forwards	Foreign currency hedge	Purchase of USD	2022	1,551	-	28	14
Total				**48,280**	**-**	**1,859**	**248**

At 31 December 2020, 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 17 thousand and a financial liability of EUR 1,108 thousand (2019: asset of EUR 1,859 thousand and liability of EUR 248 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 2,129 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 EUR 1,757 thousand.

For derivatives whose underlying was not effective at the closing date, the net impact recognised in equity amounted to EUR 1,060 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 2020, the swap points (offer/bid), the interest rates prevailing at the measurement date and the credit risk.

The Group 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 +/-2.4 million for hedges whose underlying is in force at year-end, and changes of EUR +/-0.3 million for hedges whose underlying is not yet in force and therefore affect equity. Appreciations in the USD/EUR exchange rate give rise to increases in value, and depreciations 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 +/-2.1 million, and would be sufficiently offset by the changes in the value of the derivatives entered into.

In 2019, changes of +/-10% in the exchange rate prevailing at year-end would give rise to changes in fair value within a range of EUR +/-5.1 million for hedges whose underlying was in force at year-end and changes of EUR +/-0.8 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

In July 2017, the Parent entered into interest rate swaps (IRS) in order to fix the finance cost arising from the variable rates applicable to each of the tranches of the syndicated financing arranged at that date. These IRSs expire in July 2022 and the hedged amount is EUR 105,000 thousand, with an average weighted fixed interest rate of 0.466%. Their fair value at 31 December 2020 was EUR 731 thousand, recognised as a non-current financial liability. The fair value of the IRSs at 31 December 2019 related to the syndicated financing arranged at the date was recognised as a financial liability, for EUR 1,176 thousand.

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. 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. This derivative would be included in Level 2.

Cross currency swaps

As indicated in Note 14.a, on 11 July 2018, the Group 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 2020 the fair value of the derivative related to the bond issue was less than EUR 10,669 thousand, of which EUR 1,709 thousand was recognised in derivative financial instruments in current assets and EUR 12,378 thousand under derivative financial instruments under non-current liabilities. Changes in value of the underlying bonds and debentures and their interest offset by the related derivative financial instrument amounted to EUR 17,123 thousand at 31 December 2020. At 31 December 2019, the fair value amounted to EUR 17,012 thousand, EUR 14,830 thousand recognised as derivatives under non-current assets and EUR 2,182 thousand under current assets.

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 2017, 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 COVID-19-related impact on credit risk that could affect the measurement of the hedging instrument.

15. Trade and other payables

Trade and other payables in the consolidated balance sheets at 31 December 2020 and 2019:

Thousands of euros	2020	2019
Payable to suppliers	347,325	334,782
Payable to associates and related parties (Note 22)	8,993	2,774
Total payables to suppliers	**356,318**	**337,556**
Other tax payable (Note 21.d)	16,507	23,455
Other non-trade payables	17,087	18,589
Advances from customers	1,738	2,174
Total other payables	**35,332**	**44,218**

“Payables to suppliers” included EUR 66,966 thousand (2019: EUR 44,331 thousand) of payables to suppliers through reverse factoring agreements with banks.

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 2020 and 2019:

2020 Thousands of euros	2021	2022	2023	Total
Foreign currency payables to suppliers	18,222	3,014	643	**21,879**

2019 Thousands of euros	2020	2021	2022	Total
Foreign currency payables to suppliers	32,020	6,613	2,793	**41,426**

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.

At 31 December 2020, the balance of non-current liabilities, of EUR 15,171 thousand (2019: EUR 17,998 thousand), related mainly to advance payments obtained on audiovisual productions in progress.

The following table presents the disclosures required by Additional Provision Three of 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 Audit 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.

	2020	2019
	Days	**Days**
Average supplier payment period	50	58
Ratio of transactions paid	59	62
Ratio of transactions outstanding	15	39
	Thousands of euros	**Thousands of euros**
Total payments made	568,198	620,136
Total payments outstanding	134,900	133,531

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 - Payable to associates and related parties" under current liabilities in the consolidated 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.

16. Other guarantee commitments to third parties

At 31 December 2020, the Group had provided bank guarantees to third parties amounting to EUR 24,328 thousand (2019: EUR 30,445 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 2020 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 2020 was 6.16% (2019: 7.63%).

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 2020, a 100 basis point increase or decrease in the average interest rate on the debt would result in a +/- EUR 1.0 million change in the interest on the borrowings at that date (2019: +/- EUR 1.9 million). To mitigate this risk, the Parent has entered into interest rate swaps (IRSs) to reduce its exposure to variable rates (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).

18. Revenue and expenses

a) Revenue

Group revenue in 2020 and 2019 by business line:

Thousands of euros	2020	2019
Advertising sales	713,510	886,310
Other sales	95,525	142,982
Trade and other discounts	(9,919)	(50,599)
Total	**799,116**	**978,693**

The fall in revenue from 2019 was due to the pandemic, which caused the advertising market to suffer its steepest falls ever from mid-March to summer.

In 2020, 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%-11% and representing a combined 31% of total advertising sales.

In 2019, transactions equal to or greater than 10% of total operating income were conducted with two customers -media buyers grouping together advertising orders of various advertisers- with individual shares of 11-12% and representing a combined 35% of total advertising sales.

Geographical breakdown of Group revenue in 2020 and 2019:

Thousands of euros	2020	2019
Spain	755,149	927,294
International market	43,967	51,399
A) European Union	17,551	14,737
a) Euro area	14,271	12,132
b) Non-euro area	3,280	2,605
B) Other	26,416	36,662
Total	**799,116**	**978,693**

"Other operating income" in the consolidated statement of profit or loss for the year ended 31 December 2020 amounted to EUR 67,184 thousand (2019: EUR 60,713 thousand) and included sales made by the Group that do not form part of its core business. The most important was income from the sale of broadcasting rights and the commercial exploitation of online content.

b) Programme amortisation and other procurements

Programme amortisation and other procurements in 2020 and 2019:

Thousands of euros	2020	2019
External production services	202,043	254,236
Broadcasting of in-house productions	260,439	257,162
Programme broadcasting rights	143,666	201,448
Live broadcasting rights	87	268
Performances and contributions of entertainers	24,140	21,742
Other amortisation	8,010	13,202
Other procurements	17,736	17,690
Addition to programme rights	(262,320)	(294,984)
Total	**393,801**	**470,764**

"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) Staff costs

Staff costs in 2020 and 2019:

Thousands of euros	2020	2019
Wages and salaries	128,257	130,658
Social Security costs	29,402	27,826
Other employee benefits expense	39,918	3,257
Total	**197,577**	**161,741**

The increase in "Other employee benefits expense" in 2020 was caused by the recognition of a provision for employee remuneration for the 2020 Plan (see Note 13).

In 2020, the Group had an average of 2,571 employees (2019: 2,464), broken down by gender and professional category as follows:

	2020		2019	
Professional category	**Female**	**Male**	**Female**	**Male**
Senior management	1	10	1	13
Managers	87	169	84	161
Technicians	884	887	845	853
Administrative	127	24	132	25
Other	224	158	207	143
Total	**1,323**	**1,248**	**1,269**	**1,195**

At year-end 2020, the Group had a total of 2,485 employees (2019: 2,525), broken down by gender and professional category as follows:

	2020		2019	
Professional category	**Female**	**Male**	**Female**	**Male**
Senior management	1	10	1	13
Managers	85	157	84	162
Technicians	882	846	864	868
Administrative	126	27	133	23
Other	206	145	232	155
Total	**1,300**	**1,185**	**1,314**	**1,221**

Data for senior management are obtained based on the criteria for the preparation of the Annual Corporate Governance Report. Senior management comprises three directors (all men).

Average number of employees in 2020 and 2019 with a disability of more than 33% by professional category:

Professional category	2020	2019
Managers	3	4
Technicians	18	19
Administrative	14	13
Other	8	8
Total	**43**	**44**

d) Other operating expenses

Breakdown of other operating expenses in the consolidated statement of profit or loss:

Thousands of euros	2020	2019
Operating leases and royalties	28,872	29,954
Subcontracted work	47,976	45,751
Copyrights	39,970	47,410
Communications	38,581	46,181
Advertising and publicity	6,139	6,501
Other overheads	39,122	47,159
Total	**200,660**	**222,956**

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 disclosures

Fees for financial audit and other professional services in 2020 and 2019 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 thousands of euros):

	Audit of financial statements	Other accounting assurance services	Tax advisory services	Other services
2020	253	54	-	-
2019	210	43	-	-

Other accounting assurance services entail the limited review report of the summarised interim consolidated financial statements as at 30 June 2020, the limited review report of the financial statements of Atresmedia Capital., S.L.U. as at 31 May 2020, reports of agreed-upon procedures on 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 2020 and 2019.

Other KPMG International affiliates invoiced the Group for fees and professional audit service expenses in the year ended 31 December 2020 amounting to EUR 57 thousand (2019: EUR 21 thousand).

Other auditors also provided audit services in 2020 amounting to EUR 7 thousand (2019: EUR 0).

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 gains/(losses)

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 hedges and IRSs disclosed in Note 14.

Net gain/(loss) on changes in fair value in 2020 and 2019 by item:

Thousands of euros	2020	2019
Hedging instruments (Note 14)	(2,129)	(280)
Other non-current financial assets	278	634
Other non-current liabilities	-	-
Total	**(1,851)**	**354**

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) Financial loss

This item in the consolidated statement of profit or loss for 2020 includes mainly the interest expense on bank borrowings and interest on bonds and debentures. Finance costs in the year ended 31 December 2020 amounted to EUR 9,742 thousand and finance income to EUR 3,844 thousand (2019: EUR 11,368 thousand and EUR 4,043 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 2020 related mainly to the recognition of impairment losses on equity instruments amounting to EUR 1,965 thousand and gains on disposals of these instruments of EUR 1,982 thousand.

The balance at 31 December 2019 related mainly to the adjustment to fair value of non-current investments, of EUR 1,765 thousand, and the losses on the disposal of these instruments, of EUR 2,192 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 2020 and 2019:

Thousands of euros	2020	2019
REVENUE		
Audiovisual	**807,925**	**965,082**
Television advertising	660,317	781,503
Digital advertising	51,229	47,856
Production and distribution of content	75,041	96,412
Other income	21,338	39,311
Radio	**67,023**	**83,135**
Inter-segment eliminations	(8,648)	(8,811)
TOTAL REVENUE	**866,300**	**1,039,406**

Thousands of euros	Audiovisual		Radio		Adjustments and inter-segment eliminations		Atresmedia Group consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenue	807,925	965,082	67,023	83,135	(8,648)	(8,811)	866,300	1,039,406
Operating expenses	736,058	798,379	64,628	65,893	(8,648)	(8,811)	792,038	855,461
GROSS PROFIT FROM OPERATIONS	**71,867**	**166,703**	**2,395**	**17,242**	**-**	**-**	**74,262**	**183,945**
Amortisation and depreciation, impairment and gains/(losses) on disposal of non-current assets	16,387	16,735	2,592	2,804	15,150	-	34,129	19,539
PROFIT FROM OPERATIONS	**55,480**	**149,968**	**(197)**	**14,438**	**(15,150)**	**-**	**40,133**	**164,406**

Thousands of euros	Audiovisual		Radio		Adjustments and inter-segment eliminations		Atresmedia Group consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019
Investments accounted for using the equity method	264	204	-	-	-	-	264	204
Fixed assets	131,056	155,047	28,114	13,113	-	-	159,170	168,160
Total allocable assets	1,142,493	1,143,882	186,692	147,005	(10,240)	(8,439)	1,318,945	1,282,448
Total allocable liabilities	816,453	820,218	50,412	43,653	(14,205)	(19,583)	852,660	844,288

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 the Spanish subsidiaries 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).

The Group's other subsidiaries file individual tax returns in accordance with applicable tax legislation in each country.

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.

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 Spanish Companies Act. The date from which the transactions of the absorbed companies are 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 14,216 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. is 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 2020 was EUR 61,288 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 41,680 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 elected to avail 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 will be amortised for accounting purposes over 20 years, while the licence is considered to have an indefinite useful life. Pursuant to Spanish Audit Law 22/2015, of 20 July, from 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 National Chart of Accounts.

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 403 thousand at 31 December 2020.

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 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 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 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 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 of the special merger regime provided for in Title VII, Chapter VII of the Spanish Income Tax Law 27/2014.

b) Reconciliation of accounting profit and tax expense

Reconciliation of accounting profit and income tax expense:

Thousands of euros	2020	2019
Consolidated profit before tax	**33,776**	**156,794**
Permanent differences	6,214	(20,353)
Tax losses incurred prior to the formation of the tax group recognised in 2020	-	-
Adjusted profit/(loss)	**39,990**	**136,441**
Tax rate	25.00%	25.00%
Adjusted profit multiplied by tax rate	9,998	34,110
Tax credits	(3,602)	(627)
Current income tax expense	6,396	33,483
Deferred tax expense	3,666	6,061
Income tax adjustments	(68)	(696)
Total tax expense	**9,994**	**38,848**
Effective tax rate	**29.59%**	**24.78%**

Permanent differences in 2020 included mainly gains on bargain purchases (EUR 1,095 thousand), non-deductible impairment losses on equity instruments (EUR 4,471 thousand), penalties and other non-deductible expenses (EUR 1,651 thousand), donations (EUR 1,729 thousand) and negative amounts for double taxation (EUR 542 thousand).

The gains on bargain purchases arose from the share of profit/(loss) of companies accounted for using the equity method (+EUR 383 thousand), increased amortisation of the trademark under IFRSs (+EUR 554 thousand), accounting elimination differences (-EUR 2,506) and the recognition of goodwill amortisation (+EUR 15,150 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 give rise to positive differences of EUR 5,850 thousand and EUR 15 thousand, respectively. Lastly, there are positive adjustments for differences in the scope of consolidation, for EUR 527 thousand.

In 2020, the Group earned tax credits for investment in audiovisual production amounting to EUR 3,000 thousand and for donations to non-profit entities amounting to EUR 602 thousand. The EUR 3,000 thousand tax credit is for foreign productions under article 36.2 of the Spanish Income Tax Law. Under article 39.2 of that Law, this can be utilised in the current financial year without applying the general limits.

The differences between the estimate made at year-end 2019 and the tax return effectively filed gave rise to income tax adjustments of EUR 68 thousand (negative).

The deferred tax expense relates to the tax effect of the deferred tax assets and liabilities under IFRSs (see Note 21.e).

c) Reconciliation of accounting profit and taxable income

Reconciliation of accounting profit and profit for income tax purposes for 2020 and 2019:

Thousands of euros	2020	2019
Accounting profit after tax	**23,782**	**117,946**
Income tax	9,994	38,848
Permanent differences	4,822	(21,181)
Temporary differences	53,289	826
Offset of prior years' tax losses	(22,842)	(26,519)
Taxable income	**69,045**	**109,921**
Tax rate	25.00%	25.00%
Gross tax payable	17,261	27,480
Tax credits taken in the year	(13,275)	(15,561)
Tax prepayments in the year	(15,575)	(27,395)
Tax payable (refundable)	**(11,589)**	**(15,476)**

The temporary differences include additions of EUR 87,778 thousand and reductions of EUR 34,489 thousand (see Note 21.e).

Additions include deferred tax assets of EUR 65,865 thousand and deferred tax liabilities of EUR 21,913 thousand, while reductions include EUR 6,501 thousand to deferred tax assets, EUR 9,028 thousand in relation to the tax losses of an economic interest grouping (EIG), and EUR 18,960 thousand of deferred tax liabilities.

In 2020, the Group acquired 99.9% stakes in two EIGs, "BAUMAN INVESTIGACIONES AIE" and "MASCA SCIENCE AIE", for EUR 3,499 thousand.

The particular taxation of EIGs gave rise at year-end of deferred tax assets of EUR 5,231 thousand for the Group, cancelling the financial investment.

Of the EUR 5,231 thousand of financial assets passed on by the EIGs to the Group, EUR 2,257 thousand related to tax losses (EUR 9,028 thousand tax base) and EUR 2,974 thousand are deductions for research and development (see Note 21.e).

The difference between the derecognition of the investment and the addition of deferred tax assets gave rise to finance income of EUR 1,734 thousand.

The tax losses were recognised directly in 2020, with the Group making a negative adjustment to taxable income of EUR 9,028 thousand.

Of the EUR 13,275 thousand of tax credits taken in the year, EUR 7,799 thousand were deductions for audiovisual production, EUR 3,000 thousand for film production (see Note 21.b), EUR 1,665 thousand for international double taxation, EUR 602 thousand for donations to not-for-profit entities, EUR 167 thousand for R&D&I and EUR 42 thousand for the 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 2020 and 2019:

Thousands of euros	2020	2019
NON-CURRENT ASSETS		
Deferred tax assets (Note 20-e)	30,141	16,917
Unused tax losses	69,666	75,296
Unused tax credits and tax relief	104,504	109,314
	204,311	**201,527**
CURRENT ASSETS		
2020 income tax refundable	11,589	15,477
2019 income tax refundable	15,308	3,407
Other tax receivables	757	573
VAT refundable	3,892	3,299
	31,546	**22,756**
Total tax receivables	**235,858**	**224,283**
OTHER NON-CURRENT LIABILITIES		
Deferred tax liabilities (Note 20-e)	**34,618**	**32,183**
CURRENT LIABILITIES		
Tax withholdings payable	4,436	7,561
Social security payable	2,807	2,902
VAT payable	8,616	12,667
Other tax payables	648	326
	16,507	**23,455**
Total tax payables	**51,125**	**55,638**

Based on the timing of future profits estimated by the Parent's directors for the offset and use of these tax items, only EUR 18,606 thousand were considered to be recoverable in the tax return for the coming year, EUR 1,916 thousand of which relate to deferred taxes, EUR 9,714 thousand to unused tax credits and tax relief and EUR 6,976 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	Thousands of euros						
	2019	Additions	Disposals	Other	IFRS adjustments	Additions	2020
Contingencies and charges	13,663	3,715	891	(166)	-	40	16,360
Payables	800	5,493	339	-	-	-	5,954
Hedging instruments	(589)	-	1,257	-	-	-	(1,846)
Tax effect of assets at fair value	346	-	-	-	(76)	-	270
Other	2,697	11,009	395	(157)	(3,750)	-	9,404
Total	**16,917**	**20,217**	**2,882**	**(324)**	**(3,826)**	**40**	**30,141**

The detail for 2019 is as follows:

CHANGES IN DEFERRED TAX ASSETS	Thousands of euros						
	2018	Additions	Disposals	Other	IFRS adjustments	Additions	2019
Contingencies and charges	12,662	1,040	2,180	1,632	-	509	13,663
Payables	821	-	21	-	-	-	800
Hedging instruments	(168)	-	421	-	-	-	(589)
Tax effect of assets at fair value	376	-	-	-	(30)	-	346
Other	2,953	4,025	732	201	(3,750)	-	2,697
Total	**16,644**	**5,066**	**3,354**	**1,832**	**(3,781)**	**509**	**16,917**

The changes in deferred tax assets recognised in "Other" include mainly the difference between the estimated tax for 2016 and the tax return actually filed with the taxation authorities. Additions include deferred tax assets generated by the Group's foreign subsidiaries in accordance with the various tax regulations.

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 2020, the Group had EUR 134,669 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 104,467 thousand.

Limit	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Amount	12,936	12,482	15,758	15,108	14,691	13,474	13,136	18,894	18,190	**134,669**

In 2020, the Group acquired 99.9% interests in the EIGs "Bauman Investigaciones AIE" and "Masca Science AIE" (see Note 21.c). The EIGs carried out research and development activities in 2020 that gave rise to tax credits under article 35.1 of the Spanish Income Tax Law.

In view of the particular nature of income taxation of EIGs (including the recognition of tax credits and tax losses to the partners), in 2020 the Group recognised a credit for R&D expenditure amounting to EUR 2,974 thousand.

Changes in deferred tax liabilities in 2020:

DEFERRED TAX LIABILITIES **Thousands of euros**	**Balance at 31/12/19**	**Additions**	**Disposals**	**IFRS adjustments**	**Other**	**Additions**	**Balance at 31/12/20**
Recognition of intangible assets at fair value	26,466	-	3,405	1,517	(14)	(277)	24,287
Government grants	171	-	126	-	-	-	45
Payables	-	3,539	-	-	-	-	3,539
Amortisation of merger goodwill	5,546	1,201	-	-	-	-	6,747
Total	**32,183**	**4,740**	**3,531**	**1,517**	**(14)**	**(277)**	**34,618**

Changes in deferred tax liabilities in 2019:

DEFERRED TAX LIABILITIES **Thousands of euros**	**Balance at 31/12/18**	**Additions**	**Disposals**	**IFRS adjustments**	**Additions**	**Balance at 31/12/19**
Recognition of intangible assets at fair value	25,568	902	1,853	1,517	332	26,466
Government grants	363	-	192	-	-	171
Amortisation of merger goodwill	4,345	1,201	-	-	-	5,546
Total	**30,276**	**2,103**	**2,045**	**1,517**	**332**	**32,183**

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 National Chart of Accounts, 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).

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

- The tax loss carryforwards arose in the business combination with la Sexta, which had losses before being absorbed by the Atresmedia Group.
- The Atresmedia Group has a history of recurring profits thanks to its stable customer portfolio, even after absorbing the loss-making La Sexta and despite the impact of COVID-19 on the Group in 2020.
- 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. However, management assessed the recoverability of deferred tax assets, recognising those it expects to recover within seven years from 31 December 2020. It considered this to be the most appropriate period, given the uncertainties inherent in forecasts for longer periods. Law 11/2020, of 30 December, of the state budget for 2021 introduced amendments to article 39.1 of the income tax law regarding the utilisation of credits, increasing the limit of 25% in place until 31/12/2020 to 50% for tax periods beginning in or after 2021. As a result of the amendments, the Group considers that the deferred tax assets recognised will be recovered in full within that period.

It assessed potential trends in the advertising market in the coming years based on the forecasts for the Spanish economy published by Banco de España in December 2020 (see section 2 of Note 2.b). The different scenarios considered 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 2020 and 2019 the Group recognised the following amounts in consolidated equity:

Thousands of euros	2020	2019
Hedging instruments	(1,257)	(421)
Total	**(1,257)**	**(421)**

g) Other information

At 31 December 2020, the Group had recognised EUR 69,666 thousand of unused tax losses from prior years, as detailed below. All unused tax losses of Atresmedia Corporation (EUR 132,818 thousand) are transferred to the company from the absorbed company, Gestora de Inversiones Audiovisuales La Sexta, 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.

Tax loss carryforwards

Thousands of euros

Year generated	Unused at 31/12/19	Deducted in the year	Other	Unused at 31/12/20
2006	2,729	(2,772)	43	-
2007	37,654	(2,938)	-	34,716
2008	31,918	-	-	31,918
2009	28,965	-	-	28,965
2010	8,379	-	-	8,379
2011	15,475	-	-	15,475
2012	12,909	-	-	12,909
2013	423	-	-	423
2014	6	-	-	6
2015	20	-	-	20
2016	7	-	-	7
	138,485	**(5,710)**	**43**	**132,818**

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

The Group is open to inspection for non-resident income tax from 2018 and for the rest of the taxes applicable to it from 2016.

The Parent'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.

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 31/12/20	Thousands of euros				
	Trade receivables (Note 11)	Current trade payables (Note 15)	Other non-current receivables	Other current receivables	Other non-current payables
Group companies and associates:					
Atres Hub Factory, S.L.	-	-	-	159	-
Aunia Publicidad Interactiva, S.L.	-	-	-	-	-
Fundación Atresmedia	-	-	-	-	-
Hola Televisión América, S.L.	376	-	-	4,400	-
Hola TV US, LLC	1,007	112	-	-	-
UTE Uniprex TV y WinWin	-	-	-	-	-
Total group companies and associates:	**1,383**	**112**	**-**	**4,559**	**-**
Joint ventures:					
Buendía Estudios, S.L.	-	75	1,023	-	-
Total joint ventures	**-**	**75**	**1,023**	**-**	**-**
Other related parties					
Planeta - De Agostini Group	391	2,223	-	-	-
RTL Group	1,829	6,583	-	-	-
Total other related parties	**2,220**	**8,806**	**-**	**-**	**-**

Balance at 31/12/19	Thousands of euros				
	Trade receivables (Note 11)	Current trade payables (Note 15)	Other non-current receivables	Other current receivables	Other non-current payables
Group companies and associates:					
Atres Hub Factory, S.L.	-	-	-	97	-
Aunia Publicidad Interactiva, S.L.	-	36	-	-	-
Fundación Atresmedia	37	-	-	168	-
Hola Televisión América, S.L.	364	-	-	3,554	-
Hola TV US, LLC	802	114	-	-	-
UTE Uniprex TV y WinWin	22	-	-	-	-
Total group companies and associates:	**1,225**	**150**	**-**	**3,819**	**-**
Other related parties					
Planeta - De Agostini Group	900	2,291	-	-	-
RTL Group	1,206	333	-	-	-
Total other related parties	**2,106**	**2,624**	**-**	**-**	**-**

Transactions at 31/12/20	Thousands of euros					
	Income from rendering of services	Purchase of inventories	Leases	Receipt of services	Finance income	Finance costs
Group companies and associates:						
Aunia Publicidad Interactiva, S.L.	36	-	-	-	-	-
Fundación Atresmedia	30	-	-	-	-	-
Hola TV América, S.L.	-	-	-	-	266	-
Hola TV US, LLC	409	-	-	1,353	-	-
Total group companies and associates:	**493**	**-**	**-**	**1,353**	**266**	**-**
Joint ventures:						
Buendía Estudios, S.L.	-	-	-	115	-	-
Total joint ventures	**-**	**-**	**-**	**115**	**-**	**-**
Other related parties						
Planeta - De Agostini Group	1,853	1,184	-	2,981	-	-
RTL Group	7,908	-	-	6,652	-	-
Total other related parties	**9,761**	**1,184**	**-**	**9,633**	**-**	**-**

In addition to these transactions, the Group sold and purchased advertising space to and from related companies in 2020 amounting to EUR 2,388 thousand and EUR 1,354 thousand, respectively, through advertising agencies.

Transactions at 31/12/19	Thousands of euros					
	Income from rendering of services	Purchase of inventories	Leases	Receipt of services	Finance income	Finance costs
Group companies and associates:						
Aunia Publicidad Interactiva, S.L.	116	-	-	-	2	-
Fundación Atresmedia	28	-	-	90	-	-
Hola TV América, S.L.	-	-	-	-	254	-
Hola TV US, LLC	362	-	-	963	-	-
Total group companies and associates:	**506**	**-**	**-**	**1,053**	**256**	**-**
Other related parties						
Imagina Group	126,070	45	215	43,346	-	1
Planeta - De Agostini Group	1,473	3,402	-	2,085	-	-
RTL Group	6,873	90	-	1,364	-	-
Total other related parties	**134,416**	**3,537**	**215**	**46,795**	**-**	**1**

In addition to these transactions, the Group sold and purchased advertising space to and from related companies in 2019 amounting to EUR 2,486 thousand and EUR 1,381 thousand, respectively, through advertising agencies.

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 24) were considered to be outstanding shares for the purposes of diluted earnings per share.

Accordingly:

	2020	2019
Profit for the period attributable to the Parent (thousands of euros)	23,853	118,025
Weighted average number of ordinary shares outstanding (thousands of shares)	225,160	225,021
Basic earnings per share (euros)	**0.106**	**0.525**

	2020	2019
Profit for the period attributable to the Parent (thousands of euros)	23,853	118,025
Weighted average number of shares outstanding for the purposes of diluted earnings per share (thousands of shares)	225,733	225,178
Diluted earnings per share (euros)	**0.106**	**0.524**

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 thousands of euros):

	2020
To voluntary reserves	35,647
Total	**35,647**

25. Remuneration and other benefits earned by the members of the Board of Directors of the Parent and senior management

The remuneration earned in 2020 by the current and former members of the Parent's Board of Directors (composed at 31 December 2020 and 2019 of four women and eight men) in the form of salaries, attendance fees and life insurance premiums amounted to EUR 3,520 thousand, EUR 648 thousand and EUR 12 thousand, respectively (2019: EUR 4,733 thousand, EUR 770 thousand and EUR 10 thousand, respectively).

Salaries and life insurance premiums paid to members of senior management who are not directors in 2020 amounted to EUR 3,465 thousand and EUR 18 thousand, respectively (2019: EUR 5,215 thousand and EUR 21 thousand, respectively).

The third-party liability insurance taken out for Atresmedia Group directors and managers in 2020 amounted to EUR 120 (2019: EUR 94 thousand).

At 31 December 2020 and 2019, the Parent had not granted any loans or advances to its Board members and senior executives, and it did not have any supplementary pension, retirement bonus indemnity or special severance obligations with them in their capacity as directors and executives.

At the General Meeting of Atresmedia Corporación de Medios de Comunicación, S.A. held on 22 April 2016, approval was given to implement a remuneration scheme entailing the delivery of shares to certain directors and senior executives. The scheme was a long-term variable incentive tied to the Group's performance.

The duration of the scheme was four years and four months, divided into two periods: compliance and assessment (2016 to 2018) and settlement (50% in the first four months of 2019 and 50% in the first four months of 2020).

The economic targets assessed for the settlement of the scheme were related to the Group's projected consolidated EBITDA and total shareholder return (dividends paid and share price).

Participation was voluntary for beneficiaries, and conditional on the achievement of financial targets and an obligation to remain at the Atresmedia Group.

The grant date was 9 May 2016, when the Parent completed the acquisition of treasury shares under the share buyback programme approved by the Board of Directors and each beneficiary's share of the remuneration scheme was established.

With the period for achieving the plan's economic targets for 2017-2018 having concluded, the first part of the plan was settled, affecting 50% of the shares allocated. The shares were delivered to the beneficiaries on 26 April 2019, with a market closing price that day of EUR 4.65 per share. A total of 118,754 shares were delivered.

The compliance period for the second part of the Plan (affecting the remaining 50% of the shares allotted and with the same economic objectives) ended on 31 December 2019. On 27 February 2020, the second and final part of the Plan was settled with delivery of 118,750 shares to beneficiaries. The closing share price that day was EUR 3.098.

26. Information regarding situations of conflict of interest involving directors

Pursuant to Article 229 of the Spanish Companies Act, the following information is included:

In 2020, 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 213 of the Spanish Companies 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 CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A. AND SUBSIDIARIES

Consolidated management report

for 2020

ATRESMEDIA AND SUBSIDIARIES (CONSOLIDATED GROUP)
MANAGEMENT REPORT FOR 2020

Business performance and situation of the Group

The Atresmedia Group, through its TV and radio arms, produces and distributes audiovisual and radio content of interest for a wide variety of audiences, in which it inserts the spaces it sells to advertisers for their advertising campaigns. Atres Advertising markets these spaces among advertisers, providing the Group with its main revenue source. Atresmedia also engages in other related activities. Through Atres Advertising itself and also through Smartclip, it sells various types of advertising on internet, which it inserts in proprietary web pages, in its VOD (video on demand) offering through Atresplayer or third-party supports. Thanks to all these activities, Atresmedia is the leading seller of advertising in Spain, with a share of the total advertising market of over 18%.

The Group is also involved in other businesses that are not advertising-driven, such as the sale of content produced by the Group to other television networks or VOD platforms, both individually and packaged as complete channels. In a bid to bolsters its third-party content creation and production capabilities, it created Atresmedia Studios, whose business was transferred in 2020 to two newly created companies, Buendía Producción, S.L. and Buendía Estudios, S.L. These companies were 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.

2020 began amid economic uncertainty and rapidly changing patterns of audiovisual consumption. The COVID-19 crisis led to a dramatic change, speeding up many of the trends envisaged in previous years and exacerbating the economic and business crisis for the vast majority of Spain's businesses.

After 2019 began showing signs of Atresmedia's macroeconomic environment losing steam; e.g. flat advertising spend despite 2% overall growth of the economy, 2020 featured an abrupt and sudden deterioration. Spanish gross domestic product (GDP) contracted 11%, with certain service sub-sectors, such as trade, transport and catering (-20.4%) and arts, entertainment and other services (-31.5%), hit particularly hard. The unprecedented economic downturn led to the largest contraction by GDP in peacetime history, impacting on companies' advertising budgets.

According to Infoadex data, all media were affected by this unique crisis, with the first ever slump in the digital category (-5.3% for the year). Other media run by Atresmedia were also affected, with TV down 18.4% and radio down 22.9%. All sectors in television showed declines, but performances were mixed, affected to a greater or lesser extent by the crisis caused by the pandemic. Telecommunications was only down slightly, while investment in other sectors such as beverages and automotive fell by more than a third from the year before.

That said, the drop in advertising spend was due exclusively to the contraction in demand, as TV and digital media audiences overall rose sharply, driven by lockdowns and the fewer entertainment options available outside the home.

TV consumption bucked the downward trend of recent years, growing 8% year-on-year to an average of 240 minutes. Looking strictly at TV consumption and adding minutes of other uses (e.g. native digital streaming), Spaniards spent an average of 269 minutes in front of their TV sets. This shows that TV was still the leading communication media in the home and that the convergence between other entertainment options with TV is a reality.

Alongside these two factors, one of the year's biggest phenomena was the widespread use of streaming platforms as another way to consume content at home. 2020 featured the arrival of new international platforms in Spain, such as Disney Plus, but also changes in distribution windows, with films designed for the silver screen premiering on conventional television, exclusively via proprietary platforms. The boom of streaming consumption and the growing propensity to pay for quality content opened up a new growth channel for Atresmedia, which saw the subscriber base of its paid version of the Atresmedia platform blossom.

Against this challenging backdrop, Atresmedia's businesses and activities weathered greater or lesser impacts depending on the health situation at any given time and the measures taken to stop the spread of the virus:

•There were no interruptions in Atresmedia's TV and radio broadcasts. A raft of measures were taken promptly to ensure that business continued as usual and that the quality of its broadcasts was maintained, while paying special attention to protecting the health of its employees and external partners. A work-from-home model was instituted in a large number of areas, which worked and is still working extremely well. In other areas, such as news and current affairs programmes, employees had no choice but to physically go to work. In these cases, strict protocols were put in place immediately to minimise the risk of spread. Overall, the effect was positive and underscores the organisation's ability to adapt to unforeseen circumstances.

• Programme production was hurt considerably during the strict lockdown period, but resumed as restrictions were eased. This activity is now back to normal, while all the safety and precautionary measures needed in the current situation are still in place. Production delays in some content had no impact, nor is any expected, on our channels' programming offer beyond some temporary adjustments that had to be made at the height of the pandemic.

•TV consumption rose sharply, as explained previously. The lockdown itself, let alone people's thirst for information, led to the highest ever levels of consumption of free-to-air (FTA) television on record. Figures show that FTA is still the TV option of choice among the entire population, including younger people, for entertainment and news. Atresmedia played a major role, ranking among the leaders in news and still far and away the top medium for following breaking news.

• From mid-March to summer, the advertising market suffered its steepest falls ever. After that, a somewhat better health situation and ease in confinement measures helped economic activity and advertising gain momentum. This had a major impact on the Group's revenues as despite diversifying sources in the recent years advertising is still its core business.

This prompted Atresmedia to undertake major adjustment measures to mitigate the negative impact of the economic effects of the pandemic on the Group's operating performance and financial situation. There were cutbacks in virtually all expense items, especially programming and employee bonuses. The Group saw no need to avail of any of the government's extraordinary measures to protect jobs and provide financial assistance to companies. Atresmedia believes that no matter how serious the situation becomes, it will be temporary and its business fundamentals remain intact. Without losing sight of its long-term plans, investments were adjusted to the new paradigm.

Towards the end of the year, the Group carried out a voluntary redundancy plan in response to the need to offer alternatives to the Group's most senior employees and increase staff turnover. A total of 110 employees signed up.

Lastly, out of caution and to bolster Atresmedia’s financial position, the Board of Directors decided to withdraw the item on the agenda for the 2020 General Meeting regarding the distribution of 2019 profit, which included payment of a dividend of EUR 0.25 per share, for a total of EUR 56,433. This decision was ratified by shareholders at the new General Meeting held in October.

Atresmedia Televisión's channels upped their market shares considerably over the course of 2020, from 26.2% in the first quarter to 26.9% in the fourth. Average share for the year was 26.3%. The commercial target audience; i.e. the most attractive for advertisers, followed a similar trend, but with higher shares, rising from 27.6% to 28.0% in the same quarters. This positive trend extended into the early weeks of 2021, topping 27% in total individuals and 28% in the commercial target. Throughout last year, Atresmedia gave viewers what they demanded despite the extraordinary circumstances, which are still going on today. News programmes were the top choice for information due to their clarity, nearness and rigour, while entertainment programmes offered the type of content and quality demanded by the circumstances. All this was appreciated by the growing number of people tuning in to Atresmedia's channels.

Antena 3 achieved an average audience in total individuals (all day) of 11.8%, raising its share from 11.7% in the first quarter to 13.0% in the fourth, with a prime time share of 14.8%, the highest of any channel. laSexta reported an average audience share in total individuals (all day) in 2020 of 7.0%, staying well ahead of its closest competitor. Its commercial target was 8.1%. The Group’s complementary channels achieved a combined share of 7.5% in total individuals (all day) in 2020, in line with 2019, with a commercial target audience share of 8.3%.

Atresmedia Radio had an average of around 3.2 million listeners in the latest EGM survey (rolling year ended with the third ‘wave’ of 2020). Onda Cero held its number three ranking among generalist radio networks, with 1.8 million listeners. Turning to thematic radio stations, Europa FM had 1.2 million listeners and Melodía FM some 158 thousand.

At 31 December 2020, Atresmedia Digital had an average of 37.5 unique visitors a month, marking a 10% increase year-on-year. The television, radio, and atresplayer websites performed well, as did the native content sites (vertical content sites). According to figures from comScore, Atresmedia’s website broke its record of 28 million unique visitors at 31 December 2020, making it the seventh most visited in Spain and maintaining its leadership in internet audiovisual rankings.

The Atresplayer on-line video player ended the year with an all-time high of 4.2 million unique users and 9 million registered users.

Atresmedia's share price closed in the red in 2020 mostly due to the health crisis caused by COVID-19. The shares ended 2020 at EUR 2.88/share, down 17.3% on the 2019 closing price (EUR 3.48/share). Meanwhile, the benchmark Ibex index closed at 8,073.70 points, down 15.5% from 2019. In the year’s fourth quarter, both Atresmedia and the Ibex pared part of the losses accumulated since the start of the pandemic.

Revenue in 2020 totalled EUR 799.1 million, 18.4% less than in 2019. The decrease was the direct result of the downturn in the advertising market amid the pandemic-led crisis. Total revenue amounted to EUR 866.3 million, down 16.5% on 2019.

Operating expenses were 5.6% lower than the year before, amounting to EUR 826.2 million. This figure included extraordinary costs from the voluntary redundancy plan, for which a provision of EUR 36.5 million was recognised. Meanwhile, the carrying amount of Uniprex was written down by EUR 15.2 million. Stripping out these two impacts, recurring operating expenses were EUR 774.5 million; i.e. EUR 100.5 million (-11.5%) less than in 2019. The sharp decrease was the result of the cost-containment policy implemented immediately, which afforded the Group considerable savings without affecting its competitive positioning.

Operating profit in 2020 was EUR 40.1 million, or EUR 91.8 million excluding the two extraordinary and non-recurring impacts described above. This was below the EUR 164.4 million of operating profit reported in 2019.

Profit before tax in 2020 totalled EUR 33.8 million, down from EUR 156.8 million, while net profit for the year was EUR 23.9 million, down from EUR 118.0 million in 2019.

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 Group's financial statements.

Outlook for the Group

As noted throughout this report, the COVID-19 pandemic and its economic and social impacts were far and away the key theme of 2020. It looks set to remain that way for several more months given the current situation and the outlook at the beginning of 2021. Until there is any meaningful improvement in the health situation around the world through mass vaccinations and more effective treatments for the related illness, we are unlikely to see any major changes in lockdown policies, social behaviours or the overall economy.

On the bright side, the consensus is that the situation will improve as the year goes on and inroads are made in these areas. On the economic front, the crisis was the result of mass spreading of the virus and the lockdown measures required to stop it. Therefore, the impact was uneven, hurting service sectors more closely related to human mobility. The threat is that if this continues it will ultimately have a greater impact on the rest of the sectors. This is why support policies to prevent the spread and help minimise the negative impact on production are crucial.

Assuming success in tackling the pandemic and support policies, the outlook for a recovery in Group revenue is clearly positive. While economic recovery may be relatively slow, we operate in markets with high elasticity that could improve considerably. Moreover, since some of the adjustment measures implemented will stay in place over time, there is plenty of scope for margin growth over the next few years.

While these matters are clearly important, there are also the underlying trends of our industry, which in some cases have accelerated because of the pandemic. There are always pessimists, but this exceptional situation has highlighted free-to-air television's social importance for news and entertainment. It has certain attributes that other alternatives have yet to surpass. Therefore, it has become even more evident that traditional television and radio adapted to the new environment will continue to be a major part of the Group's business.

It is specifically because of our ability to cater to viewers' tastes, advertisers' needs and available technology that we will be able to broaden our offering to viewers and advertisers alike. We had already been doing this with our advertising-based Atresplayer digital content offering. However, we reinforced our subscription-based premium offering, reaching 452 thousand subscribers at the end of 2020. The outlook is for further growth in the coming years, making this one of the cornerstones of our strategy.

Precisely because of connected TV technology, which has grown year in and year out, we are now offering advertisers targeted advertising as a complement to the broad coverage afforded by public or FTA television. Targeted advertising is set to be a major revenue source in the coming years.

Content production and distribution is another key component of the Group's growth strategy and advancing quickly. We launched Atresmedia Studios just over two years ago for third-party content production. Then, around mid-2020, we set up Buendía Producción and Buendía Estudios together with Telefónica. The latter was a further step in the same direction, but is more ambitious and has an international reach.

Against this ever-changing backdrop, two constants have guided Atresmedia's management for years now. The first is cost discipline. Resource allocation is crucial for achieving efficiencies and managing a business that is vulnerable to swings in general economic activity. The second, and for the same reason, is financial breakeven thanks to a strong and healthy balance sheet and wide availability of liquidity to ensure business continuity even in adverse situations like in the spring of 2020.

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.

Acquisitions of treasury share

On 27 February 2020, with settlement of the second part of the remuneration plan, 118,750 shares were delivered to plan beneficiaries. On 26 April 2019, the first part of the plan was settled, with delivery of 118,754 shares to beneficiaries.

This delivery left 554,376 shares held in treasury, representing 0.246% of share capital. No changes have occurred since then.

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.

The average supplier payment period in 2020 was 50 days.

Use of financial instruments and main financial risks

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

At 31 December 2020, the Parent had entered into hedging instruments on its foreign currency asset and liability positions amounting to USD 33,072 thousand, at a weighted average exchange rate of 1.1880 (EUR/USD). The net fair value of these hedging instruments gave rise to a financial asset of EUR 17 thousand and a financial liability of EUR 1,108 thousand at year-end.

Also, interest rate swaps were arranged to fix the financial cost arising from the floating rates established in the syndicated financing agreement entered into in July 2017. Their fair value at 31 December 2020 was EUR 731 thousand, recognised as a non-current financial liability.

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. At 31 December 2020, the fair value of the derivative related to the bond issue was recognised as a net financial liability of EUR 10,669 thousand.

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 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.

a) Credit risk. 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. Cash placements are made and derivative instruments are arranged with institutions of recognised solvency.

d) Interest rate risk. The Group's borrowings are exposed to interest rate risk. Financing is arranged at interest rates tied to Euribor. To mitigate this risk, the Parent has entered into interest rate swaps (IRSs) to reduce its exposure to variable rates.

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.

Total revenue: the sum of revenue and other operating income.

Thousands of euros	2020	2019
Revenue	799,116	978,693
Other operating income	67,184	60,713
Total revenue	**866,300**	**1,039,406**

Operating expenses: the sum of programme amortisation and other procurements, staff costs and other operating expenses.

Thousands of euros	2020	2019
Programme amortisation and other procurements	393,801	470,764
Staff costs	197,577	161,741
Other operating expenses	200,660	222,956
Operating expenses	**792,038**	**855,461**

EBITDA (Earnings before interest, tax, depreciation and amortisation): profit or loss from operations plus amortisation and depreciation, impairment and gains/(losses) on disposals of non-current assets.

Thousands of euros	2020	2019
Profit from operations	**40,133**	**164,406**
Amortisation and depreciation	19,028	19,587
Impairment and gains/(losses) on disposals of non-current assets	15,101	(48)
EBITDA	**74,262**	**183,945**

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.

Thousands of euros	2020	2019
Current assets	762,387	699,506
Current liabilities	495,495	486,287
Working capital	**266,892**	**213,219**

Any ratios between the APMs can also be considered an alternative performance measure.

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

Consolidated Non-Financial Statement
2020

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1. Letter from the Chairman

We ask you - our audience, shareholders, advertisers, employees and suppliers - to join us, and look back on an unprecedented year. We learned lessons. We met challenges. Most important of all, we confirmed a fact: as a communications group, we are in the lead. And we are ready to stay there. Hard times lie ahead for Spain and the Spanish public. We will continue to be there for them. Our purpose and our belief as a company are now more meaningful than ever: we believe in thought; we believe in feeling. Even in our toughest year ever, we kept our business going and made sure Atresmedia's people and talent were seen and heard by the whole country – to keep people informed; to keep people entertained; to be there for them when we were most needed.

In 2020, the two key factors that shape our business behaved in strikingly opposite ways. On one hand, there was a spike in the use of audiovisual content in all its forms – linear television and radio, streamed content and pay-per-view content over the Group's websites. Yet, on the other, there was an unprecedented crash in advertising spend. Our advertisers are spending less because the economy has taken a hit from the pandemic – and mainly in the sectors that historically advertise the most, especially on television. Meanwhile, people are watching more television than ever – in a broad sense, encompassing both the traditional and the new broadcasting shopfronts – because they are increasingly keen to keep themselves entertained and up-to-date with the news.

These two facets of reality were quite unexpected. Without a doubt, the wide difference between the scenario at the start of the year and the way things stood by the close is explained by the far-reaching impact on the real economy and on society of the pandemic. However, other trends that were already present continued and even strengthened: content streaming is now a fully entrenched form of consumption; technology has become part and parcel of advertising; and consumers increasingly demand more accurate news coverage and higher quality entertainment and fiction.

Ever willing to speak up for social causes and in line with our commitment to give voice to the public mood, in 2020 Atresmedia worked hard to raise awareness of how the economic and healthcare crisis hurts the most vulnerable – people on their own, families at risk of exclusion, or the homeless – and we called on society as a whole to come to their aid. Atresmedia news and entertainment programmes put themselves to this task more than ever before. We are proud of how our public service calling and our hard work contributed to soften the blows of this crisis.

Our audience and the industry strongly support our strategy and model, predicated on quality, innovation, respect and commitment. Atresmedia was the leading news network again in 2020, earning the audience's trust in our journalists and our way of reporting and commenting on current events. The Group continued to fight fake news with a range of mechanisms that ensure that our current affairs coverage is credible and rigorous. This was a frontline issue this year, as society needed accurate news about the pandemic. We are proud that our journalist Vicente Vallés, the anchor of *Noticias 2* on Antena 3, which he also produces and directs, was awarded the 2020 Francisco Cerecedo prize by the Association of European Journalists for his accurate and independent news coverage. The Madrid Press Association presented the "Best Journalist of 2020" accolade to Carlos Alsina, who produces and presents the *Más de uno* radio show on Onda Cero.

Atresmedia is of course a leading news organisation, but this year – the toughest season so far – we also upped our game in entertainment, fiction and film. Our content was especially welcome amid the protracted lockdown. We achieved this with successful formats such as *La Voz*, *Mask Singer* and *El Hormiguero 3.0*, and original fiction content that brought to Spanish homes the most watched series of the year, such as *Veneno, Mujer* and *Mi Hija*. Supporting the arts and the film industry remained among our goals. Despite the crisis, Atresmedia Cine took part in a slew of projects and when the lockdown ended encouraged people to return to cinemas. Releases included *Padre no hay más que uno 2*, which became the highest-grossing film of the year in Spain.

On the corporate side, in 2020 we closed a highly attractive deal with our partner Telefónica, strengthening our position as a benchmark in content production and distribution with the creation of Buendía Estudios. In advertising – our main source of revenue – we continued to innovate and develop our tech to bolster our positioning in the digital world. We help each advertiser get a higher return on their investment by creating the campaign that best fits their communication needs.

The Atresmedia Group is aware that, as a media company, it is under a duty to the wider community. We are accountable as a major employer, as a major contractor of suppliers, and as an investment of choice for our shareholders. In 2020, we continued to refine our Corporate Responsibility Master Plan by further integrating sustainability concerns with all levels of the organisation. For yet another year, Atresmedia was picked as a member of the FTSE4Good Ibex sustainability index, which lists the leading companies in corporate responsibility practices. We are proud to say that the company's efforts in transparency in reporting to stakeholders were recognised in the 'Transparency, credibility and good governance ranking'. We ranked highest among all communication groups assessed.

We continued to align closely with the United Nations Global Compact, the 2030 Agenda and the Sustainable Development Goals. We are aware that we can play a key role in achieving those objectives, and so we focus on initiatives that involve our internal and external audiences and the wider community. Our *Compromiso Atresmedia* initiatives and the efforts of Fundación Atresmedia - which in 2020 celebrated its 15th anniversary - are the Group's response to the global social and environmental challenges that we all face.

In the exciting journey that is our business I would like to acknowledge all those who help us to succeed, and without whom we would be unable to achieve our goals. This year, more than ever before, I thank and salute our employees. With perseverance and grit, they rose to the challenge and overcame exceptional difficulty. They kept the business going and upheld the standards of excellence that are the hallmarks of our Group. And, with dedication and empathy, they took on corporate volunteer work to help those the pandemic has hit the hardest.

Our project as a global audiovisual group only makes sense in the light of the trust placed in us by our advertisers, for whom we remain the advertising venue of choice. Our role is to provide a safe environment in which advertisers' brands can be displayed without risk facing a general audience. We must also make sure that ours is the right venue to advocate for our advertisers' social causes.

We thank our audience for choosing us, our content providers for their commitment to innovative creativity, and our shareholders for their continued support for our business model, which has become an industry benchmark.

And I personally thank our shareholders, audience, employees, advertisers and suppliers. I like to think that you partake not only in the Group's successes but also in its role as the compass of a society that, now more than ever, needs its media of communication to demonstrate trustworthiness, quality, accuracy, and human warmth.

José Creuheras

2. Message from the Chief Executive Officer

In the document you are now reading, Atresmedia reviews the toughest year in its history. Nonetheless, drawing strength from a sense of purpose, from our strategy and from the talent of our people, we continued to serve society with quality entertainment and accurate news coverage.

The past year proved volatile in all spheres: healthcare, society, the economy, finance and politics. All of this shaped the media industry, which in any event had been undergoing major changes in recent years. In 2020, there was a huge shift in the advertising market and consumption habits. Society adapted to the constraints of the lockdown, a shrinking economy and new ways for people to relate to one another. An unprecedented decline in the economy led to the sharpest drop in GDP of the past 50 years. Advertising spend fell by 22% in the first few months of the year, and by 50% in April and May, when the lockdown was at its strictest. However, TV consumption bucked the downward trend of recent years, growing 8% year-on-year to an average of 240 minutes per day, per person.

Facing uncertainty and a weak economy, we were nonetheless able to respond swiftly and effectively. In the space of just a few months, our way of managing our people from day to day and our relationships with advertisers, shareholders and suppliers went through a major change. Yet at all times we ensured that Atresmedia people were safe, that our business could continue and that our strategic aims remained achievable.

We cannot take stock of our business and operational performance in such an exceptional year without turning the spotlight on our role as part of the wider community. First, as a media organisation, we kept society accurately informed and provided entertainment and initiatives with a positive message, such as our *Un Gran País* campaign, which encouraged people by reminding them of our society's strengths and great potential. Secondly, we lent visibility to social causes that became all the more pressing in the midst of the pandemic. We helped mobilise aid to address emerging issues and difficulties. We continued to deliver on our commitment to job stability and employee safety. We made available all the healthcare measures required to enable our people to work safely. Furthermore, we continued business as usual with our suppliers of goods and services and content producers by creating specific protocols to ensure safety in all recordings and shoots.

Despite a tumultuous 2020, our results prove that over the year we worked on the right things - and our audience and advertisers trusted us accordingly. We ended the year with revenue of EUR 866.3 million, EBITDA of EUR 74.3 million and consolidated profit of EUR 23.9 million.

Our belief in our business model, guided by principles of quality, innovation and social sensitivity, continued to deliver strong results. Yet again, surveys showed we are perceived as the best media company across variables such as quality, variety and popular appeal in our content, and in our social sensitivity and viewpoint diversity. Our news coverage retained its high credibility among the public, and we topped the league table of Spanish media in the Reuters Institute's *Digital News Report*. We proved able to adapt our range of advertising solutions to new technologies and new consumption habits, as shown by our acquisition of H2H, a company that specialises in gathering and analysing data generated by platforms and social media influencers.

We are grateful for the milestone achievements of the year: every day, 22 million people chose our channels for news and entertainment, making us the Spanish communications group with the largest daily audience for our content; in addition, more than 3.5 million people tuned into our radio stations every day. Our international channels reached 54 million subscribers around the world.

Antena3's news programmes achieved a new record and were the market leaders for the third consecutive year with the highest viewing figures in 12 years. laSexta's news programmes also performed better than ever in the channel's history, with more than 1.2 million viewers. *Pasapalabra*, Spanish TV's most popular gameshow, premiered its new season on Antena 3 and became the absolute leader in the afternoon time slot. *Mask Singer* was the most-watched premiere of a TV entertainment show in the past eight years, while our current affairs and comment programme, *Al Rojo Vivo*, had its best ever year, drawing an average of more than a million viewers. These successes came in the year in which Antena 3 and Onda Cero celebrated their 30th anniversary, while our theme channels Neox and Nova completed their 15th year, culminating a long-term bet driven by commitment, quality and innovation.

Despite the strong performance of offline broadcasting, 2020 was undoubtedly the year of Atresmedia going digital. Our firmly established online platform ATRESplayer was joined by ATRESplayer Premium, the Group's subscription OTT for all-new, original and exclusive content, which achieved a record year for subscriber uptake, with 452,097 new subscribers. We premiered our original production *Veneno*, which became the smash hit of the year and one of the most-streamed series of 2020, drawing close to 450,000 viewers and winning the Iris Critics Prize and the Premio Ondas for best female actor. During the pandemic, Atresmedia's radio stations took on an unprecedented challenge to stay on air to the same standards of quality. The stations bolstered their digital environment by launching the new Onda Cero app that provides an accessible and customisable shopfront for listeners to choose their preferred content and options.

Another highlight was our alliance with Telefónica for the launch of Buendía Estudios, a content production and distribution company that aims to become the benchmark studio for Spanish-language content production for the domestic and international market. Elsewhere, Atresmedia Diversificación now represents a growing percentage of the Group's revenue and profit through recovery of its Media-for-Equity investments. In the midst of a global pandemic Atresmedia proved that it is worth taking risks on new and different business models that can provide fresh options in challenging and uncertain times.

At Atresmedia, we believe we are doing our job right only if we meet the expectations of our stakeholders and raise awareness of social causes that demand our full attention and action. We have a proven ability to communicate, to draw an audience and to exert an influence. For this reason, we must use our power of communication responsibly – not merely to keep people informed and entertained, but also to build a better, more educated society. The constraints of remote work proved to be no barrier to our continuing and even increasing our role in awareness-raising and social action through the initiatives of *Compromiso Atresmedia*, our corporate volunteering programme, and the activities of the Atresmedia Foundation.

It is my hope that we shall be able to continue to play a role in the recovery from this crisis that affects us in so many ways, and at every turn requires us to do our best.

Silvio González

3. The year at a glance

Financial results

€23.8 M
Net profit
(-79.8% vs. 2019)

€74.3 M
EBITDA
(-59.6% vs. 2019)

€807.9 M
Audiovisual revenue
(-16.3% vs. 2019)

€67.0 M
Radio revenue
(-19.4% vs. 2019)

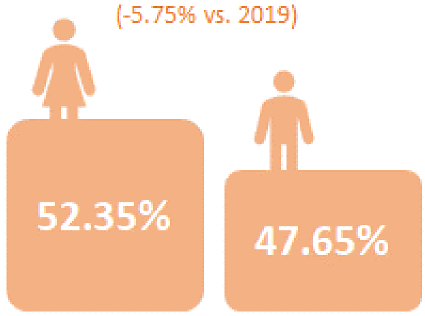
Corporate dimension

50/60
recommendations of the CNMV Good Governance Code complied with

Leader in the ranking
"Transparency, credibility and good governance"
among the 21 media groups assessed

Human team

2,407 employees
(-5.75% vs. 2019)



234
employee training actions
(-42.6% vs. 2019)

10,660
training hours
(-71.08% vs. 2019)

56.88% new women hires
(+1.6% vs. 2019)

84.25%
permanent contracts
(+0.3% vs. 2019)

44 employees
with some level of disability
(-2.2 vs. 2019)

Social contribution

€18.6M
of gifted TV, radio and digital advertising campaigns
(+25.01% vs. 2019)

4,309 hours
of corporate volunteering
(+125% vs. 2019)

18,107 showings
of Atresmedia commitment campaigns
(-3.16% vs. 2019)

€ 500,000
of donations to Fundación Atresmedia

18,316
hours subtitled on the web
(+22.5% vs. 2019)

20
interests in start-ups
(+33% vs. 2019)

Environmental contribution

CDP score B list
(C in 2019)

127,513 GJ
of energy consumption
(-2.1% vs. 2019)

2,393.2 tCO_2
Scope 1 and 2 emissions
(-76.2% vs. 2019)

42,556 litres
of water consumed
(-15.9% vs. 2019)

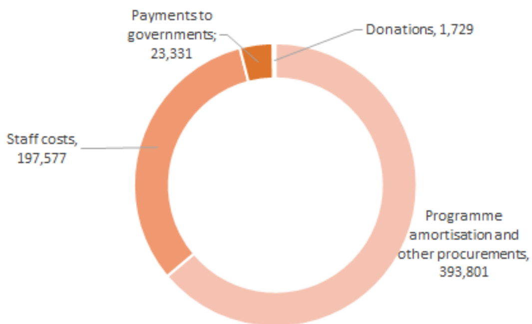
Premiere of the "Natural" special-interest programme on laSexta

Economic value generated and distributed

Economic value generated
€866.3 M

Economic value distributed
€616.4 M

Breakdown of economic value distributed
(thousands of euros)



4. About this report

The non-financial statement was prepared pursuant to the requirements of Law 11/2018, of 28 December 2018, on non-financial and diversity information, approved on 13 December 2018 by the Spanish Congress of Deputies, amending the Spanish Commercial Code, the consolidated text of the Spanish Companies Act (*texto refundido de la Ley de Sociedades de Capital*) approved by Royal Legislative Decree 1/2010, of 2 July, and Spanish Audit Law 22/2015, of 20 July, on disclosures of non-financial and diversity information (from Royal Decree-Law 18/2017, of 24 November).

It also considered the European Commission guidelines on non-financial reporting (2017/C 215/01) arising from Directive 2014/95/UE, Preparation also followed the core option of the Global Reporting Initiatives Sustainability Reporting Guidelines (GRI Standards), and the GRI G4 Media Sector Supplement.

Through the non-financial statement, Atresmedia reports on environmental, corporate governance, employee-related, social and human rights matters that are relevant for the Company in carrying out its business.

Questions regarding report content and the definition process may be sent to responsabilidad.corporativa@atresmedia.com or to Atresmedia Corporación, Av. Isla Graciosa 13, San Sebastián de los Reyes, 28703 (Madrid), which is the Group's main address.

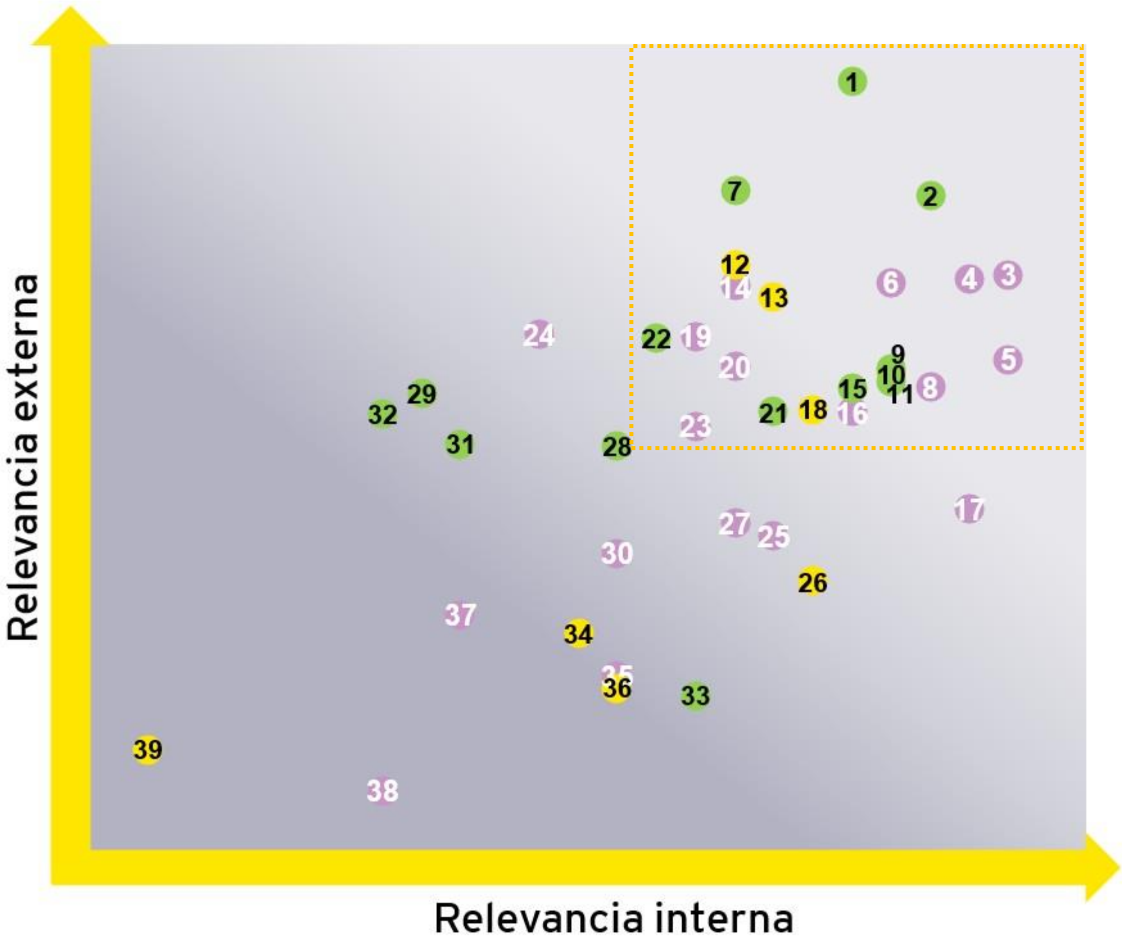
Background of the COVID-19 pandemic: On 11 March 2020 the World Health Organisation declared that the public health emergency triggered by the coronavirus (covert-19) outbreak was an international pandemic. Three days later, on 14 March 2020, the Spanish Government decreed a state of emergency as a result of the healthcare crisis. The swift pace of events in Spain and internationally drove an unprecedented healthcare crisis that impacted business performance and the economic environment at the macro scale. The effects of this background on Atresmedia's performance indicators and specific targets are described in the relevant sections of this report.

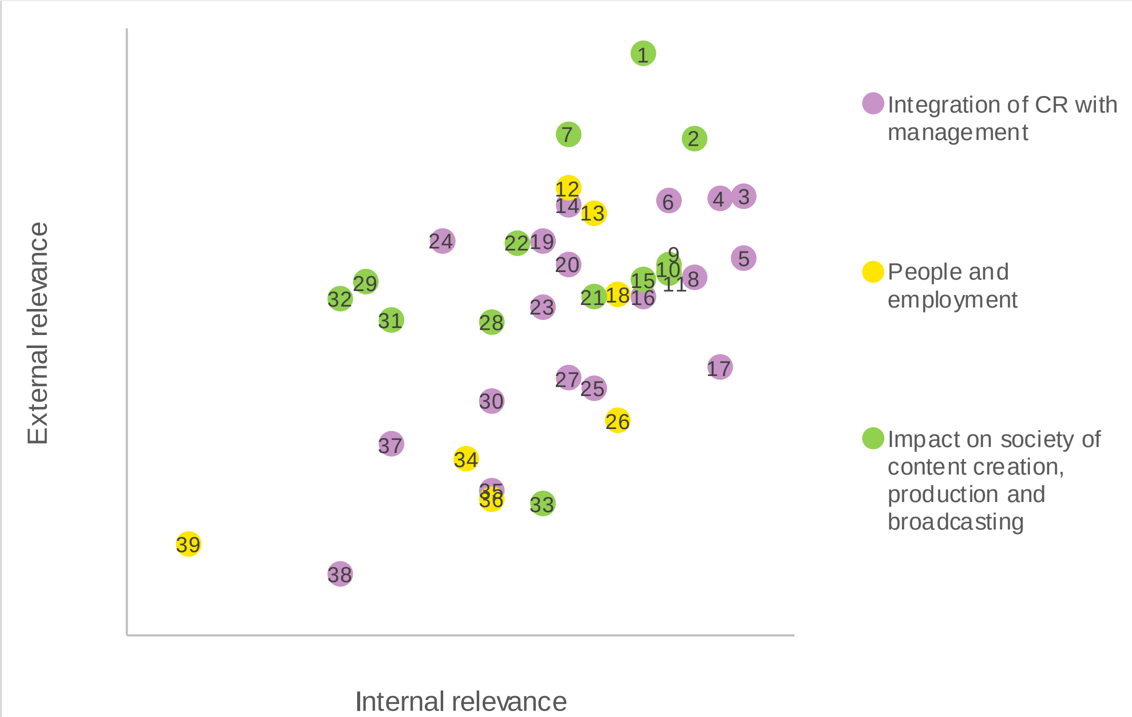
Materiality: The content of this report was selected partly on the basis of a materiality assessment conducted in late 2020. Our assessment considered external sources (sustainability standards, industry peers, investment funds, industry reports and research) and consultations carried out internally (Group employees) and externally (academia, financial sector, customers, users, civil society). By way of a new element, some of our sources looked specifically at key aspects of the ongoing pandemic.

All relevant material topics were analysed to identify how they relate to the specific content and indicators included in the new GRI G4 Standards. Atresmedia selected those disclosures that truly respond to the interests of stakeholders and its own strategy. As a result of the consultation process, it was also determined that, given the nature of its operations, the specific characteristics of the industry and the Group's activity, the contents of *Ley 11/2018* (a statute addressing non-financial reporting requirements) on noise and light pollution, the circular economy, food waste, biodiversity, and the impact on protected areas are not considered material.

COVID-19 sharply increased the materiality of some topics. The key results of the materiality assessment showed that the most material topics in 2020 were: integrating corporate responsibility with day-to-day management; fact-checking and fighting fake news; keeping a financial balance; involving the Board in handling ESG matters; and managing information security.

As to changes in materiality with respect to 2019, some priorities remained very much in place: taking a responsible approach to news coverage and advertising and entertainment content (values such as reputation, inclusiveness, independence, accuracy, protecting children, innovation), and information security. There was a slight increase in the materiality of environmental management due to growing global awareness. Hence, environmental issues are now a material topic alongside fact-checking and the fight against fake news (the most material topic), human rights, financial balance, business model review and investor relations. The broad topics of integration of corporate responsibility with the business and the governance model evolved towards more specific concerns as a result of the maturity achieved by the sector and the company in recent years. Looking at the lower end of the matrix, we reviewed key specific points of human resource management that had so far not been dealt with individually, such as work-life balance, non-discriminatory culture, integration of people with disabilities, and employee engagement with operational changes.





Domains	Matrix hierarchy	Topics	NFS content (section)
Integration of CR with management	4	Board involvement in ESG management	Corporate governance
	8	Good governance	Corporate governance
	16	Compliance	Compliance
	20	Responsible tax policy	Compliance with tax obligations
	19	Internal organisation of CR	Atresmedia purpose, mission and values
	37	Integration of ESG risks with the company's overall risk management	Risk prevention, control and identification/ESG risk model
	5	Information security	Risk prevention, control and identification/Cybersecurity and responsible data management
	3	Financial balance	The year at a glance
	6	Business adaptation and rethinking	Business model and strategy
	17	Brand value and industry leadership	Business model and strategy
	23	Investor Relations	Atresmedia's impact on the environment
	24	Stakeholder dialogue and meeting expectations	Atresmedia's impact on the environment
	35	Supply chain management	Suppliers, producers and distributors
	38	Cooperation with suppliers and subcontractors	Suppliers, producers and distributors
	30	Promoting community development initiatives and creating opportunities	Communities
	14	Community campaigns and initiatives	Communities
	27	Environmental commitment	Natural environment
	25	Protection and advocacy of human rights	Communities/Human rights
People and employment	10	Engagement and management of human talent and capital	Employees
	18	Culture of equality, inclusion and non-discrimination in the workplace	Employees/Supporting equality, diversity and work-life balance
	26	Culture of diversity and integration of people with disabilities	Employees/Supporting equality, diversity and work-life balance
	13	Work-life balance	Employees/Supporting equality, diversity and work-life balance
	34	Engagement	Employees/Career development
	12	Occupational safety, health and welfare	Employees/Safe and healthy workplace
	36	Change in operating model	Employees
	39	Dialogue with employees (collective agreements and unions)	Employees/Stable employment and rewarding working environment

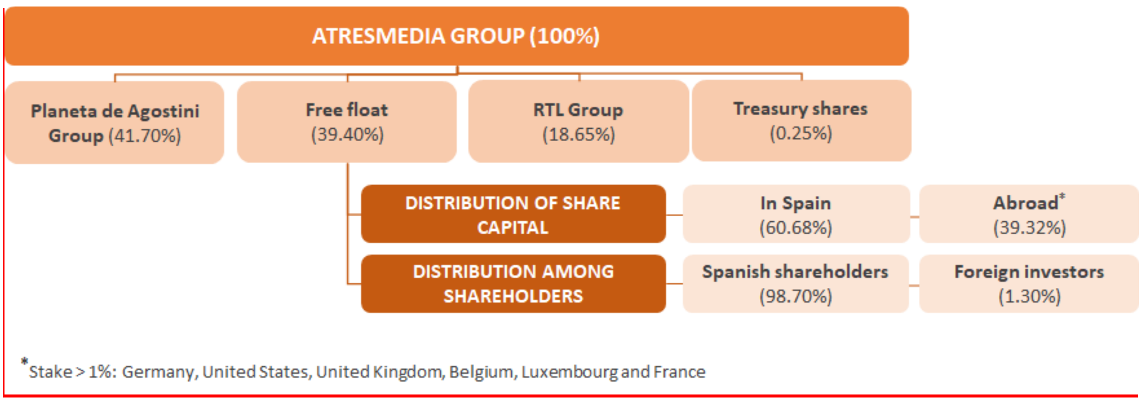
Impact on society of content creation, production and broadcasting	2	Reputation of news content (independence, ethics, objectivity and viewpoint diversity)	Customers and users: advertisers and audience
	1	"Fake news" and fact-checking	Customers and users: advertisers and audience
	22	Impartiality safeguards	Customers and users: advertisers and audience
	21	Reputation of entertainment content (quality, ethics and responsibility)	Customers and users: advertisers and audience
	11	Child protection	Customers and users: advertisers and audience
	32	Specific programming related to social issues	Communities/Compromiso Atresmedia
	29	Diversity and inclusiveness in content creation	Customers and users: advertisers and audience
	15	Ongoing content updating and innovation	Business model and strategy
	9	Innovation and development of new technologies for content distribution	Business model and strategy
	33	Customer experience when using the platforms	Business model and strategy
	28	Accessibility	Customers and users: advertisers and audience
	7	Responsible advertising (ethical, truthful, honest and legal)	Customers and users: advertisers and audience
	31	*Media literacy*	Customers and users: advertisers and audience

** Highlighted topics are the most material and rank in the matrix at the highest levels of internal and external materiality.*

5. About us

Atresmedia is Spain's leading communications group, with operations in the television, radio, digital, film and audiovisual production sectors. The Group implements its strategy through various business divisions: Atresmedia Televisión (Antena 3, laSexta, Neox, Nova, Mega and Atreseries), Atresmedia Radio (Onda Cero, Europa FM, Melodía FM), Atresmedia Digital (Smartclip, ATRESplayer, H2H and own websites), Atresmedia Publicidad (advertisement and commercial field), Atresmedia Diversificación (businesses and activities that do not depend on the advertising market) and Buendía Studios (film, fiction and entertainment production for third parties). They all share the core values of quality, innovation, commitment, plurality and commitment to the industry, which govern all their activities and enable them to fulfil their purpose as a company, as well as their mission and vision.

Atresmedia Corporación is a listed company that currently displays the following shareholder structure:



Most of our shareholders are small investors. 94.05% of Spanish shareholders and 90.60% of foreign shareholders hold 1 to 1,000 shares; these positions combined account for only 5.59% of total share capital admitted to trading.

The two shareholders with significant shareholdings are:

Shareholder	Activity	Board presence
Planeta De Agostini Group[1]	The group emerged from a strategic alliance between the Planeta Group and De Agostini. Its goal is to entrench its leadership in publishing, explore new economic sectors and, in particular, to become a major player in audiovisual media.	Mauricio Casals Aldama, Marco Drago and Carlos Fernández Sanchiz[2].
RTL Group[3]	RTL is the European leader in the entertainment market, with 67 television channels, 8 video-on-demand (VOD) platforms and 30 radio stations. Headquartered in Luxembourg, the company has radio and television interests in Germany, France, Belgium, the Netherlands, Luxembourg, Spain, Hungary, and Croatia. It also produces content, which it distributes to all continents, and has interests in several digital video businesses. RTL's shares are listed on the Frankfurt and Luxembourg exchanges.	Elmar Heggen and Nicolas de Tavernost.

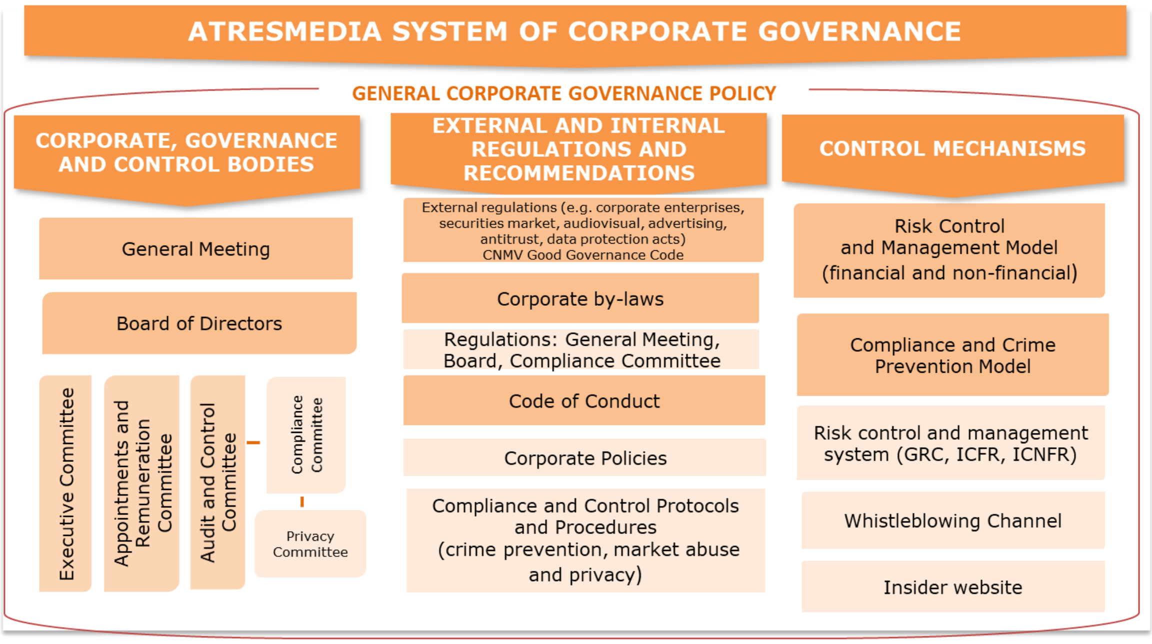
[1] Grupo Planeta de Agostini, S.L. has an ownership interest through its wholly owned subsidiary GRUPO PASA CARTERA, S.A.U.
[2] The chairman, José Creuheras Margenat, is a proprietary executive director appointed at the proposal of the Planeta De Agostini Group. Pursuant to Article 529(1) of the *Ley de Sociedades de Capital* (Spanish Companies Act), he qualifies as an executive director.

[3] RTL Group, S.A. (controlled by Bertelsmann, A.G.) has an ownership interest through UFA FILM UND FERNSEH GMBH, which is the direct shareholder of Atresmedia Corporación.

5.1 Corporate governance

The corporate governance and decision-making system is based on the **Corporate Governance Policy** and comprises the governance and management organs, subject to statutory provisions that ensure that those organs function properly, are suitably controlled, and interact appropriately with stakeholders. Further information on this system is provided in the Annual Corporate Governance Report (ACGR).

Components of Atresmedia's corporate governance system:



The 2020 Annual Corporate Governance Report provides a detailed description of the **structure and operation of the entity's governing bodies**, their composition, the entity's shareholder body, related party transactions, the risk management and control model, the conduct of the general meeting and the extent of compliance with the recommendations of the Code of Good Governance for Listed Companies.

In 2020, the Atresmedia system of governance adapted its rules of functioning and immediately rose to the challenge of the exceptional situation brought about by the COVID-19 **pandemic** so as to ensure ongoing normal operation. Key **highlights** included:

- **Board and committee meetings** were held via **videoconferencing**, and on two occasions **resolutions were passed by means of the written procedure** without a meeting.
- In June 2020, the **Audit and Control Committee held an extraordinary meeting** for the sole purpose of reviewing the impact of the pandemic on the financial statements.

  On 29 April and 21 October 2020, ordinary **General Meetings** of shareholders were held using remote communications exclusively. At the **first** General Meeting, which addressed the usual agenda for an AGM (approval of financial statements, re-election of statutory auditor, advisory vote on the remuneration report, and so forth), the initial proposed distribution of 2019 profit – which had been drawn up before the state of emergency was declared and before director pay policy for 2019-2021 was modified – was withdrawn. The **second** General Meeting dealt exclusively with the distribution of the outstanding portion of last year's profit. To ensure that all shareholders were treated fairly, we made the rules governing remote attendance more flexible and widened the scope of information channels. Following Recommendation 7 of the Spanish Code of Good Governance, the proceedings of General Meetings were broadcast over the corporate website.

In 2020, we conducted an **in-depth assessment of the Atresmedia System of Corporate Governance** to identify the **new requirements under the Code of Good Governance for Listed Companies**, which was reformed by the Comisión Nacional del Mercado de Valores (CNMV, Spain's securities market regulator) in June 2020, and improved the system accordingly. As a result of this assessment, at its meeting of 16 December 2020 the Board of Directors introduced the following **measures** to align with the recent reform:

- Widen our **policy on communications with shareholders and investors** to include specific and distinct content on financial, non-financial and corporate matters (Recommendations 4 and 54).
- Modify our **director selection policy** to include an age diversity parameter, encourage the emergence of a large number of female senior executives at Atresmedia and set a target of 40% women directors by year end 2022 (Recommendations 14 and 15).
- Open up the **whistleblower channel**, which was formerly internal only, to allow third-party access by shareholders, suppliers and contractors, and include the possibility of anonymous whistleblowing in certain cases (Recommendation 42).

On 24 February 2021, following reports from the relevant committees, the Board decided to modify the above policies and, in addition, the policies listed below: General risk policy (to reflect the integration of ESG risks with the company's risk map), corporate responsibility (to include the new mechanisms for oversight of non-financial reporting) and corporate governance (to reflect the scope of the recent reform of the Spanish Code of Good Governance and add the internal rules and good practices already implemented by Atresmedia after the original adoption of the policy in 2015). These policies are available for reference on the corporate website.

Moreover, if it were required to adapt the company's articles of association, general meeting regulations, board regulations, director pay policy or any other internal rules of a similar or equivalent rank, the Board will, at the appropriate time, lay before the shareholders at a General Meeting a proposed resolution to implement the changes, or, as the case may be, will inform the shareholders of any earlier implementation.

At year-end 2020, Atresmedia complied with 50 of the 60 recommendations applicable to it of the 64 current recommendations of the Code of Good Governance for Listed Companies (see section G of the 2019 ACGR). Most of the recommendations that were only partially complied with as at 31 December 2020 will be fully complied with in 2021 after modification of our internal rules of corporate governance.

The Company follows Recommendation 36 of the Good Governance Code and evaluates the performance of the governing bodies every three years with the assistance of an independent external advisor. The evaluation for 2019 was performed with the assistance of a qualified independent expert. The evaluation for 2020 was conducted internally, with the assistance of the Secretary of the Board of Directors. It was based on individual questionnaires filled out by the directors, on corporate documentation and on the Board of Directors' and Board committees' activity reports for 2020.

The results of the comprehensive review are set out in a report to the Board of Directors, which includes an action plan containing specific proposals for improvement. The ACGR reports on the proposals of the Plan implemented in 2020, highlighting the drafting of the Atresmedia Corporate Governance System Handbook, the increased participation of the highest-ranking executives at Board meetings (to improve the quality of information directors receive on the various business areas and strategy) and the approval of a skills matrix for the Board and Board committees as a reference for the director selection process and the composition of the company's collegial governing bodies.

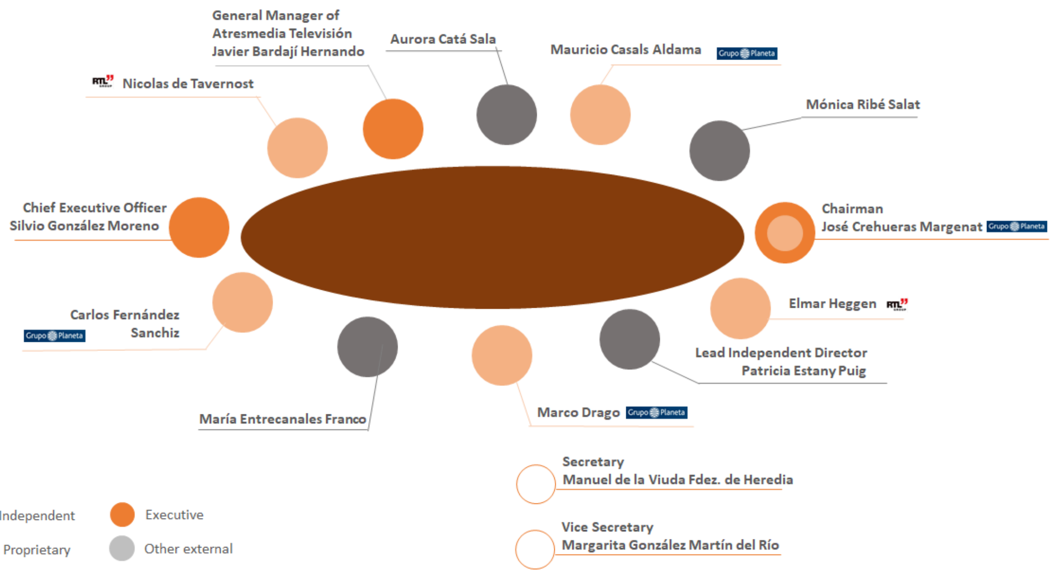
These meetings addressed the following issues related to governance, compliance and corporate responsibility:

Report and approval of the 2019 ACGR (February 2020)	Report and approval of the 2020 ADRR (February 2020)	Adherence to the Spanish taxation authorities' Code of Best Tax Practice and amendment of Atresmedia Corporación's corporate tax policy (April 2020)
Approval of the Anti-corruption Policy by the Compliance Committee and reporting of the content to the Board of Directors	Audit Committee reports on the Compliance Committee's activity (June and December 2020)	Executive report to the Board of Directors on the reform of the CNMV's Good Governance Code of Listed Companies (July and December 2020)
Review of the risk and control model and integration of ESG risks (December 2020)	Oversight of director and auditor independence (February 2020)	Authorisation for issue of the Non-financial statement (February 2020)

The company's efforts in transparency and commitment in reporting to stakeholders were recognised in Compromiso Empresarial's 'Transparency, credibility and good governance ranking'. Atresmedia achieved the highest ranking of the 21 private listed and unlisted communication groups assessed.

Board of Directors

At 31 December 2020, the Board of Directors comprised **12 directors**, 4 of whom were **women** (more than 30% of the total membership). The **average age** was 61. The **type, diversity of skills and representation of proprietary directors representing major shareholders** were as follows:



Diversity of management bodies:

	Executive		Proprietary		Independent		Women	
Board of Directors	3	25%	5	41.67%	4	33.33%	4	33.33%
Executive Committee	2	40%	2	40%	1	20%	1	20%
Audit and Control Committee	-	-	2	40%	3	60%	3	60%
Appointments and Remuneration Committee	-	-	2	40%	3	60%	3	60%

	By age	
	No.	% of total
Under 50	1	8.33%
Between 50 and 60	5	41.67%
Over 60	6	50%
Average age	61	

	By nationality	
	No.	% of total
Spanish	9	75%
Foreign	3	25%

In terms of diversity of skills, Atresmedia's directors have the full range of knowledge required by the Group's activity. All boast solid careers in management and strategy, with most having experience in the media sector. Some directors have broad experience in finance, risk and insurance and several are experts in non-financial management and sustainability.

2020 skills diversity	No. of directors (2020)
Average	10
Finance/risks	8
Management	12
Strategy	12
Governance and sustainability	9
Insurance	2
International experience	8

5.2 Atresmedia's purpose, mission, vision and values

In 2018, Atresmedia carried out a process of discovering its corporate purpose so as to put into words the Group's raison d'être. The result of the process was "**We believe in the power of reflection and emotion**." Everyone at Atresmedia is convinced that the news and entertainment content produced and disseminated by the Group generates reflection and emotion, helping to drive a positive impact on society. The purpose was implemented in 2019 via internal dissemination through communications with the Board of Directors, the Management Committee, the Corporate Responsibility Committee and employees. Externally, it was included in the full structure of corporate policies, press releases, communications to the CNMV and presentations to advertisers and audiences.

In 2020, Atresmedia fulfilled its corporate purpose more than ever and rose to one of the toughest challenges in its history. In the awareness of the public-service role that we owe to society, we kept going throughout the entire pandemic. We reinforced health and safety measures at our sites, TV sets and shoots, and our creativity, people and talent were seen and heard by the whole country – to keep people informed; to keep people entertained; to be there for them when we were most needed.

Throughout the healthcare crisis, Atresmedia strengthened its commitment to society by delivering on our model based on high quality, responsible content, accurate and thoroughly fact-checked news coverage, and positive messages, such as our *Un Gran País* campaign in support of industries and businesses that were hard hit by the pandemic, while encouraging the public by reminding them of the strengths and potential of our society.

The corporate purpose embodies the mission, vision and values that govern the activity of Atresmedia:

Purpose: "We believe in the power of reflection and emotion"

Mission: Broadcast of varied, innovative and high quality news and entertainment offerings that respond to our stakeholders in order to win their trust and thereby ensuring the leadership position and sustainability of the Group.

Vision: To be the reference multimedia communication group with a valuable and positive contribution to the society in which we operate.

Values

Commitment: We strive to make a valuable contribution to the Company creating corporate sensitivity campaigns which resolve problems and generate a positive change.

Quality: We work on the ongoing improvement of our activities, developing excellent products with regard to their form and content, aimed at the needs and expectations of the spectator. We closely watch our broadcasting quality standards to minimise incidents.

Creativity: We boost the creative development of employees, promoting artistic freedom and freedom of thought, respecting the Company's democratic and cultural values.

Long-term vision: We work on the creation of a leading corporate project in the audiovisual sector which endeavours to move closer to the future by creating it.

Innovation: We boost the creation of new ideas, products, services and practices which contribute value to the Company and to society.

Leadership: We motivate and address our collaborators to encourage their development and that of the organisation, transmitting energy and inspiring confidence to help the organisation to achieve its business objectives.

Team work: We encourage a culture based on the establishment of relationships of trust and respect between employees and the Company. We develop their autonomy and participation in decision-making, based on the principles of delegation and responsibility.

Our role as a media organisation

From the outset of the COVID-19 pandemic, Atresmedia has borne in mind its social responsibility as Spanish audiovisual group. Throughout the crisis, the Group tirelessly kept up its news coverage and quality programming, and launched a range of campaigns and actions in support of Spanish society in these difficult times (see 6.2.2 Compromiso Atresmedia).

Through its television channels, Atresmedia reaches more than 22 million people every day, and more than 3 million listeners over its radio stations. Given these figures, and in the awareness of its public-service role, the Group believes that its main responsibility is to support society by communicating responsibly, offering widely varied quality content, comprehensive news coverage with a diversity of viewpoints, and entertainment for all audiences, while lending a voice to social causes so as to raise public awareness and encourage action.

With this in mind, we designed and drew up the General Corporate Responsibility Policy in 2010, which was updated in 2019. To comply with the recommendations of the new Good Governance Code for Listed Companies published in 2020, the General Corporate Responsibility Policy will be reviewed in 2021 and approved by the Atresmedia Board of Directors in February. This policy is supervised and controlled by the Audit and Control Committee and is further supplemented by our policies on responsible advertising, human resources and the environment, all of which were revised in 2019 and regulate non-financial matters that impact, or have the potential to impact, the Group’s activities.

The General Corporate Responsibility Policy (General CR Policy) sets out the Group's commitments and the guiding principles for delivering on them in the right way. These commitments and principles complement the Company's strategic priorities, and guide the actions taken to achieve them:

2019 GENERAL CORPORATE RESPONSIBILITY POLICY	
Commitments	**Principles of action**
C 1. To produce and broadcast responsible news and entertainment content that is accessible for all society	Quality, commitment, accessibility, accuracy, viewpoint diversity; and protection of and advocacy for human rights
C 2. To promote high quality, honest and ethical advertising in all our media	Honest and transparent business management, service quality, efficiency and innovation, advertising self-regulation, respect for human rights, child protection, and commitment to wider society
C 3. To support our employees as the company's main asset	Provide quality employment and a rewarding work environment, promote equality, diversity and work-life balance, guarantee labour rights and promote ethical behaviour among the people who are part of our Company.
C 4. To help society progress and develop	Commitment to achieving the United Nations Sustainable Development Goals, social awareness through the media channels of Atresmedia, active collaboration with non-profits, promotion of corporate volunteering among our employees, and creation of Fundación Atresmedia to promote the welfare and rights of children and young people
C 5. To minimise environmental impact and raise awareness in society about caring for the environment	Reduce the environmental impacts of our operations and raise society's environmental awareness through our media outlets
C 6. To strengthen corporate governance	Comprehensive corporate governance system, corporate governance policy, Audit and Control Committee and Appointments and Remuneration Committee
C 7. To transmit the corporate policies and values throughout the value chain	Fairness, transparency, impartiality and independence in relations with our suppliers of goods and services, sustainability in our procurement processes, and shared commitment with our suppliers
C 8. To establish transparent relations with stakeholders	Channels for fluid and active dialogue with our stakeholders, transparency, truthfulness and balance in corporate reporting, and active involvement in Spanish and international corporate responsibility forums and organisations:

The main changes in the General CR Policy with respect to the previous version were the inclusion of Atresmedia's corporate purpose as the framework of CR strategy, a reinforced commitment to the protection of children, the introduction of new tools in support of equality and ethics in human resources, express mention of the UN SDGs, and the inclusion of our social commitment policy.

In 2021, we plan to make further changes to the General CR Policy to specify methods for monitoring compliance with corporate policies and mechanisms to oversee non-financial risks, including business ethics and conduct risks.

Atresmedia's Corporate Responsibility Committee is comprehensive in its concerns and consultative and advisory in its nature. Committee members include representatives drawn from Human Resources, Operations Management, General Services, Internal Audit, Corporate Governance, Advertising, Radio and Television Content, News and Current Affairs, Suppliers and Strategy.

As a result of COVID-19, the Corporate Responsibility Committee, which is in charge of implementing the Atresmedia CR strategy, held no in-person meetings in 2020; however, committee members kept in touch and performed their duties remotely. This internal organisation is complemented by the 2018-2020 CR Master Plan, which Atresmedia continued to execute throughout the year. In 2020, owing to the pandemic, some actions under the Plan were postponed to 2021, when it is expected that they will be completed. However, the following actions were completed even in spite of the pandemic:

- Identifying non-financial risks and including them on Atresmedia's risk map (see 5.5.2 ESG risk model)
- Promoting diversity through a comprehensive disability management strategy at Atresmedia (see 6.3.6 Supporting equality, diversity and work-life balance)

Our progress in delivering on the commitments under the General CR Policy is reported in this Non-Financial Statement and on our corporate responsibility website, which we update on a rolling basis. In addition, a "Non-financial scorecard" is attached to this report as an appendix.

For yet another year, Atresmedia was picked as a member of the **FTSE4Good Ibex** sustainability index, which lists the leading companies in corporate responsibility practices. The index evaluates and scores environmental, social and corporate governance performance. The threshold score for a listing on the index is 3.1, while the maximum score is 5. In 2020, **Atresmedia's average score was 4.8**.

In a bid to further integrate Corporate Responsibility in the Company and acquire and share good practices, Atresmedia is actively involved in Forética, Fundación SERES, the Global Compact and the Responsible Media Forum, all benchmark entities that promote integrating social, environmental and good governance aspects into companies’ strategy and management.

5.3 **Market landscape**

While 2020 began in a context of economic uncertainty and increasingly swift change in the patterns of audiovisual consumption, the COVID-19 crisis brought about a further far-reaching shift. The pandemic was a key factor in speeding up trends that had already emerged in recent years and accentuating the economic crisis for broad swathes of the Spanish business fabric.

In 2019, there were signs of sluggishness in Atresmedia's macro-economic environment – despite 2% GDP growth, advertising spend remained flat. Then, in 2020, there was a sharp and sudden crash. Spanish gross domestic product (GDP) contracted 9.1%, with certain service sub-sectors, such as trade, transport and hospitality (-20.4%) and arts, entertainment and other services (-31.5%), hit particularly hard. An unprecedented decline in the economy led to the sharpest drop in GDP ever seen in peacetime. Advertising spend fell by 22.2% in the first nine months of the year, and by 50% in April and May, when the lockdown was at its strictest.

All media were affected by this unique crisis, with the first ever slump in the digital category (-5.3% for the year). Other media run by Atresmedia were also affected, with TV down 18.4% and radio down 22.9%, according to Infoadex figures.

The drop in advertising spend was due exclusively to the contraction in demand, as TV and digital media audiences overall rose sharply, driven by lockdowns and the fewer entertainment options available outside the home.

TV consumption bucked the downward trend of recent years, growing 8% year-on-year to an average of 240 minutes per day, per person. Looking strictly at TV consumption and adding minutes of other uses (e.g. native digital streaming), Spaniards spent an average of 269 minutes in front of their TV sets. This reflects two facts that firmly took shape in 2020: TV is still the leading communication media in the home; and the convergence between other entertainment options with TV is now a reality.

The combination of these two factors gave rise to one of the key trends to emerge this year: streaming platforms becoming entrenched as a ubiquitous choice of content consumption at home. International platforms, such as Disney Plus, set up a presence in Spain, and distribution windows underwent a major shift: films that formerly would have premiered in theatres or on conventional television are now screened for the first time, and exclusively, on streaming platforms. The boom of streaming consumption and the growing propensity to pay for quality content opened up a new growth channel for Atresmedia, which saw the subscriber base of its paid version of the Atresmedia platform blossom.

In this volatile and challenging environment, Atresmedia strengthened its commitment to offer audiences high quality news coverage and entertainment whatever the surrounding circumstances. When most needed, we fulfilled our duty to keep people informed, and during the months when the lockdown was at its strictest we continued to produce entertainment and fiction programming. So even in tough times, when costs had to be cut back and finances optimised to an extent never seen before, Atresmedia achieved its corporate purpose of encouraging its audiences to feel and think.

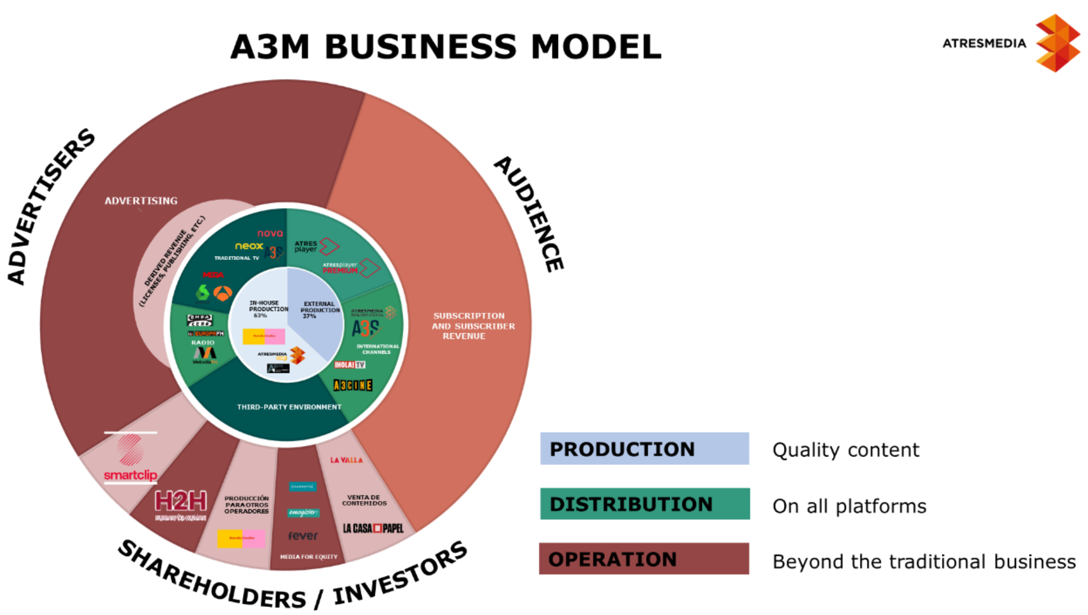
5.4 Business model and strategy

Through its **television and radio divisions**, Atresmedia creates, produces and broadcasts attractive, innovative and high-quality content on its conventional channels and over its ATRESplayer and ATRESplayer Premium OTTs. Audiovisual content lies at the heart of Atresmedia's business model. Based on that foundation, we generate advertising-driven revenue via Atresmedia Publicidad – the Group's main revenue source – and build up increasingly significant revenue streams from content sales and online subscriptions. For instance, in 2020 Atresmedia partnered with Telefónica to launch **Buendía Estudios**, a major venture that aims to become the leading Spanish-language content creation and production studio worldwide.

Atresmedia relies on **Atresmedia Diversificación** to engage in businesses that are not solely reliant on conventional advertising. This includes the management of publishing rights and copyrights, our international business and the Group's involvement in the private equity sector.

The Group is also involved in the film industry by complying with its legal obligations under Spain's Audiovisual Communications Act. Here it focuses its activity through its film production and distribution division, **Atresmedia Cine**.

Under its **Compromiso Atresmedia** brand name and **Fundación Atresmedia**, the Group lends visibility to social causes and supports positive changes in society; this is one of the Group's most valued attributes among audiences and advertisers.



Strategic plan

In 2018, Atresmedia set itself three strategic priorities, which were implemented in 2019 by means of several action plans. Even in the fast-changing environment of 2020, Atresmedia was able to uphold its **strategic priorities**, thus demonstrating the long-term viability of its goals:

1. Retaining and expanding our **core TV and radio business**
2. Leveraging our **content creation** capability
3. Building a **diversified and end-to-end business**

In 2020, even despite the pandemic, Atresmedia proved able to take **agile** operational and day-to-day decisions as demanded by the emerging circumstances while continuing to implement projects within the Group's **strategy**.

Towards the end of 2019, when monitoring its strategic progress, the Company identified **50 strategic projects** across three major areas: **Transformation, New Businesses** and **Savings.**

Throughout 2020, we launched 76% of projects identified to implement the strategic plan. By year-end, more than 60% of those were completed or at an advanced stage.

Highlights in 2020 included:

- **Expansion of ATRESplayer Premium** to add exclusive original content to its catalogue as a boost to its value proposition.
- Strategic alliance with Telefónica to **launch Buendía Estudios** to create and produce Spanish-language audiovisual content for the worldwide market.
- Further development of **addressable, personalised advertising** on television.
- Entry into the influence marketing industry via the **acquisition of Human to Human** (H2H), a firm that specialises in gathering and analysing data generated by platforms and influencers.

Atresmedia tracks progress towards this strategy using a **set of KPIs** to measure each of the objectives and detect any deviations from the plan:

KPI	2018	2019	2020	KPI	2018	2019	2020
Share of TV audience (Kantar)	26.8%	26.2%	26.3%	**% Own production vs. total programming (weighted by audience)**	60%	62%	63%
Share of TV ad spend (Infoadex)	40.5%	40.7%	40 %	**Average no. of unique visitors - Total Group (million) (Comscore)**	18.9	24.4	26.9
Power ratio	1.52	1.55	1.53	**No. of pages viewed - Total ATRESplayer (PC only) (million) (Comscore)**	16	13.6	12.5
Change in cost/GRP - Atresmedia (€)	878	856	745	**No. of pages viewed - PC only (million) (Comscore)**	45	52.6	58.8
Audience share for Atresmedia Radio - 12-month periods (EGM)	16.5%	14.5%	13.9%	**% of international revenue**	2.8%	3.1%	3.9%
Audience share for Atresmedia Radio - waves (EGM)	17%	14.4%	13.3%	**No. of paid subscribers to Atresmedia channels (million)**	56	59	54
Share of radio ad spend (internal estimate)	17.6%	17.5%	18.3%	**% of non-traditional revenue**	13%	18%	17.1%
Revenue per listener Quarter (€)	19.97	22.8	19.7	**No. of M4E investees**	16	15	20

Atresmedia: Data-driven group

Atresmedia became a **data-driven group** in 2019. In other words, it bases tactical and strategic decisions on the data generated by its operations. Atresmedia fully unlocks the value of the security infrastructure and systems already in place, becoming a benchmark in the **responsible use of information** to provide a **better experience for our users and advertisers**.

As a cross-cutting function, Data & Analytics offers solutions and improvements across all areas of the company and generates new decision-making support models at both user (audience) and customer (advertiser) level. The key roles of this division are:

Recommending ATRESplayer content
The content recommender aims to increase user engagement by suggesting personalised content based on the viewing history of each viewer.

Optimising digital analytics
We have devised new metrics and analytical approaches focused on the user and based on new working methodologies. This ongoing project culminated in 2020 with the implementation of new tools and approaches, giving rise to a new analytical ecosystem that is more modular, scalable, flexible and autonomous.

Personalised digital advertising
Bespoke advertising within the Group's digital environments, showing spots that are fully aligned with the current tastes and needs of users. This is also applied to our advertising management models, with affinity segments created among audiences based on the programmes they view in ATRESplayer, thus making our campaigns more effective. Affinity segments are delimited based on ATRESplayer viewing data combined with analytics of page views throughout the entire Atresmedia digital ecosystem.

We use **business intelligence (BI) tools** to analyse historic data for **forecasting purposes**. The tools use multiple information sources from around the Group. To encourage greater self-management and self-analysis without resorting to IT departments, Atresmedia applies a **self-service business intelligence approach**. In 2020, we completed the first two phases of the self-service BI project, which enables digital business areas to be self-sufficient and access the data they need to make **tactical decisions in their day-to-day operations**. The self-service BI environment lets users extract insights and KPIs and simulate scenarios: these are key functionalities for assessing **strategic decisions**.

Meanwhile, the circumstances of the pandemic led to further entrenchment of **Agile work approaches**, which were implemented since the division was first started up. These methods are based on teamwork and **quick adaptation to business needs**. One of the features of Big Data technology is its **native scalability**. This meant that video recommendation and user analytics systems were unaffected by the rapid growth of the Atresmedia digital platform user base throughout the months of lockdown.

5.4.1 Lines of business

Atresmedia Televisión: relevance and leadership in news, entertainment and fiction

Atresmedia Televisión aims to provide a diverse, innovative and high-quality range of news and entertainment content which, by becoming our viewers' first choice, will offer the value that advertisers are after.

The Television Division brings in **75% of the Group's total revenue** and features **six channels**: Antena 3 and laSexta (general interest) and Neox (young audiences), Nova (women), Mega (men) and Atreseries (fiction series). When designing its programming schedule, Atresmedia is guided by quality, innovation, plurality and diversity while allowing itself to be steered by the following premises:

- Creating **diverse and quality content** that matters to society
- **Protecting more vulnerable audiences**, especially children
- Making audiovisual content **more accessible**
- Playing a valuable role in improving **media literacy**

In an exceptionally challenging year, with television viewing rising to almost 4 hours a day and **free-to-air TV** entrenching its **key role** as a provider of entertainment and news, all areas of Atresmedia Televisión reinvented themselves and ensured that the Group's activity – regarded as essential during the pandemic – went ahead even in emergency conditions. News coverage continued without a hitch, and so did our entertainment, fiction and film content. Atresmedia's efforts were much appreciated: we ended 2020 with an **audience share of 26.3%**. We were the only television group to grow over the year – whereas our competitors declined – and our commercial target share rose to 27.8%.

In a year in which news became more necessary than ever, Atresmedia's coverage exemplified responsible, accurate and independent journalism. We won the trust of our audience, who made **Antena 3 news broadcasts** the most-watched and the market leaders for the third year running, with the highest viewing figures of the past 12 years.

The journalist Vicente Vallés, the producer and lead anchor of Antena 3's *Noticias 2*, was awarded the 2020 'Francisco Cerecedo' Journalism Prize for the accuracy and independence with which he practises his profession.

The **news broadcasts on laSexta** - *laSexta Noticias, Al Rojo Vivo, Más Vale Tarde* and *laSexta Noche*, also offered thoroughly researched, responsible coverage to respond to the needs of the public and clearly explain the crisis caused by the pandemic.

In addition to its key role offering news and current affairs comment, even in the midst of its toughest-ever season Atresmedia Televisión reinforced its bid to provide **widely diverse, high-quality entertainment content**, which was especially welcome in the context of the lockdown. Our successful formats included *La Voz, Mask Singer, El Hormiguero 3.0*, and our family of gameshows, *La ruleta de la suerte, ¡Boom!, ¡Ahora caigo!* and *Pasapalabra*, which returned to Antenna 3. LaSexta premiered *Natural* and *La Isla*. Moreover, constant innovation in original fiction content brought to homes the most-watched series of the year, such as *Veneno, Mi hija* and *Mujer*.

Channel	*Share*	*Milestone*
Antena 3	11.8%	The channel that pulls in the largest number of viewers each day
laSexta	7.0%	Strong lead over its closest competitor (5.5%) and eighth consecutive year in the lead
Nova	2.5%	Matches its best year after a six-month streak in the lead for the first time in its history
Neox	2.0%	The most viewed special-interest channel for advertising target audiences and young audiences
Mega	1.5%	Flagship channel among male audiences
Atreseries	1.5%	Remained the leader for new special-interest shows

Key **milestones at Atresmedia Televisión** that generated these impressive results include:

- Atresmedia Televisión and Antena 3 were the group and the channel to which **most viewers** turned each day during the year, with an average viewership of 22 million and nearly 14.5 million, respectively.
- Antena 3 had the **most-watched newscasts** for the third consecutive year, with the best share in eleven years and the most-watched year in the past twelve years.
- *Mask Singer* recorded the best entertainment premiere viewing figures of the past eight years; it is the network's most-watched and most competitive show of the year, a clear leader.
- **Antena 3 premiered a new season of *Pasapalabra***, the most popular quiz show on television. After becoming the absolute leader in the afternoon time slot, it continued to grow its viewership month after month.
- ***El Hormiguero 3.0*** was the absolute leader in its time band for the sixth consecutive year, completing 10 successful seasons on Antena 3 and matching its annual record audience share with 14.9%.
- Yet again this year, ***laSexta Noticias*** exceeded the 10% mark and made 2020 the most-watched year in its history, with more than 1.2 million viewers. For the first time, the newscast topped 1 million viewers every single time it aired throughout the year.
- The **theme channels Neox, Nova, Mega and Atreseries** continued to be leaders facing their target audiences.

In 2020, Atresmedia celebrated the 30th anniversary of Antena 3, the first private TV channel in Spain, and the 15th birthday of its thematic channels Neox and Nova. Both anniversaries were marked with special shows and surprises for our viewers.

Delivering on its commitment to raise awareness and lend a voice to social causes, in 2020 Atresmedia launched the **campaign *La Televisión de un gran país*** (“television of a great country”). The campaign went through various stages over the year, in step with emerging events and public sentiment. In the closing months of 2020, the campaign supported people, institutions and regions, while lending visibility to the industries hardest-hit by the pandemic, especially the tourism sector. Campaign ads acknowledged the value of television as a medium that forms ties between people, communities and their surrounding reality; for decades, television has kept us informed and entertained, and has been part of our lives. On the occasion of World Television Day, on Saturday, 21 November 2020, as part of the campaign, Atresmedia paid tribute to television and the people behind it with a heartfelt ad that acknowledged the value of television as a medium that brings people together and has kept us informed and entertained for decades.

Digital landscape

Atresmedia Televisión remains the **absolute leader among its peer audiovisual groups in terms of digital consumption**, with an average of more than 26 million unique users per month and growth of +10% compared to 2019. The digital environments of our main channels, which successfully supplement the offline offering, and ATRESplayer, the Group's native digital video platform, all achieved historic figures in 2020.

In 2020, ATRESplayer averaged 5.2 million unique users per month (9 million total registered users), with monthly views of 32 million videos and 13 million app downloads.

To bolster the ATRESplayer advertising model, in 2019 we launched the **ATRESplayer Premium platform**. This online subscription platform supplements Atresmedia's 360 strategy: while retaining the philosophy of placing content at the heart of the business, it seeks to reach all broadcast windows and devices through a hyper-distribution model driven by new technologies.

In 2020, ATRESplayer Premium grew and cemented its position as a benchmark among Spanish subscription platforms, offering subscribers original content and exclusive properties, such as series, in-house productions and documentaries, including the hits *Veneno, La Valla,* the documentary *El Instante Decisivo* and two specials of *Física o química: el reencuentro*. Thanks to its content strategy, in 2020 Atresmedia Premium multiplied its subscriber base almost fourfold to 452,097.

ATRESplayer Premium premiered *Veneno*, which became the smash hit of the year and one of the most-streamed series of 2020, drawing close to 450,000 viewers and winning the Iris Critics' Prize and the Premio Ondas for best female actor.

Support for the film industry

Films pick us up when we're down and get us in touch with our feelings. That is why, after the strictest phase of the lockdown was lifted, Atresmedia launched a campaign to support the film industry, #yaquedamenosparaencontrarnos, reminding us all that the magic of watching a film at the cinema was now closer at hand.

In 2020, Atresmedia Cine continued to pursue its distinctive goal – to support the arts and the film industry. Despite the pandemic, we shot 5 feature films and – just before the lockdown – successfully premiered our horror movie ***Malasaña 32*** and our rom-com ***Hasta que la boda nos separe***. In the summer after the lockdown, to encourage audiences to return to film theatres we launched our comedies***Superagente Makey*** and ***Padre no hay más que uno 2. La llegada de la suegra*,** which became the highest-grossing film in Spain, with box-office takings of €12,720,830.42 and 2,266,931 cinema-goers. In the autumn, ***Eso que tú me das***, a documentary featuring Jordi Évole's last interview with Pau Donés, was screened in more than 280 cinemas in Spain and became the most-watched Spanish documentary in theatres of the past 10 years. Atresmedia Cine ended the year premiering its major production ***El Verano que vivimos***, preceded by an exclusive trailer broadcast on all Atresmedia channels.

Atresmedia Radio: Credibility, viewpoint diversity, sensitivity and content variety

The vision pursued by Atresmedia Radio and its brands (Onda Cero, Europa FM and Melodía FM) is to broadcast a wide range of content that will earn them recognition as the benchmarks for credibility, viewpoint diversity, entertainment and closeness to the expectations and concerns of the public.

Atresmedia Radio rounds out Atresmedia as a pluralistic multimedia Group aligned with the public interest, and has **three distinct channels**: the general-interest station **Onda Cero**, which in 2020 celebrated 30 years of public service, with credibility, viewpoint diversity and sensitivity, and a wide range of content that appeals to all sectors of society; and then the music stations **Europa FM** and **Melodía FM**, aimed at a younger and more mature audience, respectively.

Atresmedia Radio pursues the following **principles**:

- Innovating to offer our listeners **fresh and attractive programming**
- Ensuring **independence, viewpoint diversity and credibility**
- Preserving the best of conventional radio: **closeness to the audience and engagement**
- Adapting to the **new features of the radio medium** in the 21st century
- Supporting the **community commitments** acquired by the Group

In 2020, a total of **3.05 million people tuned in to Atresmedia's radio stations every day**[4]. Onda Cero reached 1,792,000 listeners, making it the third-largest general-interest radio station in the country. Europa FM ended the year with 1,041,000 listeners, while Melodía FM had 172,000 listeners. Credibility, plurality, diversity and proximity are what make Onda Cero the **most trusted general-interest radio station**.

Broadcast	***Milestone***
***Más de uno*, with Carlos Alsina**	Achieved year-on-year growth of 61,000 listeners (+5.2%), with an improvement of +40,000 compared to the previous wave
***Por fin no es lunes*, with Jaime Cantizano**	Achieved its best-ever figures. Jaime Cantizano became the fastest-growing communicator in Spanish radio in terms of audience (on Saturdays, 830,000 listeners (+101,000) and on Sundays, 768,000 (+172,000)).
***Julia en la onda*, with Julia Otero**	Ended its thirteenth consecutive year as radio's second most listened-to afternoon show, with 437,000 listeners.
***La Brújula*, with Juan Ramón Lucas**	The news source for 317,000 people daily.

[4] According to the third-wave EGM

Noticias Mediodía	The news source for 201,000 people daily.

When the state of emergency and the lockdown were declared, Atresmedia Radio took on an unprecedented challenge to continue its broadcasting to its usual standards of excellence, but in entirely new circumstances. During the toughest months of the pandemic, thanks to our credibility and our ability to entertain and stay close to public concerns, we proved our value as an essential medium of communication. Thanks to outstanding work from our people in the technical, broadcasting, editorial and radio-station departments, **service quality** was as good as ever. Broadcasting was uninterrupted, and offered empathy and sensitivity in line with the emerging reality of the pandemic.

Carlos Alsina replaced his classic "8 o'clock monologue" with a "diary of the pandemic", giving airtime to the first-person concerns of locked-down members of the public and those the crisis was hurting the most. During the lockdown, the *Más de uno* show's email and WhatsApp mailboxes received more than 5,000 messages a week from listeners.

The Madrid Press Association (APM) awarded Carlos Alsina, the producer and presenter of *Más de uno* on Onda Cero, the prize for Best Journalist of the Year 2020.

Onda Cero's political analyst, Fernando Ónega, linked to *Más de uno* and *La Brújula*, received the Ondas Nacional de Radio award for his distinguished radio career as both a producer and in front of the microphone.

The eponymous presenter of *Julia en la onda* opened a new section, *El recreo*, in which she gave voice and airtime to children locked down in their homes. And the radio shows *Por fin no es lunes, El transistor* and *Radioestadio* focused on listeners' concerns and the new day-to-day life of athletes during the lockdown.

On Europa FM, David Bowie's track *Heroes* was given a Spanish-language cover version for charitable purposes. The proceeds from the downloads were donated to the *Cruz Roja responde... con Atresmedia* campaign. Europa FM also broadcast the *Europa Home Fest*, a major online music festival, which was nominated for the Radiodays "Radio Ideas" Awards as the Best Virtual Concert.

The strength of Onda Cero's programming enabled us to keep a stable schedule in 2020. A new entrant was *El colegio invisible*, a mystery show hosted by Lorenzo Fernández Bueno and Laura Falcó Lara.

In 2020, numerous charitable programmes were produced in steps with the emerging needs prompted by the pandemic. One standout was ***Cruz Roja responde***, which attracted the largest ever collection of donations in the history of the Spanish Red Cross through all channels and programmes, and took the form of two specials designed to raise funds for the people most vulnerable to the pandemic. Another highlight was ***Objetivo 2%***, where Atresmedia gathered signatures from the public calling for a government science budget of 2%.

Atresmedia Radio's stations continue to evolve, with a focus on listeners' and society's new ways of consuming audiovisual content. In 2020, therefore, we intensified the digital transformation of Onda Cero. In addition to the conventional airwaves, it is now available over its own app and website ondacero.es, voice-driven assistants, car-mounted devices and TDT. New enhancements of the listener experience are achieved almost every day.

In 2020, ondacero.es launched a new app and website to allow guided access to all channel programmes and sections, and content created exclusively for the digital universe, with topics ranging from sports *(Juego de plata, Ellas juegan, Cuatro cuartos, Onda fútbol),* to science and future *(Toma la pastilla roja, 2100: odisea en la Tierra)* and humour *(La parroquia, ¡Cállate, payaso!)*. Also available are all the fiction programmes and sound documentaries produced by Carlos Alsina (*Cuando fuimos ciegos, Madre en Belén, Los peces de la amargura, ¿Qué fue de Brian?...*).

Thanks to these efforts, ondacero.es went from 1.5 million unique users in February to more than 4 million in March 2020. ondacero.es is the leader among general-interest radio stations in terms of minutes per user.

Atresmedia Publicidad: committed to innovation and advertisers

Atresmedia Publicidad remains faithful to its commitments as a single-vendor advertising firm: effective advertising that is always up to date in innovation to offer brands and agencies the right campaign for each communication need and the best after-sale service, ensuring a safe, controlled and low-risk environment.

Atresmedia Publicidad **markets the Group's advertising space, Atresmedia's main source of revenue** (82%)[5]. Its activity rests on three **key vectors**, which remained intact despite the circumstances.

1. **Innovation.** Atresmedia Publicidad, in its commitment to effectiveness and innovation, through technological development, again offered innovative formulas bringing advertisers new options to improve their return on investment. New features included:
    - Use of QR codes in spots and TV promotions: this format became widespread due to the COVID-19 pandemic, enabling advertisers to offer interactivity in television content. Under its brand YesWeScan, Atresmedia uses QR codes to bring programming closer to viewers' everyday lives.
    - Contextual interactive overlay: With an interactive overlay on ATRESplayer, Huawei enables Top Photo viewers to buy phones directly when they appear on screen by clicking on the overlay.
    - Addressable L: Atresmedia Publicidad widened the range of options for its **Digital Skin or 'L'** format available on televisions equipped with HbbTV technology. Addressable TV is a targeted advertising format that includes an overlay of digital information on the linear TV broadcast (on an ad or content). This reinforces the core message and links the advertiser to specific content.
    - Dynamic L: Lends movement to 'L' format creativity over HbbTV devices. Dyson was the brand to debut this new format.

2. **Effectiveness.** Atresmedia Publicidad remained committed to offering the best service to advertisers and researching and improving its knowledge of advertising effectiveness. Digital Skin combines the best of television and the online world to extend the reach of the big screen while improving audience segmentation. As the first

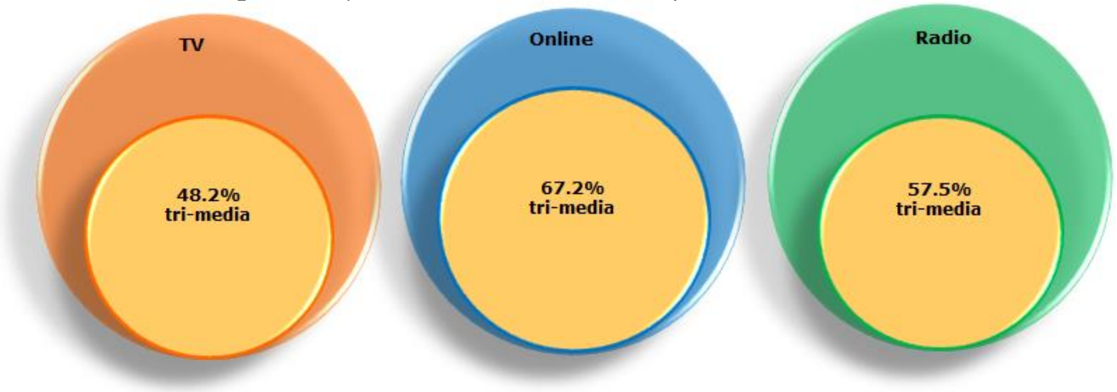
[5] Advertising revenue from institutional advertising (advertising promoted by government bodies and institutions) amounted to 2.0% of total advertising revenue this year. Advertisers in the telecoms and Internet, automotive, food, beauty and hygiene, finance and insurance, retail and hospitality, and public and private services sectors accounted for 80% of revenue.

addressable hybrid format in Spanish free-to-air television, Digital Skin is a new milestone in the advertising market. Addressable TV is a targeted advertising format that uses the HbbTV standard to include a superimposed layer of digital information on the linear TV broadcast (on an ad or content). Digital Skin results are calculated using Video Advertising Reach (VAR), an Atresmedia Publicidad and Smartclip tool that measures television and online video coverage. VAR enables Atresmedia Publicidad to show advertisers trying out this format how their linear television campaigns gain up to two points of additional coverage through negative retargeting.

In 2020, we surveyed more than 1,500 respondents to demonstrate that Digital Skin is also effective in qualitative terms, raising spontaneous brand recall by 22%.

Atresmedia Publicidad and Smartclip Europe, the Group's exclusive technology partner for digital advertising services over HbbTV, signed a strategic agreement in 2020 to develop addressable advertising on TV. In addition, the partners' new advanced TV project, Promethus, creates multi-screen and multi-format advertising strategies based on TV viewership data to achieve the most efficient multimedia solution on the market in terms of coverage.

3. **Return on ad spend.** In 2020, one of the Group's key drivers of value creation continued to be return on advertising investment. The company's excellent performance was largely down to the synergies between the various types of media marketed by Atresmedia Publicidad. Almost half of the total ad spend reported by the Group's TV channels was generated from tri-media advertisers, i.e. customers who rely on all of Atresmedia's media (49.2%). The 'multimedia' advertisers segment also accounted for 57.5% of our total online advertising revenue, and 67.2% of revenue from radio advertising. For TV, multimedia advertisers represent 48.2% of the total.



As a result of the 2020 pandemic, like the Group's other divisions, Atresmedia Publicidad faced one of its toughest ever challenges when advertisers held back their investment. Yet the Covid-19 crisis also created opportunities for brands to reinvent themselves, get closer to consumers' needs and offer different kinds of value to society. Atresmedia Publicidad partnered with its advertising customers to get to know their requirements first-hand and offer **innovative formats and solutions** that would let them reconnect with consumers and thrive in even the toughest conditions. We demonstrated that the campaigns that did continue through the crisis were immensely effective, while new campaigns launched as the lockdown scaled back achieved **record scores for ad recognition and recall**.

In step with developments in the pandemic and its effects on the economy, over the year Atresmedia Publicidad rolled out several **campaigns** of its own to encourage communication, advocate for optimism and continue offering the safe and effective advertising environment that is our signature. Highlights included:

- ***'Gracias a todos. Gracias a ti'***, thanking the brands that kept up their advertising during the COVID-19 crisis despite the state of emergency.

- ***'Brillar'***, with the tagline *'Que todo vuelva a brillar'* ("Let's make everything shine again"), which was a historic milestone in the way it brought together several brands to send a single powerful message.
- ***'Un gran país en marcha'*** (see 6.2.2 Compromiso Atresmedia), in support of core productive sectors and the wider economy: the campaign involved news and current affairs coverage on television and radio, and spots, commercials and promotions tailored to each industry.
- ***'Construimos futuro contigo'*** ("We build the future with you"), on Onda Cero radio. To help revive the Spanish economy, the network broadcast a promotional campaign covering strategic sectors of each region and province and highlighting their potential for building the future.

Atresmedia Publicidad also moved closer to its customers with the following campaigns:

- ***#GraciasValientes*.** A tribute to brave ordinary people who often go unnoticed and today are indispensable. Atresmedia created a range of ads to say "thanks" and invited advertisers to join in.
- ***Cuídate en casa*.** Comprising four sector-specific lines of communication, the campaign offered tips for viewers to take better care of themselves during the pandemic lockdown and invited brands to join the #cuidateencasa ("look after yourself at home") movement.

Atresmedia Publicidad continued to provide a **brand-safe environment** for advertisers to send their messages, supported by the quality content that the Atresmedia Group offers as its distinctive contribution, in a controlled setting protected from adverse exposure.

Atresmedia Diversificación: committed to the most innovative projects

The main objective of this division is to **flag and commit to innovative projects that have high potential and are likely to generate a significant impact** on the Group's results.

> The vision of Atresmedia's diversification unit is to take forward projects and develop new lines of business based on models that are not directly reliant on revenue from the conventional advertising market.

Atresmedia Diversificación is split into four main areas:

1. **International**, whose channels reach out to 54 million subscribers and more than thirty countries worldwide, with a special focus on Latin America and the United States. Although the pandemic hit Spanish-speaking countries especially hard, the Group's international channels strengthened their foothold and even continued to grow through deals with major regional operators such as Claro, Movistar, Cablevisión Argentina, and Charter in the United States. The shutdown of DirecTV in Venezuela eroded the total subscriber base, but there was no adverse impact on revenue.

2. **New Business**, with the goal of extending the reach and recognition of brands and content beyond TV screens by creating related products and services that earn additional recurring revenue.
   We create new products mainly by making licensing deals with leading partners in the publishing, music, toy, consumer, leisure, entertainment and online markets.
   A highlight in 2020 was a book tie-in with Karlos Arguiñano's cookery show, which again this year proved to be a leading non-fiction property. Our partners also launched a board game and puzzle book tied into our *Pasapalabra* gameshow. By keeping up this branded content format, we provide advertisers with alternatives to screen presence.
   The business most affected by this year's pandemic was our partnership with music producers to promote musicals and other performances. Yet this business unit

displayed versatility in seeking new sources of revenue through media partnerships with companies that were formerly outside the usual circuit of television advertising despite their high-potential products.
The New Business unit also manages deep off-peak advertising time bands passed on to third parties to offer products and services such as telesales and online gambling programmes.

3. **Media for Equity**, which helps companies grow during ramp-up by providing advertising campaigns in exchange for a stake in the company. One of the year's highlights was the sale of our stake in Glovo: the value of our investment had multiplied tenfold.
   Our portfolio comprises start-ups in high-potential areas, such as healthcare, mobility, finance and training. This year, Atresmedia joined Adevinta Ventures and Toyota AI Ventures to invest in BIPI, a vehicle use subscription company, and GOIN, a Barcelona start-up that provides automated savings and simplified retail investment.
   For its part, Atresmedia Capital, the company solely in charge of our holdings in start-ups, was approved as a private equity investor by CDTI, Spain's technology and innovation agency. Yet again this year, therefore, Atresmedia was a leading name in the Spanish entrepreneurial and venture capital ecosystem.

4. **Music,** which manages the Group's music publishing rights and is headed by Irradia, and Atresmúsica, our record label. 2020 again featured international revenue growth driven by the success of our series beyond Spain, the international management of music rights, and the growth in Irradia users.

So, again in 2020, the Atresmedia Diversification division made a success of its bid to support high-potential projects and innovative ventures and accounted for a growing proportion of Group revenue and profit. Even in the midst of a global pandemic Atresmedia proved that it is worth taking risks on new and different business models that can provide fresh options in challenging and uncertain times.

Atresmedia Studios is now Buendía Estudios

First established in 2018, in 2020 Atresmedia Studios became **Buendía Estudios** under a deal between Atresmedia and Telefónica (through Movistar+) to form a 50-50 joint venture. Buendía Estudios intends to become the leading studio for creation and production of Spanish-language content aimed at the domestic and international markets.

> The new studio will develop Spanish-language content in Spain and beyond while contributing the edge that each partner has in the market: in-depth knowledge of the industry and broadly based experience of teams.

Our team, who are widely experienced in **developing and producing fiction, film and other entertainment**, will be able to rely on the infrastructure needed for ongoing and recurring production. Besides Atresmedia and Movistar+, Buendía's partners include Amazon, Netflix, Warner HBO, TNT, HBO Max-, Orange and Spanish regional TV networks.

With the creation of Buendía Estudios, Telefónica and Atresmedia bring together talent and resources to optimise and gain scale in their content creation business in an increasingly global market. We have **more than 40 fiction projects (series, films), entertainment shows and documentary series** in production that are slated to premiere throughout 2021 and 2022 on several networks and platforms. We are also producing content for new customers in Spain and internationally.

Buendía Estudios created the hugely successful release ***Veneno***. Premiering on ATRESplayer Premium, the biopic series became a social, ideological and aesthetic hit and talking point in Spain and beyond. Other fiction projects premiered in 2020 for ATRESplayer PREMIUM were ***`Física o Química: El Reencuentro'*** – a sequel to the smash hit that shaped an entire generation – the comedy ***`By Ana Milán'*** and the thriller ***`Mentiras'***. The Atresmedia Group received a great deal of Buendía Estudios' non-fiction output, such as the documentary **'Ellas'**, which lends visibility to the transgender community, or ***`Paca, ¿Digáme?'***. In the documentary line, ***`El Instante Decisivo'*** was another outstanding premiere on ATRESplayer Premium, along with ***`Fernando Torres: el último símbolo'*** and ***`Carolina Marín: Puedo porque pienso que puedo'***, produced for Amazon Prime.

At the end of the year, at the Content London conference, we presented Buendía Estudios as a new player in the international market that seeks to identify talent and international production opportunities and back projects with a global reach.

5.5 Risk prevention, control and identification

Atresmedia operates a **Risk Assessment and Management System** that addresses all risks on the Risk Map (both external and inherent in the business, financial and non-financial, strategic, operational, technological, legal, social, environmental and reputational) and compliance risks (see 5.6 Compliance). The system sets out **controls and procedures** to prevent identified risks, and is supplemented by the **Crime Prevention System**. For further information on the operation and structure of the Risk Assessment and Management System, please refer to the **Annual Corporate Governance Report**.

From the standpoint of the risks inherent in its business as a media company, and beyond the financial domain, Atresmedia must comply with the **Audiovisual Communication Act** (*Ley General de Comunicación Audiovisual*). Its risk management and control system includes several measures to prevent non-compliance with various aspects of this law affecting the protection of minors, the content and volume of advertising messages, obligations to adapt content to people with disabilities and the obligation to invest in films and series.

In 2020, through the associations UTECA and AERC, Atresmedia took part in formal consultations on the draft Audiovisual Communication Bill, which will replace the existing Audiovisual Communication Act (*Ley 7/2010, de 31 de marzo*). The new law will implement Directive (EU) 2018/1808 of the European Parliament and of the Council of 14 November 2018 amending Directive 2010/13/EU on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive).

5.5.1 Corporate Risk Management Model

In 2020, Atresmedia **reviewed its Corporate Risk Management Model** to assess whether the controls under the Model were still valid and whether any new controls should be implemented. The review largely involved **updating our risk assessment criteria by introducing new concepts** such as "appetite" and "tolerance", and assessing risks in the light of the new tests of probability, impact and criticality.

> Key changes to the Model included widening the scope to ESG (Environmental, Social and Governance) risks and other risks inherent in the Group's business and reassigning some of the existing controls.

In addition to the Corporate Code of Conduct, the **control tools** for each risk on the Risk Map are:

Policies, procedures and protocols

These, together with the specific regulations affecting our business activities, make up the Regulatory Compliance Model. All are adequately notified through the corporate communication channels to the affected areas and people.

Internal Control over Financial Reporting (ICFR) system

Control procedures related to the Internal Control over Financial Reporting (ICFR) system, with the commitment to provide reliable, complete, truthful and uniform information to investors and the market. The process for designing the system of internal control over non-financial reporting (ICNFR) also began in 2020, as described later in this report

Compliance Committee and Chief Compliance Officer

Bodies charged with the management, surveillance, coordination and integration of corporate policies and actions aimed at complying with all applicable legislation and regulations (both external and internal protocols and procedures), as well as supervision of compliance with the Code of Conduct.

Internal Code of Conduct (ICC) on Matters relating to the Securities Market

IT control tools

GRC (Governance, Risks and Compliance) system, procurement management system, system for managing and authorising bids and quotes, system for managing and authorising programme budgets, system for managing and authorising investment proposals, quality system, IT application to monitor compliance with internal regulations on matters relating to the securities market: Insider website.

Whistleblowing channel

Enables all employees to notify, in an easy and confidential manner, those procedures that constitute inappropriate conduct or behaviour under the Code of Conduct or any other applicable legislation, and especially those that do not comply with the external or internal regulations.

Crime Prevention and Criminal Liability Model. The Crime Prevention and Detection Protocol underwent a review in 2020, mostly to identify laws and regulations affecting the crimes that impact the Atresmedia Group (four laws and three regulations), and review mitigation measures such as policies and procedures to identify potential needs for updating. A new assessment of risks related to the Group's compliance offences was also carried out.

Internal Control over Non-Financial Reporting (ICNFR) system

There is no legal duty to put in place a system of internal control over non-financial reporting. However, the CNMV, Spain's securities market regulator, and other regulatory bodies recommend tighter control over the information reported in the **Non-Financial Statement** (NFS). In 2020, therefore, Atresmedia started to develop its own ICNFR system.

The system of Internal Control over Non-Financial Reporting (ICNFR) is designed to ensure that the information reported to the markets in the Non-Financial Statement is **accurate, complete, adequate and reliable**, by analogy to the system already in place for internal control over financial reporting.

The system rests on the following **pillars**:

5.5.2 ESG risk model

Today's companies face a landscape of environmental, social and governance (ESG) risks. We now know that these risks have an impact on a company's goals, performance and even survival over time. Hence ESG risks are increasingly important in companies' risk assessment and management models.

In 2020, therefore, the Atresmedia Group created its **own ESG Risk Model** within the framework of the Corporate Risk Management System. The new model has the following **dimensions**:

Identification of ESG risks

ESG risks that could threaten achievement of an entity's strategy and business objectives are identified. The key issues of each ESG risk category are identified to obtain a detailed ESG risk inventory.

ESG risk assessment

This assessment is performed using the same approach as for the assessment of other risks: impact, probability and criticality

Identification of ESG risk mitigation controls

The phase entails identifying existing controls in the GRC model, putting in place new controls and measures, and setting NFS indicators.

Oversight, control and monitoring of the ESG risk model

This model has an inventory of ESG risks identified, the related controls and subsequent assessment, and the list of other risk mitigation measures in place. The ESG risk model is included within the Atresmedia Group's Corporate Risk Management Model. Moreover, in line with good governance recommendations, the model will be included in the risk policies and reports published by Atresmedia Group to put non-financial risks on a par with financial risks.

5.5.3 Risks materialising in 2020

The **main risks that materialised** in 2020 arose in the following **two categories**:

- **Advertising slump brought about by the COVID-19 pandemic**

COVID-19 affected all sectors and especially the advertising market.

The year-on-year fall by the advertising market during the worst bouts of the pandemic featured record reductions and cancellations in the amount and number of advertising campaigns.

Atresmedia Group receives the bulk of its revenue from advertising. The sudden drop by the advertising market in 2020 had a significant impact on the Group's revenue, which fell sharply.

The Group took measures to mitigate the impact, the most important of which were:

a) Amending the commercial policy, adapting and shifting it towards advertising sectors and solutions after the outbreak of the pandemic.
b) Cutting back spending in all areas of operations and content.
c) Monitoring working capital and financing on an ongoing basis to ensure that the Group has sufficient liquidity to fund its operations.

- **Other risks materialising**

The main risks that materialised in 2019 remained in 2020, particularly those involving litigation and disputes related to:

- The Comisión nacional de los mercados y la competencia (CNMC, Spain's competition watchdog) regarding disciplinary proceedings S/DC/0617/17 *Atresmedia/Mediaset*. Both operators, Atresmedia and Mediaset, were fined, and barred from specified courses of conduct considered anti-competition. Atresmedia challenged the decision by filing an application for judicial review with the Administrative Chamber of the Audiencia Nacional, Spain's national court. Processing of this appeal is still in the beginning stage.
- Atresmedia also requested the Court to impose precautionary measures to, among other reasons, suspend the obligation to cease the conduct penalised and the related obligation to adapt its business relationships. Despite this appeal, in keeping with maximum prudence Atresmedia amended its commercial policy and the conduct that led to the CNMC proceedings before the appeal was processed. As a result, its commercial activity is now fully in line with the CNMC's appealed ruling.
- Criminal proceedings relating to SGAE, Spain's collective rights management entity for music and audiovisual IP. In February 2020, Central Examining Court 2 of the Audiencia Nacional (National Court) decided to investigate Atresmedia in the same proceedings of 2017 against certain natural and legal persons for alleged criminal activities that could include alleged business corruption as provided for and punishable in article 286 bis of the Criminal Code.

There were no significant developments in 2020 in relation to this judicial proceeding worth highlighting.

5.5.4 Cybersecurity and responsible data management

What we mean with cybersecurity is essentially the set of measures that I3 Televisión (Atresmedia Group company dedicated to IT) implements in order to **guarantee the availability, integrity and confidentiality** of the data by using all the IT tools and services needed to ensure effective protection against the different types of threats. For a Group such as Atresmedia, it is absolutely essential to have **uninterrupted information systems** with no downtime since its business activities continue 24 hours a day across all Group locations and business areas. With this in mind, it is extremely important to detect, manage and minimise possible security events.

A robust cyber security system is today essential due to several **factors**:

- Extensive and varied IT (Information Technology) and OT (Operations Technology) infrastructure
- Complex and diverse supply chain
- Emerging regulatory requirements
- Closely interrelated risks
- Widely varied threats (cybercrime, cyber activism, cyber terrorism, et cetera)
- Complex and extensive organisations
- Wide-ranging and technologically diverse connectivity

The Atresmedia cybersecurity model includes **procedures, controls and technical audits** to assess the overall security of the system and the effectiveness of the measures and action plans put in place. It also allows us to model and implement **action plans** to mitigate risks in response to real threats to the business and to obtain a clearer picture of our security systems.

Technological risks are the main sources of cyberrisk for Atresmedia, with potential implications for reputational or operational risks. Strategically, Atresmedia's cybersecurity practice is characterised as being vigilant, proactively managed and resilient, adding value at all levels (users, employees, shareholders and even brand reputation).

Atresmedia's **cybersecurity strategy** considers current circumstances, mainly affected by its surroundings, business model, applicable regulations, technological developments, the existence of remote offices, convergence and its vast web presence. There are also four **support functions** that reinforce and help ensure effective compliance with the cybersecurity strategy: the technical security office, continuous monitoring of infrastructure, the analysis and management of vulnerabilities, and the security operations centre.

Highlights in 2020 included:

- Encrypted browsing analytics
- Production network segmentation and security
- Introduction of different levels of access to web services and use of external storage units
- IT workstation replacement (computers, monitors, etc.)
- Reinforced security for generic accounts
- Reinforced protection against viruses, Trojans, spam, phishing and other malware

Priority actions facing COVID-19

When at short notice the lockdown required that everyone should work from home, we were able to continue business safely and effectively thanks to Atresmedia's IT set-up. Even before the state of emergency, we had envisaged and created a platform or system for remote access to the Atresmedia workplace; hence more than 2000 new users were able to log in remotely when this became a necessity. The workspace rapidly evolved into a collaborative setting where information could be accessed from anywhere and from any device. We put together an emergency inventory of more than 700 laptops and rolled out a user support, service and training plan. The security measures in support of the new set-up followed manufacturers' directions: configuration of the access customer on each device; installation of anti-malware applications; monitoring of connectivity events; ongoing audit; firewall inspections, and so forth.

5.5.5 **Data protection**

Compliance with personal data protection regulations is an ongoing process entailing **constant review of processes and procedures** already in place, and new services being developed, so that they comply with the privacy by design principle. In 2020, Atresmedia continued to implement previously specified policies, procedures and tools to ensure compliance with regulatory requirements on personal data protection, such as the new guide on cookie use adopted in the year by AEPD, Spain's data protection watchdog.

The **Privacy Committee**, set up in 2018, held regular meetings in 2020 to address key issues regarding data protection and monitor compliance by the various business areas.

> Our ongoing process of improving and adapting involved making the changes required to bring our websites into line with the new guide on cookie use adopted in 2020 by the AEPD, Spain's data protection agency.

Atresmedia reinforced its commitment to personal data protection by **adhering to the new Code of Conduct for Data Processing in Advertising Activity** drafted by Autocontrol, the first code of conduct approved by AEPD under the General Data Protection Regulation. Atresmedia thus committed to complying with the duties under the Code, which include promoting a **system for out-of-court settlement of disputes** between companies that have adhered to the Code and stakeholders. Atresmedia also joined the **Digital Pact for the protection of individuals** promoted by AEPD. The Digital Pact underscores the value of privacy and encourages organisations to treat personal data processing as an asset. One of the commitments involved is to raise **awareness of AEPD's priority channel** as a means to **seek urgent removal of sexual or violent content from the Internet**.

Atresmedia adhered to the new Code of Conduct for Data Processing in Advertising Activity and joined the Digital Pact for the protection of individuals, both being initiatives promoted by AEPD.

In 2020, employee training included a **specific course on data protection** aimed at 240 people. An **awareness-raising action was set in motion addressing all Atresmedia Group employees in connection with privacy and security** and alerting them to the risks of remote work.

Concerning rights of data subjects, **373 requests were received in 2020 to exercise data protection rights**. They were handled through the data protection officer's e-mail account and entailed mostly requests for erasure of personal data, requests to access the data subject's personal data, and requests to unsubscribe from digital services. There were 227 more requests than in 2019. In the framework of the procedure under Article 65(4) of *Ley Orgánica 3/2018, de 5 de diciembre* (the Spanish Data Protection Act), AEPD, Spain's data protection agency, notified Atresmedia of two complaints related to the exercise of rights. Following argument submitted by Atresmedia, the AEPD shelved the complaints.

5.5.6 **Management quality**

One of Atresmedia's priority goals is to achieve the highest standards of quality in every show and every advertisement it broadcasts, and in its management processes. To deliver these goals, Atresmedia has a **Quality Management System** for recording, controlling and monitoring incidents whether or not they affect the broadcasting of our content on the various media. We also aim to identify potential improvements to the organisation's core processes to eliminate and/or minimise any impact on our viewers/users.

The Internal Audit and Process Control Division is responsible for coordinating this system. There is also a Quality Committee comprising the most heavily involved departments, which meets whenever necessary to review the system and to implement action plans and improvements.

Audience perception research showed again this year that Antena 3 is the highest-rated general-interest channel. It is perceived as the most diverse channel and the one most concerned with creating quality content.

The system is supported by a corporate app that identifies, classifies and categorises all incidents, whether or not they affect broadcasting. We also have in place a monthly communication and reporting system that informs management of the Group and of the business units about the source of quality defects, the description and classification of each incident, and all steps taken to correct it.

The system follows these steps:

The effectiveness of this Quality Management System and the improvement plans rolled out over the years since this system was made part of television broadcasting have notably reduced the number of incidents arising in the course of content production, recording and broadcasting.

The effectiveness of this Quality Management System and the improvement plans rolled out over the years since this system was made part of television broadcasting notably improved the rate of incidents arising in the course of content production, recording and broadcasting up to 2019. However, in 2020 the COVID-19 pandemic caused several impacts on the business. Ensuring continuity of operations, especially television broadcasting, was Atresmedia's priority. In this context, we broadcast our programmes with the presence of a reduced team in the production, direction and broadcasting areas. In addition, employees focused solely on ensuring that programmes actually aired. Therefore, in 2020, a complete and detailed implementation of the TV Content Quality System was not treated as a priority and there was no exhaustive monitoring under the Compliance Model. However, whenever a significant incident arose in broadcasting, we analysed the problem and its related areas, and took remedial action wherever required.

5.6 Compliance

Atresmedia has a **Compliance and Crime Prevention Model** as part of its Risk Assessment and Management System. The main objectives of the Model are to:

- ensure compliance with all sector-specific regulations (i.e. those affecting the sectors in which it operates) and general regulations (as a listed company or those affecting any company, e.g. labour, tax, environmental); and all Atresmedia's internal rules and protocols;
- ensure compliance with the preventive requirements introduced by the reform of the Spanish Criminal Code as to the criminal liability of corporations;
- set out procedures and approaches to prevent any offence contrary to the Criminal Code; and
- if a criminal offence were in the event committed, ensure that criminal liability does not attach to the corporation, or that such liability be attenuated by reason of appropriate control measures having been adopted.

Atresmedia's compliance function is the set of rules, standards, procedures, IT tools and other technical and human resources the common purpose of which is that the Atresmedia Group's activities at all times comply with the law and remain consistent with the ethical principles that the Group itself has put in place to guide its business as a media group and as an enterprise.

Atresmedia has a public **Code of Conduct** and our employees receive training on compliance with it. The Code covers labour relations, working conditions, journalistic ethics, social impact as a media outlet, corporate governance, conflicts of interest, and more. Atresmedia's Code of Conduct establishes the **Whistleblower Channel** as a means to monitor and report conduct that might breach Atresmedia's regulations.

The Code of Conduct includes a specific section on anti-money laundering. Atresmedia employees are under a duty to follow up cases where there may be indications of a lack of integrity in this area.

The Compliance and Crime Prevention Model has the following **dimensions**:

Law and regulations applicable to Atresmedia	**Compliance risks**	**Compliance risk controls**
Laws and regulations applicable to Atresmedia, both specifically to the sectors in which it operates and generally to all companies; and all internal regulations set out in policies, protocols and procedures.	The GRC system identifies and assesses compliance risks in connection with all laws and regulations applicable to Atresmedia.	A range of specific controls are in place to mitigate identified compliance risks, in addition to general controls also to mitigate potential risks arising from failure to comply with regulations applicable to Atresmedia. Via the GRC system, the designated officer assesses the controls regularly to mitigate the related risks.

In 2020, **significant progress** was made with regard to the Compliance and Criminal Prevention Model.

Update of the Compliance and crime prevention model: A thorough review of policies and protocols was carried out in 2020. A specific anti-fraud and fraud detection model was designed and included in the Crime Prevention and Detection Protocol. The measurement of crime-related risks included in the Compliance and Crime Prevention Model was also updated.

Implementation of a new tool to raise awareness about the Compliance and Crime Prevention Model among all new hires during onboarding alongside the "welcome kit" handed out by HR.

Likewise, in 2020 the Audit and Control Committee decided to modify the current configuration of the whistleblower channel, one of the compliance tools within the Compliance and Crime Prevention Model, in line with the recommendations of the new Good Governance Code for Listed Companies, thus widening its scope to shareholders, directors, customers, suppliers and partners and allowing anonymous complaints using a web-based form. The changes will be implemented in the first quarter of 2021. In 2020, the Compliance Committee adopted an Anticorruption Protocol, which is also available on our website.

Atresmedia has in place a **Crime Prevention and Detection Protocol** that identifies and describes potential corruption and bribery offences. Atresmedia has implemented the following controls to prevent and detect the risk of corruption and bribery:

1. **Payment control procedure**: describes all steps in managing payment collection by companies handled by the Accounting and Treasury department, the controls in place and the separation of duties.
2. **Billing and collection control procedure:** describes all steps in managing payment collection by companies handled by the Treasury and Accounting department, and the controls in place and necessary separation of duties to prevent any related risks.
3. **Expense and per diem procedure:** establishes the procedure for requesting, authorising and settling expenses of any Atresmedia Group employee to prevent the risks related to these activities.
4. **Related-party transactions protocol:** establishes the Board of Director's non-delegable power for approving, based on an Audit and Control Committee report, transactions between the Company or Group companies and directors. This also extends to transactions with significant shareholders or shareholders represented on the Board of Directors. It also establishes the controls in place to prevent risks from related party transactions.
5. **Procurement procedure:** the task of managing the procurement of the goods and services needed for the Atresmedia Group to carry on its business is centralised at the Procurement unit (Finance department), which provides service to all Group companies. The procurement procedure ensures transparency of the process, the separation of duties and the optimisation of Group purchases.
6. **Gift giving and acceptance protocol:** governs the procedure and rules that must be followed regarding the acceptance of third-party gifts, presents or invitations by Atresmedia Group employees, and the giving of gifts, presents or invitations by Atresmedia employees to third parties.
7. **Powers of attorney and use of electronic certificates protocol:** defines the procedure for managing powers of attorney internally, and securing and authorising the use of electronic certificates in the Atresmedia Group to prevent risks arising from these processes.

The **aim** of the Protocol is to set out guidelines and establish controls as required to **prevent corruption** at Atresmedia, thus supplementing and further specifying the rules of the Code of Conduct and the Crime Prevention Model. Moreover, the Protocol fulfils statutory anticorruption requirements as specified with regard to the "business corruption offence" in the 2015 reform of the Spanish Criminal Code and in prevailing legislation in the rest of countries where the Company operates.

Atresmedia **employees and contractors** and anyone acting on behalf of the Company or otherwise doing business with the Group (agents, brokers, intermediaries, advisers, consultants, representatives, joint venture partners, co-investors, franchisees, approved suppliers, travel agents, approved transport firms, legal advisers, etc) are under a duty to be aware of and comply with the Anticorruption Protocol.

The Protocol clearly defines prohibited acts: payments to facilitators, business corruption, influence peddling, illegal funding of political parties, and cash payments.

The **corruption prevention rules** set by the organisation in the Protocol are:

- **Gift giving and acceptance protocol**: Governs the procedure that must be followed regarding the acceptance of third-party gifts, presents or invitations by Atresmedia Group employees, and the giving of gifts, presents or invitations by Atresmedia employees to third parties.
- **Procedures on donations, sponsorships and other non-profit contributions**: Rules and procedures on donations or sponsorships extended to charitable foundations, reputable and established non-profit NGOs and public sector institutions. Atresmedia prohibits donations to political parties and institutions or any sponsorship arrangements with political entities.
- **Invitations to promotional or business events**: Procedures for accepting invitations to third-party promotional events.
- **Supplier awareness of the Atresmedia Anticorruption Policy**: The Policy is inserted in all contracts with suppliers.
- **Due diligence procedures**: Any contract or transaction between Atresmedia and a third party in connection with any matter involving a government body in any form (public institutions, government-controlled corporations, etc) must undergo a due diligence procedure as specified in the Anticorruption Protocol.

The Crime Prevention Compliance Officer issued a **corporate internal notice** to ensure that all employees are aware of the Anticorruption Protocol, which was also published on the corporate Intranet. **Specific training was provided to executives and middle managers** in areas where the Anticorruption Protocol is especially relevant. A **notice was placed on the corporate website** to inform the Atresmedia Group's external stakeholders.

The main new development in 2020 was the creation and adoption of an Anticorruption Protocol by the Compliance Committee and the Audit Committee.

Fundación Atresmedia, as an obliged entity under *Ley 10/2010, de 28 de abril* (the Spanish statute on AML/CTF), has specific controls in place in this respect, such as the Anti-Money Laundering and Counter Terrorist Financing Protocol, and rules of good governance to ensure transparency and efficiency in carrying out its operations, following ethical principles that guide the conduct of all members of the organisation.

5.7 Compliance with tax obligations

As part of its commitment to sustainable development, in this key area of business ethics Atresmedia applies **good tax practices**. Atresmedia's Group-wide **tax strategy** rests on the cornerstone of **compliance with tax laws and regulations** in all territories where we operate. We apply common tax criteria for all operations, both at the level of the parent company and the rest of companies within the Group, guided by the principles of a responsible tax approach.

In 2020, the Atresmedia Group Signed the Code of Good Tax Practices of the Foro de Grandes Empresas, adopted in July 2019. The Code requires its signatory companies to commit to transparency, good faith, cooperation with tax agencies and conflict avoidance.

In accordance with the *Ley de Sociedades de Capital* (the Spanish Companies Act) and its own regulations, the **Board of Directors** of Atresmedia Corporación de Medios de Comunicación, S.A. is the highest management body of the Company, with powers of representation, management and control. As such, it has a **non-delegable power to determine the Company's tax strategy** and, following a favourable report from the Audit and Control Committee, to **approve corporate tax policy**. This policy (latest version approved 24 April 2020) is available on the corporate website and establishes the **principles** underpinning tax strategy for all Group companies. Atresmedia's articles of association and other **internal corporate governance regulations and corporate policies** are available on the corporate website (www.atresmediacorporacion.com), under the section "Corporate Governance".

Atresmedia's tax management and control model is based on its **Corporate Risk Management Model**, which applies several special controls and a **Procedural Protocol regarding Particularly Significant Tax Transactions**, which lists large or highly specialised transactions that must be analysed especially carefully before they are carried out. The **Board of Directors** is responsible for approving the risk control and management policy, including tax risks, and for the oversight of internal systems of reporting and control. For further information on the Corporate Risk Management Model, see "5.5 Risk prevention, control and identification".

Atresmedia, being aware of the importance of tax transparency, addresses this issue in its scheduled **materiality assessments** through internal and external consultations. As a result of our assessment, responsible tax policy now rates as one of the most material topics. Reporting in this area is gradually being adapted to leading **reference frameworks**.

The Atresmedia Group obtained **profit before tax** in 2020 of EUR 33.8 million (79% less than in 2019), broken down by country as follows:

	Profit/(loss) before tax (€)	
	2019	**2020**
Spain	156,985,857	32,990,502
Brazil	-214,092	794,565
Mexico	475,876	214,964
Colombia	-225,457	-123,886
Peru	-26,082	65
Argentina	-189,030	-229,541
Chile	-12,348	128,885

In 2020, in compliance with its tax obligations, Atresmedia's **tax contribution** was **EUR 12,139 thousand in direct taxes, EUR 1,407 thousand in local taxes and EUR 107,110 thousand in taxes paid on behalf of third parties**. As to government assistance, the Atresmedia Group is entitled to tax deductions for film and audiovisual production. The Group did not receive any **grants** from the ICAA (Spanish Institute of Cinematography and Audiovisual Arts) this year.

As an audiovisual media group that operates a commercial television network, Atresmedia must, under the ***Ley General Audiovisual***, Spain's Audiovisual Communications Act, allocate a portion of its annual revenue to Spanish film production. Thanks to the talent of our people, Atresmedia has grasped the opportunity to turn this obligation into one of its hallmarks.

In line with this obligation regarding investment in audiovisual works, the main impact of this imposition on Atresmedia's earnings is the **tax deduction for cinema and audiovisual production**. In 2020, the Group applied tax credits for audiovisual and film production of EUR 15,288 thousand (2019: EUR 10,388 thousand).

Annual changes in **corporate income tax** paid, **grants** received, RTVE (State television) **royalties** and tax **deductions** in the year are shown below:

	2019	2020
Income tax (thousands of euros)[6]	24,003	12,139
Grants received (thousands of euros)	3,531	2,450
RTVE royalty (thousands of euros)	22,842	21,185
Tax deductions (thousands of euros)	10,388	15,288

[6] Income tax is calculated on a cash basis. The figure is therefore stated net of payments and receipts in the year. The 2019 figure of EUR 24,003 thousand was the sum of payments of EUR 27,395 thousand and refunds of EUR 3,440 thousand. The refund was not collected until 2020; hence the reportable figure was EUR 27,395 thousand. The 2020 amount comprises payments of EUR 15,579 thousand and receipts of EUR 3,440 thousand.

6. Atresmedia's impact on the environment

Atresmedia has identified the following stakeholders with whom it interacts in the course of its business: advertisers, audiences, shareholders, investors, employees, suppliers (distributors, production firms and service providers), regulators and wider society.

To gauge the demands and expectations of all its stakeholders, Atresmedia has set up an email account to receive feedback and comments on its content, advertising and technical incidents, as well as requests for information and suggestions for collaboration on a variety of fronts. During 2020 we received 181 messages (211 in 2019) through this mailbox. 60% of them were directly related to Corporate Responsibility and 21% related to suggestions. Other specific communication tools for stakeholders include the shareholder, investor and advertiser offices.

The Investor Relations team held a total of 77 face-to-face meetings with investors during 2020 (138 meetings fewer than in 2019 due to COVID-19 restrictions) and 151 calls (41% fewer than in 2019). The **COVID-19 pandemic** significantly affected the Investor Relations department and our interactions with the financial community. Coupled with the introduction in recent years of **regulatory changes** in the financial services industry (mainly, the MiFID II Directive), this has meant a long-term structural decrease in the frequency of interactions between investors and securities issuers. In 2020, however, we noticed increased interest from investors who specialise in ESG with regard to specific topics such as employee safety, working from home, healthcare protocols on company premises and relations with suppliers.

Atresmedia provides information on corporate governance to shareholders and other stakeholders on its website: www.atresmediacorporacion.com[7]. A specific section "Shareholders and Investors" provides full information on good governance and the related KPIs, and information on general meetings.

Tours of our facilities are another tool that the Group offers to universities, educational centres, advertisers and other stakeholders in order to bring the Company's activities closer to society and to enable it to fulfil its role in improving media literacy. In 2020, we hosted 37 visits (91 in 2019, the decrease being due to the lockdown and social distancing restrictions) involving a total of 572 people (1704 people in 2019. We offered direct support through the switchboard, which received 43,621 calls in 2020 (2019: 34,837), helping to resolve issues and redirecting callers to the relevant areas and departments of the Group.

These channels are rounded off with proactive social media management. Atresmedia has 262 social media profiles (2010: 255) for channels, platforms, series, programmes and other corporate actions, through which it communicates with 56 million users (2019: 55 million) and has ongoing dialogue.

This year, in response to the rapidly growing ATRESplayer subscriber base, Atresmedia's Digital Business Development Customer Service department introduced a new platform user management system. The new system enhances customer satisfaction and loyalty by troubleshooting incidents over a range of different communication channels. Atresmedia received 57,237 messages from online content platform users by telephone and via online query forms.

[7] This website can also be accessed indirectly through the television content websites www.antena3.com and www.lasexta.com or the portal www.atresmedia.com.

. Lastly, Atresmedia has its atreseries.com/opina site, where viewers and users can submit suggestions, queries, concerns, doubts; etc. in relation to the AtreSeries channel.

6.1 Customers and users: advertisers and audience

The two types of Atresmedia service users are advertisers and audience members. All users are key to the Group's business model, and their needs and concerns must be addressed both specifically and together.

Advertisers
These are the Group's main customers, since there is a contractual relationship governing the purchase and sale of advertising space for hosting their campaigns.

Audience
These are the main users of the Group's products, i.e. information and entertainment content on television, radio and OTT platforms.

In 2020, average TV consumption grew to 240 minutes (+18 minutes compared to 2019). April, with 302 minutes of average consumption, was the month with the highest consumption since records began (1992).

Atresmedia strives to offer its audience **quality, diverse and accessible content** marked by its corporate values of respect and contribution to society. We are also committed to offering **effective and innovative advertising**, with a **safe, controlled and low-risk** environment for their campaigns. Based on its **General Corporate Responsibility Policy** and **Responsible Advertising Policy**, the Group nurtures a responsible relationship of mutual respect with its audience and advertisers.

Atresmedia Television conducts **continuous research** and **monitors audience data daily** to build a **programming that best reflects audience demands**. By always listening to the audience, Atresmedia can make its television offering close to and useful for society, watching closely the new platforms that are being used for audiovisual consumption. Hence, in 2020, despite the challenges posed by the pandemic, Atresmedia continued to run face-to-face and online focus group discussions to gain insight into how the public perceived television – free-to-air especially – during these tough months. Over the course of 2020, our research involved 212 respondents.

According to the latest television image survey conducted by Personality Media in 2020 on more than 15,000 people, Atresmedia Television was viewers' most highly regarded audiovisual group. Antena 3 and laSexta, the Group's main channels, led 9 of 11 categories measuring positive attributes, such as quality, credibility, entertainment value, news coverage and innovation. They were also respondents' preferred channels and had the highest-scoring anchors and presenters.

Atresmedia Publicidad (see Atresmedia Publicidad: committed to innovation and advertisers) strives to offer advertisers, agencies and media centres an **innovative service with a revamped commercial and multimedia offering** that meets their needs and enables them to reach their target audiences through all the Group's media. To do so, it conducts exhaustive research to enhance traditional products and to offer new creative advertising formulas and formats that are highly innovative and effective.

6.1.1 **Audience protection mechanisms**

Atresmedia uses tools that safeguard ethical and responsible relations. The Group's **formal policies** underpin all Atresmedia's activities, **protecting the audience and nurturing safe, inclusive environments**. In its section on responsible and accessible content production and broadcasting, the **General CR Policy** ensures protection of and advocacy for human rights, and specifically the freedom of speech, diversity of viewpoints, non-discriminatory content and the protection of minors. The **Responsible Advertising Policy** reinforces the idea of a safe environment for audiences and advertisers.

Atresmedia Publicidad is committed to offering advertising that is suitable for all viewers, that is aligned with the advertiser's values and mission, and that guarantees a **brand-safe** environment. Atresmedia Publicidad places a special focus on the **digital environment**, so that it also offers responsible advertising.

In 2020, faced with the pandemic, this commitment translated into even stronger ties with advertisers, who continued to choose us as their advertising venue for our **market-facing value** and our **awareness-raising** role in the wider community. Despite the difficulties, many brands chose Atresmedia Publicidad as their partner to approach consumers via a range of communication actions. But the creation of joint social awareness campaigns continues to be one of the most ambitious and fruitful partnerships between Atresmedia and its advertisers. Highlights included: the fight against gender violence in our ***Tolerancia Cero*** campaign, where Atresmedia partnered with Fundación Mutua Madrileña; the initiatives ***Ponle freno*** and ***Constantes y Vitales*** alongside Fundación AXA; ***Objetivo Bienestar*** together with the Gasol Foundation; and ***Levanta la Cabeza*** with the support of Banco Santander. (See 6.2.2 Compromiso Atresmedia).

Media ethics

Atresmedia complies with the rules on **independence between journalism and advertising** under the *Ley General de Comunicación Audiovisual*, the Spanish Audiovisual Communications Act. To ensure its values are applied throughout the content creation process and that its content meets standards of quality and responsibility, Atresmedia has a **sound ethics management system** based on the following **tools**: Content Committee, a corporate Code of Conduct, a General CR Policy and a Code of Ethics for its news services.

The Group has two **editorial committees** charged with overseeing the independence and plurality of its professionals, and the rigour, objectivity and truthfulness in the performance of their work in creating and selecting content for the Group's channels and protecting audiences. The editorial committees meet weekly and monthly.

Weekly editorial committee	Scrutinises the content shown on all channels, paying special attention to the independence of the professionals involved and ensuring that all viewpoints and ideas are heard.

For their part, the **codes of media ethics** set out the principles and standards that shape the rules of conduct for news and current affairs programming on the Group's television channels.

The **Antena 3 news and current affairs units** are subject to the requirement that they offer reliable, quality reporting that is compliant with the following **principles**:

1. No conduct or information may violate the principles enshrined in the Spanish Constitution or breach any law or regulation
2. The language we use must respect and reflect Spain’s linguistic diversity
3. Respecting the dignity of people in all the information we provide

4. Upholding the right to a private and family life
5. Upholding the rights of people whose circumstances place them in a position of weakness or make them vulnerable to discrimination
6. Strictly comply with watersheds
7. Respecting all people, regardless of race, religion, moral conviction, social origin, sexuality or any other matter relating to their beliefs
8. Voicing the concerns of national and international organisations and groups that fight to protect underprivileged people and combat inequality and injustice
9. Avoiding any conflict of interest between the professionals involved in news programmes
10. Clearly and expressly separate news from advertising Also drawing a clear and unequivocal distinction between news telling and information that involves any kind of interpretation or critical discussion of current events
11. Complying and upholding the legal principle of the presumption of innocence
12. Taking extreme care when the news or information involves children and respecting all the principles and criteria governing the right to privacy and the protection of children

The **Code of Ethics of laSexta Noticias** ensures accurate and diverse reporting that is committed to the following **principles**:

1. Respecting the Spanish Constitution and the Universal Declaration of Human Rights of the United Nations
2. Voicing the concerns of national and international organisations and groups that fight to protect underprivileged people and combat inequality and injustice
3. Avoiding rude or coarse expressions, which may only be used when they add useful information or help understand the news. If included, they may only be uttered by the subjects themselves and not by the news presenters or editors
4. Warning audiences before violent images are shown, which may only be displayed when they add relevant information
5. Verifying all new stories broadcast by *laSexta Noticias* and reflecting both sides
6. Presuming all people to be innocent until proven otherwise by a court of law. For court cases, the information will indicate the situation of the defendant.
7. Respecting people's private life
8. Mentioning any media or press source from which exclusive information has been obtained

Atresmedia also has a Code of Conduct that sets out general guidelines of action to be followed by Atresmedia employees and partners and any person providing services at the Company, in connection with basic principles of conduct, relations among employees, and internal control systems.

Child protection

The review of Atresmedia's General Corporate Responsibility Policy in 2019 resulted in certain amendments, including reinforcement of the Company's protection of minors in three key areas:

1. **Television content:** Atresmedia Televisión ensures that minors are protected in the television content it broadcasts. It has been a signatory to the Code for the Self-Regulation of Child-Oriented Television Content since 2005, voluntarily applying all its principles. Atresmedia also sits on the code's Joint Monitoring Committee, which sees to it that the code is duly followed. The Self-Regulation Committee and the Joint Monitoring Committee analyse the reports of breaches of the code they receive every four months. In 2020, a total of 43 complaints were received (2019: 55; 2018: 64) against signatories of the code. A single broadcast by Atresmedia was ruled to be unsuitable (one in 2019; none in 2018).

Atresmedia and Planeta Junior launched KIDZ, ATRESplayer's children's channel, with the best content for the youngest members of the family.

In 2020, the total number of hours of children's programming broadcast on Neox was 977 hours, of which 900 hours were accounted for by Neox Kidz.

2. **Commercial communications:** As outlined in its General Corporate Responsibility Policy, Atresmedia is committed to "*firmly rejecting advertising campaigns that harm minors or any minority group requiring special attention*" and also monitors "*especially that advertising products positioned in content targeting children are suitable for this audience*".

   Atresmedia Publicidad aims to offer advertising that is suitable for all ages, focusing in particular on younger audiences through the following mechanisms:

   - Independent marketing of time slots whose programmes are intended for children
   - Extension of the special watershed on Neox, a channel that shows Neox Kidz children's programmes
   - A multi-platform environment for the specialist children's channel Neox Kidz, in which advertisers can insert age-appropriate advertising messages
   - Scrutiny by Autocontrol of advertisers' content aimed at children, obtaining copy advice so as to ensure that it is suitable for broadcast All other content created by advertisers in child-sensitive sectors is also scrutinised by Autocontrol and if it turns out that it cannot be broadcast during children's programming hours this finding is recorded in the commercial system to ensure that no such content is aired at inappropriate times
   - A checks system to indicate if the campaign is subject to any restriction resulting from the copy advice. The system alerts users of any conditions imposed by the copy advice and does not allow a campaign to be broadcast if negative copy advice is given

3. **Labour rights:** Atresmedia specifically includes minors within the labour rights it guarantees in its policies to *"ensure compliance with ILO provisions, especially those related to the privacy of our employees or the work of minors, rejecting any practices that infringe on them or any other of its principles".*

The issue of misinformation

Again this year, the *Digital News Report* produced by the Reuters Institute, a research centre of the University of Oxford, confirms there is a need to continue fighting misinformation and defending the right of the public to receive **accurate and factual news**.

Atresmedia, as a leading name in news services, is committed to the values of truthfulness and accuracy. We implement **mechanisms that ensure the credibility of our coverage** and the communication of facts, images and contexts that reflect our surrounding reality (see 6.2.2 Compromiso Atresmedia – *Levanta la cabeza*).

The *Digital News Report* compiled by the Reuters Institute at the University of Oxford ranked the *Antena 3 Noticias* as a leading programme in credibility and trust. According to this report, *Antena 3 Noticias* is the most trusted news brand in Spain, as stated by 57% of respondents.

In 2020, ***Antena 3 Noticias*** bolstered the *Verifica A3N* project, created in 2019 to counter false or misleading information distributed widely through social media or messaging apps and provide the correct and confirmed facts. In addition to the dedicated section on television and the website, the company created its own social media profiles with ongoing alerts about misinformation.

In 2020, *Verifica A3N* was given a dedicated section on *Espejo Público*, the current affairs show. By extending its reach from digital to analogue media, its effectiveness has increased.

In addition, we launched the **new digital area *Tu Consulta A3N*** to provide the public with useful original documents (new laws and regulations, court rulings and reports), and our **Big Data** section, which provides accessible and useful information. The **Experts** section of our television news became a digital section where key facts are broken down and complex issues are brought closer to the specific interests of viewers and users.

To ensure alignment among the newsroom and other staff involved in news coverage, *Antena 3 Noticias* hosts internal training activities in the Digital department to upgrade skills in using reference tools, data visualisation and fat-checking.

2020 was also a key year *LaSexta Noticias*' against hoaxes, especially the fake news that mushroomed after the outbreak of the coronavirus. The commitment of *LaSexta Noticias* against misinformation and its role in keeping the public informed and safe from hoaxes and rumours earned the show the **Concha García Campoy Scientific Journalism Award from the Spanish Academy of Television**.

This fight against misinformation was joined by the website **lasexta.com**, and programmes such as ***LaSexta Noche*** - its panel of experts fought against denialism and distortion by practising sound science journalism - and ***LaSexta Clave***, a new current affairs show whose vision is committed to a diversity of approaches and analysis strongly countering fake news. ***El Objetivo de Ana Pastor*** continues to be a benchmark in the fight against misinformation with live fact-checks; it is also the first Spanish member of the International Fact-Checking Network.

News coverage across the different programmes airing on laSexta (*Al Rojo Vivo, Más Vale Tarde...*) are subject to several **fact-checks by an expert team** formed a year ago between LaSexta and Newtral, Ana Pastor's fact-checking start-up.

On the radio, the maxim of Onda Cero's News Service in tackling the phenomenon of fake news is to check the information, verify its source(s) and test the information before the news can be broadcast in any space. This ensures that no reports broadcast by the network can be accused of being fake news.

Accessibility to all audiences

The laws of Spain, and more specifically the Audiovisual Communications Act, protect the **rights of the visually- and hearing-impaired**. The Act imposes a number of minimum obligations in three respects: **subtitling** content, providing **sign language** and including an **audio description** for at least **two hours of broadcasts per week**. Compliance is monitored and enforced by the National Markets and Competition Commission (CNMC).

Once again in 2020, Atresmedia Group complied with the accessibility obligations of LGCA 7/2010 well above the threshold requirements.

One of the Group's priority objectives under its Corporate Social Responsibility Policy is precisely to ensure that its **news and educational programmes and entertainment shows** are responsibly produced and broadcast, and that they are **accessible to all of society**. Atresmedia Televisión therefore makes sure that all viewers, including the hearing- and visually-impaired, are able to access and enjoy all of its television content, using **internal tools for daily and weekly monitoring of compliance** with legal obligations.

During the lockdown, Atresmedia offered accessibility facilities on all its broadcast channels so as to continue to provide a fully fledged, unaltered service at all times. Thanks to collaboration among numerous professionals using remote work-adapted equipment it proved possible to provide an uninterrupted quality service.

Television accessibility		**2018g**	**2019**	**2020**	**Annual change, 2019-2020 (%)**
TV subtitling for the hearing impaired	Total hours	42,076.6	42,109.35	42,603.14	1.16
	% to 24 hours	92.5	93.75	92.6	-1.23
Subtitled television advertising (hours)	A3	9.4	17.11	15.79	-7.71
	LaSexta	6.5	9.77	15.10	54.55
	Neox		15.67	16.22	3.51
	Nova		20.06	14.92	-25.62
Number of TV hours of sign language		1,086.4	1,044.63	1069.1	2.34
Number of hours of TV audio description		1,889.9	1,586.7	1609	1.41
Web environment accessibility		**2018**	**2019**	**2020**	**Annual change, 2019-2020 (%)**
Subtitling for the hearing-impaired, websites [*]	Total hours	Total hours: 19,766 Hours subtitled: 10,848	Total hours: 26,462 Hours subtitled: 14,858	Total hours: 34,431 Hours subtitled: 18,316	30% 18.88%
Number of web hours of sign language		1,096.9	1,055.25	1,075.6	1.93%

Number of hours of web audio description	No	No	No	No

[*] Subtitling for the hearing impaired includes the part of ATRESplayer content that is, or was, available during 2020 on the platform.

[**] The total number of signed hours in ATRESplayer includes the hours signed for the linear broadcast -and streamed on ATRESplayer- and a small number of hours in VOD content, e.g. political debates, which would add 6.5 hours.

Subtitled hours on the digital media increased by 18.88% in 2020 vs 2019, and by 68.84% when compared on a biannual basis. In 2020, the total number of subtitled hours accounted for 53% of total content available on ATRESplayer.

Live subtitling is a product of Atresmedia's commitment to making all news and current affairs accessible to all viewers, regardless of time zone and ensuring the utmost flexibility when dealing with changes in length.

Key milestones in in 2020 in programming and broadcasting of subtitled, audio described and signed spaces on television include:

- 100% **live subtitled programming** in the commercial time slot
- **Major live news events** were all subtitled: for example, special press conferences on COVID-19, the Government investiture debate, regional elections in Galicia and the Basque Country, the US elections, and weekend news specials.
- There was an increase in live subtitled entertainment shows (*La Voz, Tu cara me suena, Mask Singer, Adivina quién gana, Mask Singer Detrás de la Cámara* and *Top Gamers* award ceremonies).

In addition, in September 2020, we rolled out a **new project on subtitling quality**, running real tests in recorded and deferred mode and calling for proposals from all accessibility companies providing services in the Spanish market. The outcome was an exhaustive report on potential new candidates and the latest technologies. The project also opened the door to future collaboration and research projects in this area. In addition, we analysed subtitled programmes from other operators and Atresmedia's own in great detail, to corroborate the conclusions of the report and support the implementation of improvements.

Finally, in 2020 a "**Guide on quality indicators for subtitling and audio description**", produced by CESYA's quality indicators board, was completed; it will be published in 2021. Alongside the Governing Board and the Atresmedia Legal Affairs department, we set in motion an **in-depth assessment of the Audiovisual Bill that will be passed into law** so as to identify the new accessible broadcasting ratio requirements, chiefly on subscription and free-to-air platforms.

Yet again this year, in June and December, Atresmedia took part in the Working Group on Quality in Audiovisual Content in joint work with CESYA, the Royal Board on Disability, the CNMC (Spanish National Markets and Competition Commission), other television operators, associations of visually and hearing impaired people and accessibility services companies.

Moreover, from September 2019 onwards, the accessibility of the website became the responsibility of the Broadcasting and Continuity area. The following **challenges** were set in partnership with the I3 Television department, and in 2020 we drew up a roadmap for the technical, production and content areas, comprising the following points:

- Upload subtitles to all live programmes once they have been broadcast
- Publish actual data (not forecasts) of accessible broadcasts on the website
- Upload videos with audio description for the sight-impaired where the viewer can choose the desired audio
- Publish accessible programming schedules on the website

Subtitling of the website ensures that exclusive non-TV content is accessible. Over the year, the subtitling of **ATRESplayer Premium, Flooxer** and **Novelas Nova's own content** increased significantly. This exclusive offer enabled us to offer users a wide range of different formats, such as *Veneno, Benidorm, Donde estabas entonces, Pongamos que hablo..., El nudo, Gente hablando, Las uñas, Palo y Astilla, Luimelia, Ellas* and *Creepshow*.

Ad-content tracking mechanisms

Atresmedia Publicidad promotes an advertising communication model based on quality and responsibility towards customers and the audience. Hence we work along two key vectors:

- Enhance the effectiveness of quality controls
- Advocate for self-regulation of the industry to protect consumer and customer rights

Before airing, advertising content is subject to **strict quality control** by Atresmedia Publicidad.

Atresmedia Publicidad's own **oversight and legal advisory area**, alongside the Legal Affairs department, evaluates any advertising campaigns that might involve complexity or legal nuances. Hence the **internal oversight and control mechanism** is set in motion at the outset of any advertising action, minimising future risks.

Atresmedia Publicidad is an active and founding member of **Autocontrol, Spain's association for the self-regulation of commercial communications**. This forum works towards enhancing compliance with advertising and competition laws and regulations and strengthening the assurances protecting advertisers, television channels and consumers.

Advertising intended to air on our channels is scrutinised internally through a quality control procedure and a strict check list enforced by the advertising guidelines and continuity departments. It is also reviewed externally by Autocontrol through **'copy advice' requests** that guarantee the **legal and deontological or ethical correctness of all advertisements broadcast**. **Atresmedia Publicidad may also submit queries to AUTOCONTROL in relation to the regulation or self-regulation of advertising content.** So there is a system of checks to indicate if a campaign is under any "copy advice" restriction.

In 2020, in the wake of the adoption of a new Royal Decree on gambling advertising, we put in place a new watershed check and a new quality control to improve planning and avoid upload errors.

In 2020 **Atresmedia Publicidad issued 1,494 "copy advice" queries**, a decrease of 7% compared to 2019. The **number of legal queries arising during this period was 97, 32.8% more than in 2019.**

	2018	2019	2020[8] (*)
No. of copy advices	1,593	1,613	1,494
No. of cases	1	2	5
No. of breaches	2	1	3
Fines	145,147	3,689	759,550
Legal consultations	103	73	97

To ensure **ethical commercial communication** and to protect the rights of citizens, especially children, the Group adheres to numerous **codes of advertising self-regulation**. These instruments establish **commitments that go beyond strict regulatory compliance** and form the basis of our advocacy for self-regulation by the industry.

Self-regulatory codes signed by Atresmedia and date of effect

- Code of Conduct on Data Processing in Advertising (effective 2021)
- Code on the Use of Influencers in Advertising (effective 2021)
- Code of Conduct on Commercial Communications of Gambling Activities (2012)
- Self-Regulatory Code on Food Advertising Targeting Young People, the Prevention of Obesity and Promotion of Health (2010)
- Self-Regulatory Code on Advertising Toys to Children (modified in 2010)
- Self-Regulatory Code on Advertising for Spanish Brewers (2009)
- Self-Regulatory Code on Wine Products (2009)
- Self-Regulatory Code on SMS Marketing (2009)
- Self-Regulatory Code of the Spanish Federation of Alcoholic Beverages (FEBE) (2006)

As a fresh development, in 2020 the **Code of Conduct on Data Processing in Advertising** was published, providing a **new system for handling complaints** about data protection and advertising. The procedure will enable users to file complaints free of charge with companies adhering to the Code. Complaints can be filed if data protection rights are breached in an advertising context: e.g., receipt of unsolicited advertising, exercise of rights relating to advertising, and data processing in advertising promotions or ad cookies.

[8] In 2020, Atresmedia was disciplined five times for mis-identification of advertising content. Atresmedia declined to challenge two minor penalties, although we believe that their subjective findings as to the supposedly improper prominence of certain products are mistaken. In these cases, the breach was merely formal and there was no culpable intention that would serve as a sufficient legal ground for a penalty to be imposed. In one instance, for example, a product provided by a programme sponsor appeared in the "acknowledgements" section instead of the appropriate "product placement" section. Similarly, in another case, a product was correctly identified as "product placement" at the end of the programme, but not at the beginning or upon resumption after the advertising break, as should have been done in accordance with prevailing rules. We have introduced additional controls to prevent these minor signposting errors from recurring.

However, Atresmedia decided to challenge the other three penalty decisions, which are based on the merits of an interpretation of the relevant regulations. We are confident that our challenges will succeed. We highlight that, since 2015, Atresmedia Corporación has won all its judicial review actions resisting penalties imposed by the CNMC – Spain's competition and markets watchdog – regarding advertising and programming. Recently, the Spanish Supreme Court ruled in favour of Atresmedia in a case that concerned product placement. The Supreme Court rejected the CNMC's subjective and groundless finding that a product or service had been given excessive visual prominence in a programme; moreover, the Court created a precedent for future disputes about the interpretation that the CNMC must apply, which differs from the tests and standards applied by that supervisory authority in earlier decisions and consultations. The Supreme Court held that the CNMC's stated criteria are outside the scope of its statutory powers as conferred in the Spanish Audiovisual Act and its implementing regulation. In addition, the judgment confirms that the courts are competent to assess and, as the case may be, rectify the CNMC's interpretation of the legal rules on its disciplinary powers.

We should point out that, in 2019, after Atresmedia's successful challenge in the courts against penalties imposed by the CNMC in advertising and programming matters, the watchdog reimbursed Atresmedia with €945,701; then, in 2020, €200,030 was reimbursed for the same reason. Finally, following our victory in the Supreme Court, the watchdog must reimburse a further €413,434, plus interest and legal costs in all cases.

In October 2020, the **Code of Conduct on the Use of Influencers in Advertising** was created. The code sets out mandatory measures and recommendations on brand name-checks or digital advertising content put out by social media “influencers”.

Moreover, Atresmedia is committed to promoting **advertising content accessibility** and encouraging advertisers to use subtitling and audio description in their campaigns. As a result, 2020 saw a **significant increase in subtitled ads** (see 6.1.1 Audience protection measures > Accessibility to all audiences).

6.2 On society

Atresmedia, as part of its responsibility as a media, undertakes to contribute to social development and progress by **reporting and raising public awareness** of **pressing issues and concerns**. In doing so, Atresmedia attempts not only to show society as it is, but to help bring about positive social change through the content it broadcasts.

Beyond **raising social awareness** through its **content**, Atresmedia also does so through its **advertising spaces**. For more than a decade, Atresmedia has had a procedure in place for **granting free advertising space** to helps NGOs spread their campaigns.

Atresmedia broadcast campaigns on all its media (Television, Radio and Digital) worth EUR 18.66 million in 2020, at no cost to the NGOs, up 25% from the year before (2019: EUR 14.9 million). The reason for this increase is that social entities now need additional exposure and publicity to help raise funds for segments of society affected by the pandemic. A total of 22 non-profit entities have now benefited from this partnership.

The loneliness of senior citizens, especially amid COVID-19 and the lockdown, mental health care, raising awareness of homelessness when the authorities were calling on everyone to stay at home, or asking people to donate to food banks to help alleviate the social crisis, were just some of the **pandemic-related issues that Atresmedia sought to bring to people's attention** in partnership with the NGOs to have benefitted from these free advertising spaces. The initiative has also provided further support for NGOs looking to raise awareness of different groups of people with disabilities: intellectual (Down's syndrome), physical-organic (multiple sclerosis, ALS, cerebral palsy) and sensory-auditory (deaf people).

Of the total campaigns broadcast by Atresmedia in 2020, 93% were subtitled.

6.2.1 Sustainable Development Goals

Atresmedia is acutely aware of the important role its companies play in meeting the United Nation's 2030 Agenda and 17 Sustainable Development Goals (SDGs). Therefore, since it was launched, Atresmedia has been using its policies, initiatives and outreach to **push towards the SDGs to which it can contribute the most** and have the greatest impact, carrying out the following **initiatives:**

Atresmedia has been a signatory and partner of the United Nations Global Compact since 2008. This platform aims to advance the 2030 Agenda at national level.

Partnerships with entities to champion the SDGs	**Icon Goal 17. Promoting the Go!ODS awards organised jointly by the Spanish Global Compact Network and the Rafael del Pino Foundation.** Atresmedia also promotes the Go!ODS awards to recognise innovations that help achieve the SDGs, encourage and inspire Spain's private sector to achieve the SDGs and drive cooperation and dissemination of the 2030 Agenda. Awards for the second edition of the event were presented in February 2020. **Icon Goal 17. ESG Spain 2020 Corporate Sustainability Forum, organised by Forética.** Atresmedia produced and staged the *ESG Spain 2020 Corporate Sustainability Forum* in 2020, a leading business

	forum for sustainability matters in Spain championed by Forética to analyse present and future trends in sustainability in the post-COVID-19 era, aligned with the SDGs. The eighth edition of the event was staged on the Group's sets and broadcast in the form of an innovative television programme that featured the online participation of more than 1,500 people from Spain, Europe and Latin America.
Internal employee initiatives aligned with the SDGs	**ATRESMEDIAXODS:** To honour the fifth anniversary of the launch of the SDGs, Atresmedia held the ATRESMEDIAXODS initiative for the second straight year in 2020, in a bid to raise awareness of the SDGs internally among employees. Internal communication actions and an online competition were launched for employees to raise their awareness of the SDGs and get them more personally invested in helping to achieve them. **Icon Goal 2. Donations to food banks:** In 2020, the Atresmedia Group lent its full support to the food banks of Spain in combating the food crisis to have arisen from the pandemic through the Great Virtual Food Drive. Thanks to the charity displayed by its employees, Atresmedia donated a total of EUR 6,371, which was converted into 5,733 kilos of non-perishable food. **Icon Goal 3. Agreement with Andjoy:** In 2020, Atresmedia reached an agreement with the company Andjoy so that Atresmedia employees can enjoy significant discounts on membership fees at more than 2,000 sports centres located throughout Spain and on more than 35,000 instructor-led activities. This action is part of its *Objetivo Bienestar* initiative and aims to promote a healthy lifestyle among its employees. **Icon Goal 3. CPR and defibrillator training:** To mark the occasion of World Heart Day and as part of the Atresmedia *Constantes y Vitales* campaign, Group employees were once again —for the fourth straight year— given the opportunity to learn how to perform cardiopulmonary resuscitation (CPR), use a defibrillator and act in the event of choking. In this fourth edition, the workshops were held for the first time in online format due to the ongoing pandemic, enabling more than 100 employees from all over Spain to take part digitally. **Icon Goal 5. Celebrating International Day of Persons with Disabilities:** To mark the occasion of International Day of Persons with Disabilities, Atresmedia lent its support to the *#IgualDeDiferentes* campaign through an internal communication action to raise awareness among its employees about the different situations that people with disabilities experience on a daily basis and to help normalise disability.
Corporate volunteering programme	Atresmedia has a corporate volunteering programme aligned with the SDGs (see Chapter 6.2.3. Corporate Volunteering).
Compromiso Atresmedia	The initiatives comprising Atresmedia's commitment to helping achieve the various SDG targets are outlined in section 6.2.2. Compromiso Atresmedia.
Fundación Atresmedia	The activities of Fundación Atresmedia help achieve different SDGs, as explained in section 6.2.4. Fundación Atresmedia

The Group relies heavily on its content to raise awareness of and help accomplish the SDGs. In 2020, Atresmedia broadcast the following programmes and reports related to the SDGs.

SDG	Atresmedia content in 2020 related to the SDGs:
1 NO POVERTY	***Contraparte* programme on Onda Cero:** On the Onda Cero radio station, journalist Juan de Sola presents a programme dedicated to human rights, the fight against poverty, equality, cooperation and solidarity. Through his open mic session, he brings his listeners closer to different social realities on all five continents.
2 ZERO HUNGER	**Special coverage on Onda Cero's *Más de Uno* about the Food Banks' Great Virtual Food Drive:** Carlos Alsina, the host of morning show *Más de uno* on Onda Cero, gave special coverage of the Great Virtual Food Drive carried out by the Food Banks of Spain in 2020 in a bid to combat the food crisis caused by the coronavirus pandemic.
3 GOOD HEALTH AND WELL-BEING	**Investigative programme *¿Te lo vas a comer?*** Presented by renowned chef Alberto Chicote, the third season of the show premiered on laSexta in 2020, featuring various reports into food frauds unknown to the majority of the population. ***En primera línea* report on Antena 3 and laSexta.** This report premiered in April and was broadcast in prime time on Antena 3 and laSexta one month after the State of Alarm decree, showing striking images and accounts of the extraordinary work and day-to-day lives of front-line health workers. ***En buenos manos* programme on Onda Cero:** Each week, Dr Bartolomé Beltrán, accompanied by leading health experts, works to raise awareness of health concerns and other health-related issues.
4 QUALITY EDUCATION	**Debate on 'Special Education' on *La Brújula*, aired on Onda Cero:** Daily show *La brújula*, helmed by Juan Ramón Lucas, broadcast a debate with experts and correspondents on special education and inclusive education both in Spain and Europe.
5 GENDER EQUALITY	***Veneno* series:** this original ATRESplayer Premium series directed by Javier Calvo and Javier Ambrossi premiered in 2020 and narrates the life and death of Cristina Ortiz, known as La Veneno, one of Spain's most important and popular LGTBI icons. The show garnered numerous awards, including the 2020 Critics' Iris Award and the Ondas Award, and has also been nominated for the Forqué Awards. ***Luimelia* series:** This miniseries produced by ATRESplayer Premium portrays the relationship between Luisita and Amelia, two protagonists from the series *Amar es para siempre* on Antena 3. It earned the award for Best Short Series at the PRODU Awards in 2020. Aside from the love story between its two protagonists, *#Luimelia* deals with issues such as LGTBI visibility, feminism and interaction across social networks. ***Ellas juegan* programme on Onda Cero:** On Onda Cero, journalist Ana Rodríguez hosts a programme to explore the latest news and current affairs in the world of women's football and promote gender equality in sports information.
10 REDUCED INEQUALITIES	***Auténticos*, nominated for the MIPCOM Diversity TV Excellence Awards:** The *Auténticos* programme on laSexta, produced by Atresmedia Televisión and aired in 2020, was nominated for last year's MIPCOM Diversity TV Excellence Awards under the 'Disability' category. Presented by Alberto Chicote, the programme tells real stories of people with intellectual disabilities who struggle every day to get included in different areas of society. Atresmedia seeks to achieve the normalised incorporation of people with disabilities into fiction series, entertainment programmes and a catalogue of own-production films,

	such as ***La valla***, ***Pequeñas coincidencias***, ***La ruleta de la suerte***, ***Zapeando*** and ***Padre no hay más que uno 2***.
13 CLIMATE ACTION	**(See 6.5.2 Raising social awareness)**
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Documentary – *El instante decisivo*:** ATRESplayer Premium's original documentary *El instante decisivo* recounts the 12 days that transpired in July 1997 between the rescue of José Antonio Ortega Lara and the kidnapping and murder of Miguel Ángel Blanco, which transformed Basque society's perception of terrorist group ETA.
17 PARTNERSHIPS FOR THE GOALS	**Initiative – *Cruz Roja Responde con Atresmedia*:** a comprehensive plan launched by the Spanish Red Cross to raise EUR 11 million to support exposed and vulnerable people in the wake of COVID-19. Atresmedia called on all of its divisions and areas to help disseminate the initiative and help mobilise society through communication actions across all of its television channels, radio stations, ATRESplayer platform, websites and social media profiles. The *Cruz Roja Responde* plan raised a total of EUR 12,180,655, of which 74% was a direct product of Atresmedia's support. The funds were handed to 1,787,070 people from segments of society affected by the pandemic, exceeding the initial target of 1,350,000 people. ***#ElGranRetoSolidario*:** The Atresmedia Group joined the *#ELGRANRETOSOLIDARIO* initiative launched by the Emergency Committee in Spain. The aim of this virtual charity gala was to raise funds to minimise the impact of the pandemic on the most vulnerable households and groups in Spain and elsewhere in the world and to prevent them from being left behind. The gala reached an audience of more than 1.3 million people, raised EUR 200,000 and was broadcast on Atresmedia's various news programmes and streamed live on the Europa FM radio station.

6.2.2 **Compromiso Atresmedia**

Atresmedia strongly believes that the **media has the power to transform society for the better**. This conviction was institutionalised in 2014, when the Group created **Compromiso Atresmedia (Atresmedia Commitment)**, an umbrella platform under which the Group carries out all its corporate responsibility projects and showcases them through television, radio and its digital platforms. These projects are fully aligned with the SDGs. Each of these projects aims to help solve a pressing social problem:

- Road Safety – ***Ponle Freno*** (2008)
- Environment – ***Hazte Eco*** (2010)
- Promoting healthy habits – ***Objetivo Bienestar*** (2014)
- Protecting cultural creation and intellectual property – ***Crea Cultura*** (2014)
- Supporting scientific investigation and preventive medicine – ***Constantes y Vitales*** (2014)
- The fight against gender-based violence – ***Tolerancia Cero*** (2015)
- Promoting the responsible use of technology – ***Levanta La Cabeza*** (2019)

Following the launch of *Ponle Freno*, every step we take is a reflection of Atresmedia's commitment to society and the community. The aim is for **every initiative of ours to bring about some kind of transformation, meaning real change** that has a **direct and positive impact** on society. Moreover, to ensure the Group practises what it preaches, these initiatives are also reflected internally through actions to promote road safety, healthy habits and environmental awareness among Group **employees**.

Aside from the campaigns framed within Compromiso Atresmedia, the Company has launched **specific initiatives** to respond to the COVID-19 pandemic and crisis (see information on SDG 17 in section 6.2.1. Sustainable Development Goals and section 5.4.1 Business lines – Atresmedia Televisión)

	SHOWINGS														Hours		Accumulated audience (thousand)		Coverage %		GRPs	
	Antena 3		laSexta		Neox		Nova		Mega		Atreseries		TOTAL									
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Ponle Freno	1,121	695	632	576	944	761	1,146	917	1,076	859	1,146	917	**6,065**	**4,725**	42.5	36.2	38,460	38,509	89.6	89.3	3,733	4,624.9
Objetivo Bienestar	713	223			1,027	288	356	197	327	191	362	199	**2,785**	**1,098**	16.7	6.7	32,927	27,184	76.7	63.0	1,448.2	566.8
Constantes y vitales		161	952	1,175		346		371		342		369	**952**	**2,764**	6.4	21.8	29,036	36,734	67.6	85.1	902.9	2,929.9
Hazte Eco		79	121	85	343								**464**	**164**	2.8	1.0	21,551	24,193	50.2	56.1	278.4	351
Tolerancia Cero	163	353	170	246		80	255		246		256		**1,090**	**679**	7.1	4.47	30,426	35,283	70.9	81.8	696.5	1,779
Crea Cultura	93	425	62	197									**155**	**622**	1.2	5.1	21,232	729	49.5	72.3	260	1,396.9
Levanta La Cabeza	720	257	725	411	806	418	798	419	720	376	797	420	**4,566**	**2,301**	28.4	17.2	36,710	36,430	85.5	84.4	2,861.7	2,347.2
Fundación Atresmedia	442	303	432	267	383	334	466	347	431	326	468	348	**2,622**	**1,925**	17.5	12.8	35,819	35,791	83.4	83	1,485.6	1,736
***Atresmedia-Cruz Roja Plan (Covid)**		537		387		575		599		573		537		**3,218**		21.3		34,741		80.5		3,743.5
***Use of face masks (*Gran País* campaign)**		60		70		123		120		117		121		**611**		2.2		23,198		53.8		174.6

*Belongs to the two most important social campaigns to have been carried out in 2020 in relation to COVID-19.

Ponle Freno

CONTRIBUTION TO THE SDGs:

Aligned with target 3.6: Halve the number of global deaths and injuries from road traffic accidents

Ponle Freno is Atresmedia's corporate responsibility initiative. It was created in 2008 with the **aim of reducing road accidents and helping to save lives on the road**.

The sudden onset of the **pandemic**, which directly affected mobility due to the ensuing lockdown, prompted *Ponle Freno* to change its 2020 strategy announced in the 2019 NFS, and shift its attention to other pressing issues. *Ponle Freno* carried out the following **actions** in 2020:

2020 goals	2020 partnered actions and milestones

To continue raising awareness about children's road safety education and safe and sustainable mobility	**Campaign – *¿Y tú cómo conduces? No descuides al volante la educación de tus hijos* and *Te muevas como te muevas, hazlo de forma segura*.** During the first quarter of the year, *Ponle Freno* continued its efforts to raise awareness of road safety by airing these campaigns on both television and radio.
Analysing the impact of new forms of mobility on road safety	**VMP Survey and Study into safe and sustainable mobility.** Centro de Estudios Ponle Freno-AXA, shortly after the Spanish Directorate General for Traffic published a transitional instruction on personal mobility vehicles (PMVs), conducted a survey to gauge the degree of knowledge about the subject, revealing widespread ignorance about the law and regulations governing scooters in particular, a trend among young people. Furthermore, a study on safe and sustainable mobility was carried out in collaboration with PONS SEGURIDAD VIAL and TNS, the results of which will be presented in the first quarter of 2021.
Addressing mobility amid the COVID-19 crisis	**Spots on TV during the lockdown and easing of restrictions.** In May, *Ponle Freno* aired a TV spot to highlight the valuable work performed by transporters and to urge them to remain vigilant at all times on the road. Vehicle maintenance advice was also provided on the website and across social media platforms during the lockdown. *Ponle Freno* was also there when the time came to ease the restrictions, launching a spot to remind people of the importance of staying aware of road safety. It also staged a special edition of the *Jornadas 3.0* event in June to analyse the impact of the lockdown on driving and public transport and the influence that teleworking has had on mobility.
Spreading the road safety awareness message	***Ponle Freno* virtual race.** The traditional *Ponle Freno* race circuit was suspended in 2020 due to the pandemic. For years the race has been staged in various cities across Spain to mobilise citizens and help support victims of traffic accidents. Not to be perturbed, *Ponle Freno* was quick to react by organising a hugely successful virtual race that saw two editions during the period (June and December). Between them, they raised EUR 147,367.21 for projects to support victims of traffic accidents (Hospital Universitario Puerta de Hierro, Institut Guttmann, COCEMFE and ASPAYM).
To recognise the work of the people, institutions and initiatives that have helped promote road safety	**The 12th annual *Ponle Freno* awards for road safety**, subject to a strict anti-COVID-19 safety protocol. The winners were: • The *E-rescue* lifesaving seat (AXA Award for Innovation and Progress in Road Safety) • Competition to find the best school effigy on Road Safety, by Moll Autos (*Ponle Freno Junior* Award) • *PepsiCO* (Best road safety initiative in a working environment) • *Road safety starts with good vision* by Essilor España (best road safety action) • Antonio Rodríguez Núñez, First Sergeant of the General Traffic Unit attached to the Guardia Civil (award for his career in road safety) • The feature film *Una mañana fría*, by Rosi and Raquel Troyano (*Ponle Freno* Citizen's Prize)
Sixth edition of the *Señales y carreteras en mal estado* campaign	***Señales y carreteras en mal estado*** (Signs and Roads in Poor Condition) campaign, which once again called on the public to get involved and report poorly placed or defective signs and roads in poor state of repair. A new feature this year was the inclusion of a map enabling users to geo-locate their reports. A total of 318 complaints and reports were processed during this year's edition.

2021 goals	• Re-broadcast the safe and sustainable mobility campaign and reinforce this idea as a valuable means of traffic calming in cities. The results of the 2020 study will also be presented. • Specific awareness-raising campaigns aimed at vulnerable groups (motorcyclists, cyclists and pedestrians), whose accident rate is on the rise. • Organise virtual races in order to mobilise citizens in support of road accident victims. • Stage the 13th Edition of the *Ponle Freno* Awards. • Campaign to signpost accident blackspots.

Objetivo Bienestar

CONTRIBUTION TO THE SDGs:

Ensure healthy lives and promote well-being for all.

Objetivo Bienestar is an Atresmedia initiative launched in 2012 to **promote healthy habits**. This initiative, like many others, was forced to postpone various events planned for the period due to the exceptional circumstances stemming from the pandemic. The suspended events included the 8th edition of the *Coles Activos* awards and the 9th edition of the *Marcha Objetivo Bienestar Junior* event aimed at families. Despite the difficulties, it was possible to deliver on the **following initiatives and objectives**:

2020 goals	2020 partnered actions and milestones
To raise awareness about the importance of healthy eating, physical exercise and mental well-being.	**Tips for healthy lifestyle habits.** In addition to the TV spots that air daily on Antena 3, the campaign has its own weekly sections on the shows *Espejo Público* and *Tu Tiempo de Brasero*, and on obienestar.atresmedia.com, aimed at adults. This year the focus has been on providing sound advice for coping with the pandemic situation and lockdown.
To raise awareness among young people of healthy habits based on good nutrition, physical exercise and rest	**Tips for healthy lifestyle habits of children.** Tips were aired on Neox Kidz, starring the channel's mascot, Mr Plinton, to raise awareness among younger audiences about of the importance of eating fruit and vegetables, having breakfast, sleeping well, keeping hydration and doing daily physical activity.
To get agencies and public administrations involved in promoting healthy living habits among children	**Renewal of the agreement with the Ministry of Health, Consumer Affairs and Social Welfare.** Partnership with the ministry through the Spanish Consumer, Food Safety and Nutrition Agency (AECOSAN) to combat childhood obesity with physical exercise during the first months of life. A campaign was also launched to promote physical exercise in children under three years of age.

	Partnership agreement with Fundación Gasol. Support in communicating the PASOS study, by Fundación Gasol, on lifestyles among youths aged eight to 16 in Spain and in disseminating the various actions carried out.
Support for the *Objetivo Bienestar* website	Adding extra content and disseminating the sections of the ***Objetivo Bienestar*** website.

2021 goals	• Resume the actions delayed due to COVID-19. • Campaign to offer pandemic-specific health and wellness advice while simultaneously promoting the Obienestar.com website. • Keep the partnership agreements in effect with AECOSAN and Fundación Gasol.

Constantes y vitales

CONTRIBUTION TO THE SDGs:

Ensure healthy lives and promote well-being for all.

Aligned with target 9.5: Enhance scientific research and invest research spending.

Constantes y Vitales is the brainchild of laSexta, in partnership with Fundación Axa. The initiative began in 2014 to **promote medical and scientific research and raise awareness of health issues**. Although the year began with the objectives that had been set the previous year —getting Spanish scientists more recognised through the *Valoremos a nuestros científicos* (Let's value our scientists) campaign and promoting the database of women researchers, which has now reached three thousand registered women— the arrival of the **pandemic** forced the suspension of some of the actions that had been planned. However, the health crisis has highlighted, more than ever, the importance of science in society and the relevance and necessity of campaigns such as *Constantes y Vitales*. The most significant **actions** undertaken in 2020, based on new objectives adapted to the new reality, were as follows:

2020 goals	**2020 partnered actions and milestones**
To help the public understand the unprecedented situation that is COVID-19.	**Comprehensive and continuous monitoring of the pandemic** on all of the Group's news and current affairs programmes across all media (TV, radio, website and social networks), focusing on scientific dissemination and prevention advice.
To promote awareness and advocate the importance of mental wellness	**TV campaign – *If you take care of your body, you take care of your mind*.** An initiative to promote physical activity, healthy eating and rest, made all the more necessary at a time when the emotional and psychological capacity of the population has been severely tested by the lockdown and other impacts of COVID-19.

To mobilise society as a whole to achieve a pact between all political parties to raise investment in science in Spain to 2% of GDP	***Objective 2%* communication campaign.** This initiative, launched with the support of all the Group's presenters and members of the committee of experts, has become the most important and most supported action in the history of Atresmedia, having managed to collect more than 920,000 signatures with the aim of achieving a pact between all the political parties to get Spain up to speed with Europe when it comes to investment in science.
To recognise and strengthen the value of Spanish scientists' research in biomedicine, and health prevention campaigns.	**6th *Constantes y Vitales* Awards.** The winners were: • Asociación Española Contra el Cáncer (Best Medical Prevention Dissemination Campaign) • Nuria Monserrat, researcher at the Institute for Bioengineering of Catalonia (Best Biomedical Publication of the Year) • Borja Ibáñez Cabeza, cardiologist and CNIC researcher (Young Talent in Biomedical Research), was awarded EUR 100,000 to enable him to continue his research project • Francisco Martínez Mojica, microbiologist, researcher and Spanish professor at the Department of Physiology, Genetics and Microbiology of the University of Alicante (Career in Science Award).

2021 goals	• Press on with the **Objective 2%** campaign to achieve a pact between all political parties to raise investment in science. To closely monitor the investment and use of European bailout funds. • Track the COVID-19 vaccination process and raise awareness of the need to get vaccinated in due course. • **Mental health**: awareness and information campaign to provide tools to help manage "pandemic stress" and achieve emotional well-being. • **Pseudoscience:** Address the issue of pseudoscience and alternative medicine as therapy. Reinforce the legitimacy of medical practitioners and health workers, and of the results of years of scientific research.

Crea Cultura

CONTRIBUTION TO THE SDGs: +

4 QUALITY EDUCATION **Aligned with target 4.7: Promote a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.**

11 SUSTAINABLE CITIES AND COMMUNITIES **Aligned with target 11.4: Strengthen efforts to protect and safeguard the world's cultural and natural heritage.**

16 PEACE, JUSTICE AND STRONG INSTITUTIONS **Aligned with target 16.10: Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.**

Crea Cultura was created with the aim of becoming a cultural benchmark, adding value to creators and **defending copyrights**. It carried out the following **actions** in 2020:

2020 goals	2020 partnered actions and milestones
Disseminate literary creation and promote reading habits	***Ahora qué leo* platform**. A pioneering initiative on FTA television and being developed across the Internet, media and all laSexta programming, seeks to spark passion and reading habits among all audiences. ***Crea Lectura* programme on laSexta and Mega.** Once again in 2019, this programme was aired every two weeks, along with a television page centred on literature and books. It reflects the spirit of Atresmedia's Crea Cultura movement: to defend and recognise the value of intellectual property and support creators and their works.
Defend the publishing and book sector	**Atresmedia has joined the campaign within the publishing and book sector** to provide much-needed support to bookshops in the wake of the COVID-19 pandemic and crisis. Atresmedia's contribution has been to provide coverage and exposure on the Group's networks and media.

2021 goals	• Continue to defend the value of cultural creation in all its facets through different actions.
	• Disseminate literary creation and promote reading habits through:
	    ○ The *Ahora qué leo* platform
	    ○ The *Crea Lectura* programme
	• Generate spaces for discussion on cultural creation and defend intellectual property

Tolerancia Cero

CONTRIBUTION TO THE SDGs:

Aligned with target 5.2: Eliminate all forms of violence against all women and girls in public and private spheres, including trafficking and sexual and other types of exploitation.

To coincide with International Day for the Elimination of Violence against Women, in November 2015 Mutua Madrileña Foundation and Antena 3 Noticias launched a corporate responsibility action titled *Against abuse: Zero Tolerance*, a social **awareness** initiative that has been fighting this blight for six years.

Over these years, it has earned **numerous awards and accolades** from the Government of Spain and various autonomous communities. It was also picked by UN Women as a success story in tackling a social issue through a media outlet.

The agreement is framed within Mutua Madrileña's commitment to women's equality in all facets and, especially, in the Mutua Madrileña Foundation's priority course of action against gender-based violence, which it initiated in 2012. The following **actions** were carried out under this initiative in 2020:

2020 goals	2020 partnered actions and milestones
Promoting social education and awareness-raising among the population	**Five waves of communication** with the aim of achieving greater visibility and presence of the following topics across the Group's media, especially on the *Antena 3 Noticias* and *laSexta Noticias* news programmes: 1. **Reporting abuse from another point of view** 2. **State of alarm. Lockdown.** Raising awareness of the 016 hotline 3. **Children, the other victims** 4. **Turn your back on the abuser** 5. **Young people and new technologies** **Special on 'Gender-based violence. The other pandemic'**. To mark the occasion of the International Day against Gender Violence 2020, Antena 3 broadcast a special produced by Antena 3 featuring the accounts of victims and experts alike, who explored the current reality of this blight in a year in which the coronavirus lockdown has exacerbated the situation. The Neox channel joins the initiative to get the message across to our little ones. **Numerous campaign spots were aired on the Neox channel to raise awareness among a younger audience about this problem, which is affecting increasing numbers of teenagers**
Dissemination of projects against gender-based violence and abuse	**Strengthening support for the *Nos Duele a Todos* (It Hurts Us All) Awards.** Support in staging the 6th edition of the *Nos duele a todos* Awards, organised by Fundación Mutua Madrileña to recognise the best creative projects submitted by students from all over Spain to raise awareness of gender-based violence, by broadcasting and publicising it on television, social media and the Tolerancia Cero website. **Creating *Tolerancia Cero* (Zero Tolerance) badges** for projects that champion the fight against gender-based violence and to honour people, institutions and entities that have been involved in initiatives to combat this scourge.
Conducting studies into gender-based violence	**Carrying out an online macro-survey**, in which 7,508 people were asked to share their views of the diabolical blight that is gender-based violence. The results of the study were presented and discussed on news programmes, social networks and through infographics. They were also delivered to institutions interested in the findings.

2021 goals	• Use influencers to amplify the messages of *Tolerancia Cero* • Promote the *Tolerancia Cero* Badge on the website and across social networks • Carry out the 3rd Special *Tolerancia Cero* programme • Stage the II *Tolerancia Cero* Conference and the II Macro-study on gender-based violence

Levanta La Cabeza

CONTRIBUTION TO THE SDGs:

Aligned with target 9.5. Upgrade technological capabilities, including encouraging innovation.

Aligned with target 10.2. Empower and promote the social, economic and political inclusion of all (digital divide).

Aligned with target 16.10. Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.

The *Levanta la Cabeza* movement emerged in 2018 with the primary goal of promoting the rational, responsible, constructive and positive use of technology. In 2020, some of the targets set a year earlier to be implemented during the period were superseded by the need to undertake new initiatives to address the current pandemic. The initiatives that could not ultimately be carried out were those aimed at *promoting dialogue on the limits of time and space of technology, raising awareness of the concept of "availability" and encouraging digital disconnection*, *while also enabling tools to improve technological maturity, especially among parents and children*.

2020 goals	2020 partnered actions and milestones
To develop tools to help detect and fight against fake news	**A step further in the fight against fake news.** A TV campaign was launched at the beginning of the year, starring two well-known faces (Vicente Vallés and Ana Pastor), to raise awareness of the huge quantity of fake news that can be found, especially on social networks. This action was further reinforced by the creation and dissemination, in collaboration with Newtral Educación, of a digital verification course on the platform www.levantalacabeza.info, aimed especially at secondary education teachers and pupils.
To fight the digital divide among elderly citizens	**Communication campaign** to make society more aware of the need to help elderly citizens use all the new technologies now available in the digital era. While technology has proved to be a great ally during this pandemic, the surge in its use during the lockdown has caused considerable problems for some elderly citizens, who are not yet sufficiently familiar with how things works.
To support the responsible use of technology during the lockdown	**Activating a new work plan**, starting in March, in response to the events that led to the first lockdown. The plan evolved throughout the year to generate further content and shifted towards a highly practical and service-oriented approach. During the year, a total of 14 practical and service-oriented digital specials were posted on the *Levanta la Cabeza* platform, with tips to promote the responsible use of technology based on topics related to health alert.
To heighten awareness about the serious risks posed by technology for young people	***El regreso* campaign.** This initiative was launched to coincide with the easing of restrictions in a bid to raise awareness of the need to resume a healthy level of digital disconnection, especially among young people. A while later, the message was reinforced with a spot starring Sandra Golpe, who warned about dangers such as cyber-bullying.
To raise awareness of cybercrime and the need for tougher security in our digital habits	**TV campaigns featuring Roberto Brasero and Manu Sánchez.** The increase in online shopping and transactions amid the health crisis prompted the launch of two TV campaigns urging citizens to take extra care with their digital security.

2021 goals	• Offer tools to help ensure the responsible use of technology by parents and children. • Publish the results of the *Levanta la Cabeza* test and launch a new edition. • Continue working to combat the digital divide. • Awareness-raising campaign on good digital habits for extra security.

6.2.3 **Corporate volunteering**

CONTRIBUTION TO THE SDGs:

End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Ensure healthy lives and promote well-being for all.

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Reduce inequality within and among countries.

Since 2005, Atresmedia has had a broad Corporate Volunteering Programme aligned with the **Sustainable Development Goals** (SDGs). The programme is growing each year and embraces two main courses of action:

Participating actively in volunteering activities

The Group offers its employees the opportunity to get involved in various volunteering initiatives that champion worthy causes, allowing them to learn more about the realities of other segments of society and to further enrich themselves both personally and professionally through these valuable experiences.

Promoting and disseminating volunteering

The programme aims to promote and encourage corporate volunteering through Atresmedia's communication channels (television, radio and digital platforms), and by taking part in major forums such as Red Voluntare, to foster corporate volunteering. In 2020, Atresmedia was once again a media partner and host venue for the Week of Solidarity Action and Corporate Volunteering, known globally as *Give & Gain* and organised by Forética.

In 2020, Atresmedia organised a total of 17 activities with the participation of 360 volunteers from the Group (54% more than in 2019), who worked a total of 4,309 hours (125% more than last year) with various vulnerable groups targeted by 13 NGOs.

In 2020, Atresmedia made a special effort to **adapt its entire face-to-face** **Corporate Volunteering Programme** **to virtual format** (in 2019, 96% of activities were face-to-face, with just 4% being online) to protect the safety of its employees while delivering effective solutions to the social crisis caused by the **COVID-19 pandemic** in Spain through volunteering. This shift to remote volunteering has led to a **total transformation** of the programme to bring it in line with the Group's health and safety policies and limit the physical presence of employees while encourage remote working arrangements.

Total investment in volunteering in 2020 stood at EUR 7,764, marking a considerable reduction of 34% compared to 2019 following the **suspension of all planned face-to-face activities** in the wake of COVID-19, including international corporate volunteering activity, which generates the biggest programme costs.

Highlight corporate volunteering activities in 2020 included the **#AisladosPeroNoSolos** (#IsolatedButNotAlone) initiative, which accounted for seven of the 17 actions carried out during the year. The aim of this project is to provide support to the **most vulnerable segments of society amid the health crisis** (telephone support for the elderly, sending letters of encouragement to patients in hospital, support for groups with disabilities, resolving technological questions and doubts resulting from the digital divide to have arisen from the pandemic). The actions undertaken were a product of close collaboration and of listening to the needs of eight social welfare entities with which we have collaborated for the first time. These new partners include the NGO Adopta un Abuelo, Fundación Cibervoluntarios and Fundación ONCE.

#IsolatedButNotAlone has broken participation records among the Group's employees, with 67.56% of participants collaborating for the first time on a volunteering action proposed by Atresmedia.

The year also saw us continue our close collaboration with Fundación Aladina and the Jarama Red Cross, with whom Atresmedia volunteers carry out leisure and communication activities, respectively.

	2018	2019	2020
No. of volunteers	177	234	360
Hours of volunteering	2,136	1,910	4,309
No. of volunteering activities	20	28	17
Voluntary work spend (€)	11,356	11,493	7,764
Number of charities served	13	11	13

For the first time, the **impact of our volunteering work** was measured through volunteer surveys, revealing that 58% of participating volunteers consider that the Corporate Volunteering Programme is a factor that influences their positive perception of the company *greatly* or *quite a lot*. We also started to measure the skills that the volunteers feel they have acquired in the activities, including empathy, communication and the ability to adapt.

Of the total respondents, 98% reported a big improvement in their empathy, 83% in their communication skills and 73% in their ability to adapt.

6.2.4 **Fundación Atresmedia**

CONTRIBUTION TO THE SDGs:

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Ensure healthy lives and promote well-being for all.

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

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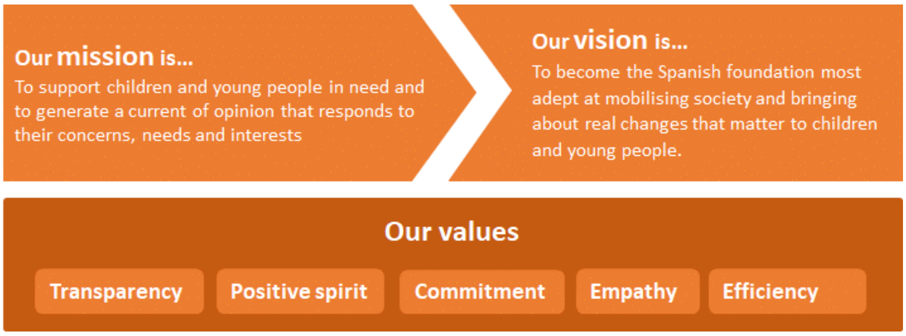
Fundación Atresmedia was founded in 2005 to **channel the Atresmedia Group's social aid and support** towards the **protection of children and young people** by relying on the Group's considerable resources and expertise.



The foundation **works on three main fronts**:

Humanisation of Children's Hospitals

The second edition of the Children's Hospital Humanisation Index (CHHI) was carried out in 2020, with the participation of 120 hospitals from all over Spain, and the aggregate 2019 Results Report was released. The FAN3 Channel, designed especially for hospitalised children and available in 170 hospitals, continued broadcasting, and National Hospitalised Children's Day was once again held during the period, involving more than 200 hospitals and 30 social organisations working in the field of humanisation.

In response to the current COVID-19 pandemic, a virtual event was carried out to celebrate Day of the Hospitalised Child (13 May), including a special concert by Bombai and Conchita, which attracted considerable online coverage and attention.

A special was also produced and broadcast on TV during the lockdown to recognise the hard work of health workers and teachers.

Education

On 1 February, before the onset of the pandemic, the 7th edition of the *Gran Profes* event organised by Fundación Atresmedia was held. It was attended by 1,700 teachers in person and by more than 2,200 via streaming, with the aim of recognising the role of teachers and providing them with motivational tools that they can bring to the classroom. The Foundation also organised the 7th edition of the *Grandes Iniciativas* awards to recognise the best educational initiatives in values, school inclusion, motivation and success, coexistence in the classroom and digital and social transformation. More than 500 projects were entered into the competition. The pandemic warranted an extension of the deadline for submitting applications for these awards. As it happens, this made it possible to accommodate projects developed by schools in response to the pandemic and resulting lockdown. The awards ceremony, originally scheduled for June, was moved to September and took the form of a virtual gala, which was widely followed online.

Youth Employability

In 2020, the Foundation continued its work to raise social awareness and inform young people and their families about the merits of vocational training studies and the high employability of graduates, through the *Descubre la VP* (Discover Vocational Training) project. Aside from maintaining and updating the project website as a go-to point for finding detailed information on these studies, along with motivational messages and experiences involving learners, training centres and companies alike, awareness-raising messages were also aired on TV, radio and multimedia to raise awareness of Dual Vocational Training.

In 2020, the foundation unveiled a new area of action dedicated to Youth Employability, integrating the work it had already been carrying out to promote and disseminate vocational training studies through its Education arm. With this new area, the foundation aims to broaden its future focus, to include new actions and to include among its objectives the mission of improving the job prospects of young people.

Funding model

The Atresmedia Group granted the foundation a total of **EUR 500,000** in 2020. Together with **donations** (EUR 84,827) and **other income** (EUR 582,254), this brought the foundation's **total budget** to EUR 1,167,081 for the year. The foundation does not receive any state **subsidy or aid**.

	2018	2019	2020	Annual change (%)
Budget from Atresmedia	500,000	500,000	500,000	0.00%
Donations	103,665	118,370.76	84,827	-28.34%
Government aid (€)	0	0	0	0.00%
Other revenue	539,000	948,300	582,254	-38.60%
Total income (€)	**1,142,665**	**1,566,670.76**	**1,167,081**	**-25.51%**

6.2.5 **Respect for human rights**

As a signatory of the United Nations Global Compact, Atresmedia embraces the commitments of the pact and shares its strategies for the various areas targeted by this initiative, which include human rights.

Atresmedia's can potentially impact rights related to labour relations, freedom of association and the abolition of abusive working conditions or child labour, and to freedom of expression, thought and conscience. To respect the rights of everyone, Atresmedia has a General Corporate Responsibility Policy that specifically outlines its commitments to these rights, which are classified into three areas of protection:

1. Children's rights
2. Labour rights
3. Freedom of expression rights

Each aspect is addressed throughout this document, specifically the way they affect stakeholders: in sections 6.1 On customers and users, 6.3 On employees, especially the section related to labour rights, and 6.4 On suppliers, producers and distributors.

The protection mechanisms and specific lines of action of each are described in this document. Specifically, complaints or queries related to human rights are channelled through the Corporate Responsibility mailbox and the Whistleblowing Channel. The heads of the pertinent area receive and analyse them. No complaints of human rights violations were received in 2020 or in the previous two years.

6.3 On employees

Atresmedia believes that people are the main asset and true worth of a company. It knows that excellence in people management can set a company apart from its peers over time and be the key to its success. This is achieved by reconciling the company's interests with those of its employees. That is why Atresmedia has had a **Human Resources Policy** in place since 2010, which sets out the values, principles and commitments guiding and shaping the Group's employee management strategy and helps the Company deliver on its purpose. The Human Resources Policy was updated in 2019 and revolves around the following **commitments**:

- Providing stable employment and a rewarding working environment
- Training and promoting the professional development of our workforce
- Attracting and retaining talent
- Guaranteeing human and labour rights
- Championing equality, diversity and work-life balance
- Overseeing a safe and healthy work environment

In addition to the commitments set out in the Policy, Atresmedia's human resources strategy is underpinned by **values** of employee centricity, a propitious environment for initiative and intrapreneurship, teamwork, communication and pride in belonging.

In the wake of the COVID-19 pandemic and in order to ensure the continuity of ATRESMEDIA's activity while protecting the safety of all employees, the HR area focused its efforts on the following fronts in 2020:

1. achieving a safe working environment for those people who continued to work on-site, by deploying safety protocols and implementing protection and hygiene measures on premises and sets and at filming locations;

2. protecting jobs and ensuring stable employment terms and conditions for workers;

3. adapting to the situation by embracing new ways of working and setting up telework arrangements for most staff members during the pandemic.

6.3.1 Workforce structure

Atresmedia had 2,420[9] people in 2020, down 4% on the previous year, of whom 1,268 were women (52.40%) and 1,152 men (47.60%), with an average age of 42.15 years. Of the 2,420 people, 43 had some form of disability. Voluntary employee turnover in 2020 was 11.03%, while involuntary employee turnover came to 45.17%. Of a total of 327 new hires, 186 were women (56.88%). A total of 83.80% of employees had permanent contracts, while average length of service was 12.09 years.

		2018	2019	2020	Annual change, 2019-2020 (%)
By gender (at 31/12/2020)	**Men**	1,041	1,212	**1,152**	-4.95%
	Women	1,086	1,315	**1,268**	-3.57%

[9] Figures at year-end.

		2018	2019	2020			Annual change, 2019-2020 (%)
				TOTAL	MEN	WOMEN	
By age (at 31/12/2020)	20-29	248	345	**312**	112	200	-9.57%
	30-45	957	1,176	**1,139**	524	615	-3.15%
	45-60	871	942	**916**	485	431	-2.76%
	Over 60	51	64	**53**	31	22	-17.19%

		2018		2019		2020		Annual change, 2019-2020 (%)	
		Men	Women	Men	Women	Men	Women	Men	Women
By job category (at 31/12/2020)	Managers	172	86	174	87	**164**	**84**	-5.75%	-3.45%
	Technicians	748	708	858	867	**823**	**864**	-4.08%	-0.35%
	Administrative	24	131	23	134	**22**	**117**	-4.35%	-12.69%
	Other	97	161	157	227	**143**	**203**	-8.92%	-10.57%

		2018		2019		2020		Annual change, 2019-2020 (%)	
		Men	Women	Men	Women	Men	Women	Men	Women
By type of employment contract (at 31/12/2020)	Temporary staff	12	31	30	43	**29**	**45**	-3.33%	4.65%
	Permanent	918	925	1,041	1,073	**978**	**1,050**	-6.05%	-2.14%
	Interim	22	36	28	48	**34**	**36**	21.43%	-25.00%
	Labour	85	87	106	140	**104**	**132**	-1.89%	-5.71%
	Internships	4	7	7	11	**7**	**5**	0.00%	-54.55%

		2018	2019	2020	Annual change (%)
By country (at 31/12/2020)	Spain	2,106	2,499	**2,383**	-4.6%
	Brazil	10	15	**10**	-33.3%
	Colombia	3	5	**5**	0%
	Argentina	7	7	**9**	28.6%
	Chile	0	1	**3**	200%
	Mexico	0	0	**10**	100%
	Peru	1	0	**0**	0%

Annual average by contract type		Permanent contract		Temporary contract		Part-time contract	
	Gender	M	F	M	F	M	F
	2018	879.5	838.7	147	179.3	11.3	48.7
	2019	1,020.85	1,049.54	150.92	210.92	9.69	26.92
	2020	**731.39**	**852.54**	**172.92**	**215.08**	**10.15**	**13.69**

Annual change, 2019-2020 (%)	-28.36%	-18.77%	14.58%	1.97%	4.79%	-49.14%

	Permanent contract				Temporary contract				Part-time contract			
Age	20-29	30-45	46-60	> 60	20-29	30-45	46-60	> 60	20-29	30-45	46-60	> 60
2018	86.7	760.4	824.1	47.4	141.1	156.2	27.7	1.3	7.2	33.3	17.5	2
2019	126.92	994.69	881.54	67.23	187.38	146.46	27.15	0.85	13.62	13.62	8.23	1.15
2020	**119.39**	**806.46**	**611.54**	**47.00**	**174.08**	**170.77**	**42.38**	**1.00**	**9.85**	**10.24**	**6.00**	**0.00**
Annual change, 2019-2020 (%)	-6%	-19%	-31%	-30%	-7%	17%	56%	18%	-28%	-25%	-27%	-100%

	Permanent contract				Temporary contract				Part-time contract			
Job cat.	Managers	Technicians	Administrative	Other	Managers	Technicians	Administrative	Other	Managers	Technicians	Administrative	Other
2018	202.6	765.8	52.3	125.6	0.9	151.9	16.8	121.6	1.8	5.5	3.3	2.4
2019	259.46	1,474.15	132.62	204.15	0	198.08	24.23	139.54	1.54	19.62	10.46	5
2020	**220.39**	**1,103**	**55.38**	**205.62**	**0**	**195.85**	**17.62**	**174.08**	**2.00**	**11.24**	**3.15**	**7.15**
Annual change, 2019-2020 (%)	-15%	-25%	-58%	1%	0%	-1%	-27%	25%	30%	-43%	-70%	43.08%

	No. of employees by Group company												
	Atresmedia	Advertising	Noticias	Fundación	I3TV	Uniprex TV	Multimedia	Film	6&M	Smart Clip	Uniprex	Studios	H2H
2018	447	349	315	9	53	78	148	12	0	94	568	5	
2019	453	338	305	12	60	69	147	11	367	111	580	37	
2020	**425**	**332**	**274**	**10**	**61**	**110**	**158**	**3**	**366**	**122**	**546**	**-**	**13**
Annual change, 2019-2020 (%)	-6%	-2%	-10%	-17%	2%	59%	7%	-73%	0%	10%	-6%	-100%	100%

6.3.2 Stable employment and rewarding working environment

In its endeavours to create a rewarding working environment, Atresmedia provides **stable employment** and **working conditions** based on fair compensation for employees and non-discrimination in pay. Along these lines, Atresmedia did not implement any furlough scheme at any point during the COVID-19 pandemic.

Aside from protecting the health and safety of employees, there were a further two sides of the efforts to ensure stability in 2020: **job stability** and protecting **wage conditions**.

Job stability

The workforce was down by just 5% on 2019, with only 24 dismissals compared to 61 in 2019.

	No. of dismissals									
	Men	Women	20-29	30-45	45-60	+60	Managers	Other	Technicians	Administrative
2018	15	16	6	13	11	1	-	7	22	2

2019	33	28	6	37	15	3	6	6	43	6
2020	**14**	**10**	**4**	**8**	**11**	**1**	**5**	**2**	**16**	**1**
Annual change, 2019-2020 (%)	-58%	-64%	-33%	-78%	-27%	-67%	-17%	-67%	-63%	-83%

In a bid to alleviate the difficulties caused by COVID-19 in protecting jobs, Atresmedia launched a Voluntary Incentivised Redundancy Plan in 2020.

Atresmedia's 2020 Voluntary Incentivised Redundancy Plan	
What does it entail?	The plan entails the voluntary termination of the worker (provided they qualify for the plan) through the signing of an individual agreement whereby they receive a certain level of monthly income through to the age of 65, and Atresmedia continues to pay their social security contributions through to the ordinary age of retirement, in accordance with prevailing law and regulations on the date their employment relationship is terminated, i.e. 31 December 2020.
Who is eligible?	The requirements for requesting voluntary redundancy were as follows: • Being a permanent employee in active employment on 31/12/2020 • Being between 57 and 65 years of age on 31/12/2020 • Having length of service of over 15 years by 31 December 2020
What were the results?	There was considerable interest in the plan among employees and all planned voluntary terminations were covered.

Terms of employment

Despite the unfortunate events we all witnessed in 2020, Atresmedia made every effort not only to maintain the wage conditions of its employees, but also to improve them across many professional categories, as shown below:

	Average remuneration	2018	2019	2020			Annual change (%)
				TOTAL	MEN	WOMEN	
By category	**Managers***	137,957	143,402	**144,904**	163,500	108,597	1%
	Technicians	39,348	38,155	**39,396**	41,278	37,603	3%
	Administrative	26,596	27,544	**29,625**	30,418	29,476	8%
	Other	21,681	21,234	**27,253**	27,163	27,316	28%
By age	**20-29**	15,091	14,300	**23,090**	24,227	22,440	61%
	30-45	39,887	36,476	**38,053**	41,997	34,715	4%
	46-60	64,567	64,251	**64,166**	72,609	54,665	0%
	Over 60	124,912	111,568	**124,957**	174,334	55,381	12%
By gender	**Men**	57,910	55,116	**56,718**	N/A		3%
	Women	38,947	37,203	**39,909**			7%

Board remuneration	2019	2020	Annual change (%)
Men	157,919.57	133,777.50	-15.29%
Women	76,875.00	69,881.25	-9.10%
Average	128,448.82	105,379.17	-17.96%

The Board of Directors, at its meeting of 29 April 2020, decided to reduce the remuneration of external directors as an austerity measure from that date forward, as part of the exceptional cost-cutting measures implemented in response to the extraordinary consequences of the COVID-19 pandemic and its foreseeable impact on the economy and the company. The decision was based also on Atresmedia's own position and the overall situation of the advertising market at that time. The agreed reduction amounted to 15% of all fixed remuneration of external directors for their status as such and for any seats held on board committees, as well as the per diem allowances for attending meetings. For the same reasons, the remuneration payable for regular advisory services rendered by directors was lowered by approximately 50% on the amount stipulated in their contracts.

Pay gap [**]	2018 (%)	2019 (%)	2020 (%)	Annual change (%)
Managers [*]	28.86	32.66	33.58	3%
Technicians	11.49	11.98	8.9	-26%
Administrative	-15.69	-2.02	3.1	-253%
Other	9.11	0.58	-0.56	-197%
Average	32.75	32.45	29.64	-8.66%

The year-on-year changes in the pay gap indicator are due to a review of the items to be included, as explained below. The section on remuneration included, in 2019, the remuneration declared on personal income tax form 190, corresponding to the payment effectively received by the workers regardless of the date they joined the company. Therefore, for those persons who had been hired during the year, only the amounts effectively received in the period were shown, without any projection of remuneration for the whole year. In 2020, however, the gross contractual remuneration was counted for those persons hired during the year (plus, where applicable, extras: hours, wage supplements, public holidays, etc.), pro-rated over 12 months. Meanwhile, for those persons who worked throughout all of 2019, Atresmedia counted the total remuneration received and also declared on form 190 as was previously the case.

[*] The category of Managers includes senior managers, with a gender pay gap of 26.10%, managers, with a gender pay gap of 6.50%, and middle managers, with a gender pay gap of 8.23%.

[**] The gender pay gap calculation was made considering as remuneration the base salary plus additional amounts paid to an employee; e.g. for length of service, agreements for the performance of specific duties, over-time, supplements for availability or dedication, bonus/incentives for the achievement of objectives, extra pay for nights shifts and work on holidays. In other words, all amounts set out on form 190.

Atresmedia employees also enjoy a number of additional benefits and in-kind remuneration to supplement their annual salary.

For all employees:

- Life insurance
- 100% of salary paid during medical leave

• Parking • Canteen • Training
For executives: • Flexible remuneration plan (company car and special training) • Life and medical insurance
For Atresmedia Radio: • Fund to help with school tuition fees and dental insurance • Travel allowance when employees change work centre

[*] Managers includes senior managers, mangers, and middle managers.

6.3.3 **Professional development of employees**

When it comes to personnel management at Atresmedia, one of the most important courses of action is **training**. The Company's training catalogue features multiple courses, both face-to-face and virtual, all of them tailored to the needs of the different job positions and the preferences of the employees themselves. The **training policy** is built around six **pillars**:

Continuity	Annual updates to training programmes
Quality	Average satisfaction of 9 on a scale of 1-10
Innovation	Inclusion of technological innovations
Comprehensiveness	Covers all companies and categories
Usefulness	Skills that can be used in daily work
Investment	Over EUR 500,000 a year

Adapting to COVID-19

Management of corporate training activities at the Atresmedia Group in 2020 was significantly impacted by COVID-19. However, the main objective was to continue with training activities that could be carried out virtually while still guaranteeing quality content and meeting the requirements of the State Foundation for Training in Employment (FUNDAE). The prevailing climate has prompted a **shift of the training solutions** used until now —which were mainly face-to-face— towards digital solutions. Platforms such as Microsoft Teams, UDEMY and PLURALSIGHT have all been used to deliver courses in English, occupational risk prevention and data protection, among other subjects. Of particular note is the increased support for training in digital skills and digital content management, which is much needed in today's environment.

Internal training initiatives

Despite the circumstances, Atresmedia was able to continue with its face-to-face classes, with all the relevant security measures in place, under the **III EDITION OF THE INTERNAL MASTER'S COURSE**, in partnership with EAE Business School, and the University Master's Degree in the Management of Communication Companies delivered by the University of Navarra.

Work also went ahead on a number of **key projects** in 2020, such as the creation of a **Corporate Training Website**, accompanied by a regular newsletter to be sent to employees, and the **implementation of corporate webinars** on legal matters and IT. The **range of courses featured in the Training Catalogue** was also broadened, with 80 specialised training itineraries and 40 new qualifications.

Given how rapidly Atresmedia has managed to adapt its training activity to the situation arising from the COVID-19 pandemic, the Company has now set itself the 2021 objective of **making its heavily face-to-face training model** entirely virtual and digital, as it fosters a **culture of self-learning** and **digital innovation**.

Atresmedia invested a total of EUR 244,644 in training in 2020, equivalent to 10,660 hours of training delivered to 696 employees. This gives a total of 15.33 hours of training per employee, distributed across 104 courses and 130 events.

		2018	2019	2020	Annual change, 2019-2020 (%)
Average no. of training hours / professional category*	**Managers**	52	34	23	-31.53%
	Technicians	31	18	15	-16.04%
	Administrative	34	34	13	-62.48%
	Other	21	15	7	-53.07%
Total no. of training hours / professional category*	**Managers**	9,536	7,588	2,423	-68.07%
	Technicians	17,251	23,686	7,010	-70.41%
	Administrative	1,912	1,994	684	-65.72%
	Other	3,286	3,595	544	-84.87%

*H2H and Buendía are excluded as they have only recently joined the Group and their systems are in the process of being adapted to Meta4.

Atresmedia Training

Atresmedia also offers its **expertise and knowledge of the audiovisual industry** externally through Atresmedia Formación (Atresmedia Training). This business project trains professionals in various fields: open courses on audiovisual content, masters' courses in partnerships with universities and business schools, occupational training courses to promote these activities in Spain, and communications courses for companies and institutions.

Over the course of the year, Atresmedia Training organised **53 courses**, for a total of **5,423 hours of training** and **401 learners**.

Amid COVID-19, Atresmedia Training has opted for **online format** for as many courses as possible and has also generated new online training activities. The presence of this new format, delivered live through Microsoft Teams, has been a huge boon for the project and has allowed students from other autonomous regions of Spain and even from other countries to take part in the courses. In the future, the plan is to maintain a **blended training offer**, featuring a mixture of face-to-face and online training, given how popular it has proven to be.

The **partnership with publishing house 35mm** (Comunidad Campus S.L.) was a further highlight in 2020, involving several online master classes with in-house professionals on various subjects. Under this arrangement, a total of eight master classes were held and 10 new master classes have already been planned for the first quarter of 2021.

With regard to the **in-company training** that Atresmedia Training has been delivering since 2018, through to March 2020 **training courses have been delivered to former clients** such as Roche, the regional government of Castille-La Mancha, Secuoya and Fundación Araguaney, and also to new clients such as Novartis, Mondragón and Puerto Banús. Highlights here include the course for actors at Fundación Araguaney in A Coruña, the course in mobile journalism in Madrid for the company Salvamento Marítimo and the course on project management for teachers attached to the regional government of Castile-La Mancha. All training has been halted since the announcement of the State of Alarm and only those training activities that could be held online were resumed. A total of 121 hours were ultimately delivered to 97 trainees in 2020.

Last but not least, the partnership between Atresmedia Training and Parque Tecnológico de Galicia has led to the creation of STEAMBites, an online learning platform aimed at students aged eight to 16 interested in deepening their knowledge of science and technology subjects in an innovative and appealing way.

In 2020, Atresmedia Training earned the Expansión Award for Innovation in Human Resources.

Internal communication

The company promotes **dialogue and two-way communication** with employees to learn about their needs and gauge their level of satisfaction, and to promote transparency and engagement. It has a series of internal **communication channels** for this; e.g. the corporate intranet, the MASDIII digital magazine, the onboarding handbook for new hires and corporate emails, with several accounts from which the various divisions send out information of interest to employees.

Since the announcement of the State of Alarm last March, when a large part of the workforce was asked to work from home, there has been continuous communication with all employees through internal mails, to keep them informed at all times of important matters such as the gradual return to work, the creation and assignment of shifts to work on-site on a rotating basis, health and safety measures against COVID-19, and other relevant information.

Meanwhile, internal digital magazine MASDIII has featured special reports on the efforts that the different areas and departments of the Company are making to tackle the pandemic, through interviews with executives, employee testimonials and letters from the CEO. In 2020, MASDIII magazine had 4,077 users, compared to 4,417 in 2019, who viewed a total of 118,948 pages (189,564 in 2019), a success story given that fewer editions were published and less content generated.

6.3.4 Attracting and retaining talent

Atresmedia successfully promotes its internship programme each year for university, master's and vocational training students to **identify talent and provide job opportunities to students and young graduates** so they become more employable.

Promoting youth employment

While the COVID-19 pandemic has reduced the number of places on offer under the Internship Programme, a total of **232 scholarships** were offered in 2020 (58.86% less than in 2019), and significant efforts were made to incorporate **interns in teleworking mode** and to give them the tools and training needed for them to carry out their activities as normal. This experience has been very positive for both the Company and the trainees, who have developed skills such as communication, motivation, self-management and teamwork.

A total of 24 talented young individuals were hired on completing their internship at Atresmedia.

As **vocational training students** are unable to carry out their work experience on-site or through teleworking, different projects have been undertaken similar to a final degree or master's thesis on useful and important subjects. Under this system, the learners come up with an audiovisual product and are tutored by the staff of the Atresmedia Group and by tutors from their vocational training centre, thus enabling them to undergo a form of work experience that is as close as possible to an on-site scholarship.

In 2018, Atresmedia continued its **ongoing collaboration with the Press Association of Madrid** (APM) in aiding the job market integration of young graduates by awarding them a one-year internship contract at Antena 3 Noticias and La Sexta as part of the ***Primer Empleo*** (first job) programme.

Driving intrapreneurship

Aside from actions to promote youth employment, Atresmedia creates environments to **encourage the creativity** of its own employees, generate new ideas and drive intrapreneurship. The response has been a continuation of the **TH'NK initiative**. Due to the ongoing pandemic, Th'nk has continued to focus on nurturing internal talent through motivation and creating work and learning opportunities between areas and departments. It has also expanded upon its range of services in response to the need for connection, continuity and a sense of belonging to the Group by creating *Th'nk En Casa* (Th'nk at Home): The three courses of action, *Th'nk Inspira*, *Th'nk Crea* and *Th'nk Day*, have adapted to the times and managed to remain active. *Th'nk Inspira* and *Th'nk En Casa* seek to motivate employees through talks on self-improvement, while weekly Th'nk Plans offer more in the way of cultural, leisure or health care activities, and #ThinkTip offer provides advice on productivity, teleworking and emotional and physical health, among others.

6.3.5 **Safeguarding labour rights**

Atresmedia complies with regulations and upholds the highest standards of protection of human and fundamental rights through its **Human Resources Policy**, **Equality Plan** and the **terms and conditions it places on suppliers**.

As a **signatory of the United Nations Global Compact**, Atresmedia embraces the commitments of the pact and shares its strategies in areas of labour targeted by this initiative, which include human and labour rights. In line with this commitment, Atresmedia embraces the following **principles** as its own:

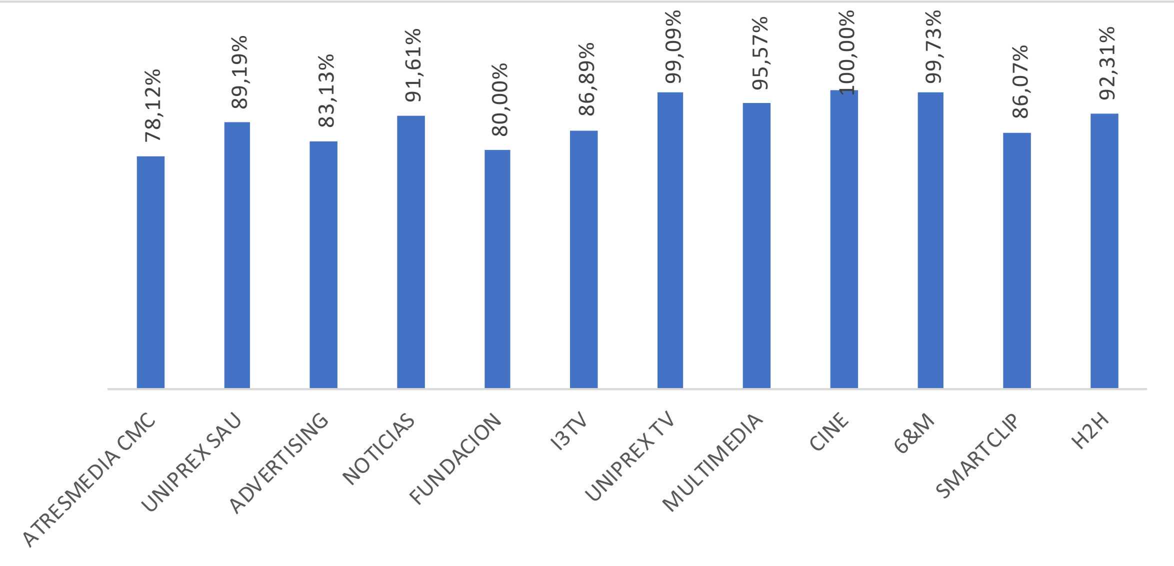
1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence
2. Businesses should make sure that they are not complicit in human rights abuses
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
4. Businesses should uphold the elimination of all forms of forced and compulsory labour
5. Businesses should uphold the effective abolition of child labour
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation

Freedom of association

Atresmedia respects the right of its employees to be represented. Of its staff, 2,152 workers are covered a collective bargaining agreement. This means that 88.9% of workers are currently adhered to a collective bargaining agreement, up 0.83% from 2019 (88.1%), 2018 (87.3%), 2017 (87.0%) and 2016 (86.6%). Of the 122 Smartclip staff working outside Spain, 105 employees are adhered to a collective bargaining agreement (86.07%). The collective bargaining agreements of Atresmedia Corporación and Uniprex S.A.U. were extended for a further year in 2020. Meanwhile, negotiations are under way to extend the Antena 3 Noticias collective agreement for a further year and to extend the 6&M collective agreement until 2022, with the first collective agreement of Antena 3 Multimedia to remain in force until 2022.

Employees adhered to collective agreements by Group company[10]

Coverage of Atresmedia employees by applicable collective bargaining agreements varies by Group company:



Addressing health and safety issues

The following Atresmedia Group companies have **workers' representatives on matters relating to health and safety** in the form of Prevention Officers: Atresmedia CMC, Uniprex, A3 Noticias, A3 Multimedia and I3 Televisión (five of the 10 companies that are adhered to the Joint Prevention Service). The Prevention Officers meet with the Company's own representatives on the **Health and Safety Committees**, which typically meet every three months. While this frequency has changed somewhat over the course of the pandemic, the Company has remained in **direct contact with the workers' representatives** to keep them abreast of all pertinent developments. The Joint Prevention Service attends these committee meetings as an advisor.

The **business addressed at the meetings** of the Health and Safety Committees frequently relates to certain key issues affecting the health and safety of workers, such as thermo-hygrometric conditions of work spaces, signage, or use of PPE. In 2020, the main focus of these committee meetings was to prevent the spread of the virus within the workplace and to protect the health of workers.

[10] The lone employee in the Canary Islands is not adhered to a collective bargaining agreement.

All companies adhered to the **Joint Prevention Service** of the Atresmedia Group are subject to **collective bargaining agreements** that address **health and safety concerns**, although three of these companies have their own collective agreements:

- **Atresmedia CMC:** own collective agreement. Article 28: Occupational Risk Prevention: governs the Medical Service available 24/7, and the delivery of work attire.
- **UNIPREX SAU:** own collective agreement. Article 49: Occupational Risk Prevention: specifically addresses computer workstations, at which computer-related activities must be alternated with other tasks, or otherwise 10-minute breaks must be taken every two hours.
- **6&M:** own collective agreement. Title X – Occupational Risk Prevention: regulates training in ORP, health surveillance and the remit of the Prevention Officers and the Health and Safety Committee.
- **Advertising and Smartclip Hispania:** collective agreement for companies operating in the advertising sector. Chapter 9 – Health and Safety in the Workplace: envisions the creation of a Sectoral Joint Commission for Occupational Health and Safety and Maternity Protection.
- **A3 Noticias, A3 Multimedia and Uniprex TV:** collective agreement of the audiovisual production industry (technicians). Title IX – Health and Safety in the Workplace: envisions the creation of a State Commission for Occupational Health and Safety in the audiovisual industry (technicians).
- **I3 Televisión:** state collective agreement for consulting, market study and public opinion firms. Article 39. Screen-based work. Risk prevention: refers to workstations at which users view data on screen and governs the protection of sensitive workers and maternity in the cases set out in the Prevention Law.
- **Fundación Atresmedia:** state collective bargaining agreement for the social pursuits and welfare sector. Chapter X – Occupational health and safety: refers to various aspects of the Law on Occupational Risk Prevention, including the Prevention Service, health surveillance, protection of particularly sensitive workers, training and information, and the active involvement of personnel in ORP matters.

6.3.6 **Fostering equality, diversity and work-life balance**

Fostering equality and diversity is also one of the commitments embraced by Atresmedia in its **General Corporate Responsibility Policy** and **Human Resources Policy**. More precisely, the Human Resources Policy **ensures that all employees have the same career advancement opportunities** within the Company, irrespective of race, gender, age, political opinion, social background or religious beliefs. Atresmedia had taken several steps to achieve this, including the signing of an **Equality Plan** in 2014 that pursues the following objectives:

- Ensuring equal treatment and equal opportunities
- Improving the work-life balance of employees
- Preventing harassment at the workplace
- Supporting pregnant workers and motherhood

The Equality Plan has its **own committee**, which meets regularly to monitor compliance and approve new actions to improve equality. Atresmedia's commitment to equality is reflected in its workforce, which currently comprises 52.41% women and 47.59% men.

Work-life balance

Measures aimed at promoting work-life balance and balanced and equal sharing of family duties are outlined in the Equality Plan and revolve around **flexible working hours**, the possibility of **teleworking**, and extended **leave** for death or illness of family members. The plan also sets out **measures to include and help** women employees who are victims of domestic violence. Atresmedia does not have **work disconnect** policies, although the plan recommends that no meetings be called after 6 p.m.

Following the enactment of Royal Decree 901/2020, which regulates equality plans and their filing, and Royal Decree 902/2020, on equal pay for women and men, all the Group's equality plans will be renewed in 2021 to bring them in line with the new regulations.

In 2020, Smartclip Hispania received an Honourable Mention in the Medium-sized Company category at the XVI Madrid Flexible Company Awards. These yearly awards recognise the best companies that have an efficient and profitable management model in place and that also foster a healthy balance between the professional, personal and family life of their employees.

Of all the changes and transformations brought about by the COVID-19 pandemic, one of the biggest impacts on the Group's organisation has been the need to **rethink work patterns and approaches**, including the workplace and the conditions in which our employees work. In this context, the Company has relied heavily on **teleworking** to enable it to continue its activities. However, Atresmedia is acutely aware that because of its business model most of the workforce need to be physically present at their place of work. The Company therefore draws a distinction between teleworking during COVID-19 and post-pandemic teleworking, which will be taken into account when rethinking the way our employees work in **future policies on the transition** to normal working conditions.

In 2020, 117 workers exercised their right to **parental leave** (2019: 75), comprising 74 women and 43 men. All of them returned to work at the end of their leave.

Working time is organised in accordance with the collective bargaining agreement governing the Group's various businesses.

Integrating vulnerable groups

Atresmedia also carries out **specific actions to promote the integration of especially vulnerable groups**. Atresmedia has been a member of the **Network of Companies for a Society Free from Gender Violence** since 2015, offering work experience at the Company for women victims of gender violence.

Meanwhile, the Internship Programme offered employment opportunities to six people with disabilities during the year and a **new Disability Management Strategy** was drawn up, focusing on three courses of action:

2020 goals	2020 partnered actions and milestones

Employability and training	• In 2020, **Atresmedia and Fundación Universia** joined forces to improve the job prospects of people with disabilities through a project to award grants to 30 students to pursue one of the many courses offered by Atresmedia Training. • Atresmedia's adhesion to the **Companies for Diversity and Inclusion** initiative championed by Fundación Randstad, to generate knowledge and raise corporate and social awareness of matters relating to disability, employment and social inclusion.
External and in-house awareness-raising	• Atresmedia strives to **provide information and raise social awareness** of the needs and concerns of people with disabilities through its **content** and **advertising space**. It also runs a **corporate volunteering** programme and organises various **in-house initiatives to raise employee awareness** of the reality lived by people with disabilities with the aim of achieving their full inclusion (see section 6.2 – On society).
Content accessibility	• Atresmedia ensures the accessibility of the content it broadcasts so as to **guarantee the right of everyone to receive news and information**, regardless of their auditive or visual acuity. (*See section 6.1.1 – Audience protection mechanisms – Accessibility for all audiences).*

In 2020, Atresmedia set up a section on its website dedicated exclusively to disability management, featuring the following sections: "Employability and training", "Content accessibility" and "External and in-house awareness-raising"

The Group had **44 employees with some level of disability** in 2020 (45 in 2019). Atresmedia is committed to helping to fully integrate them and improve their accessibility. In 2016, Ilunion prepared a **report on accessibility to Atresmedia facilities** using the Bequal approach, concluding that both the exit routes and outside routes were in order. There are reserved parking spaces and both internal working areas and bathrooms are appropriate, but have constantly being improved.

To mark the occasion of **International Day of Persons with Disabilities**, Atresmedia lent its support to the *#IgualDeDiferentes* campaign through various internal communication actions to raise awareness among its employees about the different situations that people with disabilities experience on a daily basis and to help normalise disability.

Thanks to all these actions to protect diversity, Atresmedia received no complaints of discrimination in the workplace in 2020.

6.3.7 **Safe and healthy work environment**

Atresmedia has an **Occupational Risk Prevention Policy** in place as the framework for a management system that earned **OHSAS 18001 assurance** in 2017. The policy was updated in 2018 and audited in 2019. The Group has five **Health and Safety Committees**; one each at Atresmedia CMC, Uniprex, Antes 3 Noticias, A3 Multimedia and I3 Televisión. These committees meet regularly and members are duly informed of progress made (risk assessment, objectives and recruitments through temporary employment agencies).

Protecting employees from COVID-19

In 2020, the Prevention and Medical Services Department focused its efforts on **managing and preventing new cases of COVID-19**, a vitally important task given that the vast majority of Atresmedia professionals needed to work on-site. **Highlights** were as follows:

- **Management activities**:
    - Specific risk assessment for exposure to COVID-19 and rolling out preventive measures
    - Contingency Plan
    - Internal protocols on general workplace measures, travel regulations and personal protective equipment for SARS-COV-2
    - Specific protocols for each programme and production
    - Guide to temporary teleworking, with preventive measures and available to employees on the Group's Intranet
    - Extending the scope of the internal rules against COVID-19 to cover contractors, as part of Coordination of Business Activities and monitoring of compliance by the Group's Prevention Service
- **Control and monitoring**:
    - Occupational risk prevention officer present on set to verify compliance with the protocols
    - Daily recording and follow-up of any confirmed or suspected cases reported to the Medical Service, including tracing of possible direct contacts
    - Daily logging and monitoring of any confirmed or suspected cases of contractor employees entering the workplace
    - Managing and running diagnostic tests by qualified personnel at the Group's Medical Service (serological tests, antigen tests and collecting samples for PCR)
    - Daily inspections to monitor the proper use of PPE and social distancing of workers
    - Hygienic CO_2 measurements to control of correct ventilation of working areas
- **Protective measures**:
    - Personal protective equipment handed out to workers
    - Sanitising gel dispensers installed in all workplaces
- **Internal communication**:
    - Specific section on the Group's Intranet with useful information on COVID-19 for workers, with regular updates of internal protocols and a direct link to the information provided by Quirónprevención (the External Prevention Service to which the health surveillance function is outsourced)
    - Basic hand hygiene posters and signage

In addition to these actions, the Prevention Service has drawn up the **Prevention Measures for Travel** protocol for its employees so that they are alert to the threat of COVID-19 when off the Group's premises. The protocol is updated regularly and is available to employees on the Group's Intranet, covering both domestic and international travel.

The Medical Service carried out a total of **1,519 responses** in the year, comprising 765 instances of medical care, 689 consultations and 65 emergencies. Of the medical care provided, 77% was given to Group staff, and 23% to contractor personnel or visitors.

Accident rates and related indicators

There were **six accidents resulting in sick leave** in 2020, involving two men and four women. Meanwhile, **absenteeism** amounted to 226,160 hours (including 28,304 hours of absenteeism due to COVID-19; in men 13,800 and in women 14,504). The **absenteeism rate** was 5.47 due to accidents at work or temporary incapacity and 5.37 due to non-work-related illness and disease, which includes absences due to COVID-19 as these qualify as temporary incapacity due to non-work-related contingencies. The **accident frequency rate** was 1.45 (1.87 for women and 1 for men), with a **severity** rate of 0.05 (0.09 for women and 0.02 for men). There were no **work-related diseases** during the year. Accident figures are provided by the joint prevention service and do not include the 13 employees of H2H and the 80.5 at Buendía, who are outside the scope of these figures.

	No. of occupational accidents with medical leave *(excluding going to and from work)*			**Employee absenteeism rate**			**Hours of absenteeism**		
	TOTAL	Women	Men	**TOTAL**	Women	Men	**TOTAL**	Women	Men
2018	**6**	3	3	**3.41**	4.30	2.47	**117,880**	76,736	41,144
2019	**5**	4	1	**4.58**	5.77	3.27	**198,720**	130,800	67,920
2020	**6**	4	2	**5.47**	6.7	4.15	**226,160**	143,448	82,712
Annual chg., 2019-2020 (%)	**20%**	0%	100%	**19.43%**	16.12%	26.91%	**13.81%**	9.67%	21.78%
	Absenteeism rate due to common illness			**Accident frequency rate**			**Serious accident frequency rate**		
	TOTAL	Women	Men	**TOTAL**	Women	Men	**TOTAL**	Women	Men
2018	**3.14**	4	2.23	**1.74**	1.68	1.8	**0.17**	0.12	0.23
2019	**4.41**	5.63	3.07	**1.15**	1.76	0.48	**0.10**	0.13	0.07
2020	**5.37**	6.54	4.11	**1.45**	1.87	1	**0.05**	0.09	0.02
Annual chg. 2019-2020 (%)	**21.78%**	21.77%	16.16%	**33.88%**	26.09%	6.25%	**108.33%**	-50.00%	-30.77%

Training in health and safety

In 2020, the Prevention and Medical Services Department provided **mandatory initial training and information on occupational risk prevention** to **399 workers** in e-learning format, with each course lasting two hours (798 hours of training). There were also **272 hours of refresher training** for 136 workers —also in e-learning mode— and a **further 60 hours** in two 30-hour courses **delivered by QUIRONPREVENCIÓN** to two new A3 Multimedia Prevention Officers.

6.4 **On suppliers, producers and distributors**

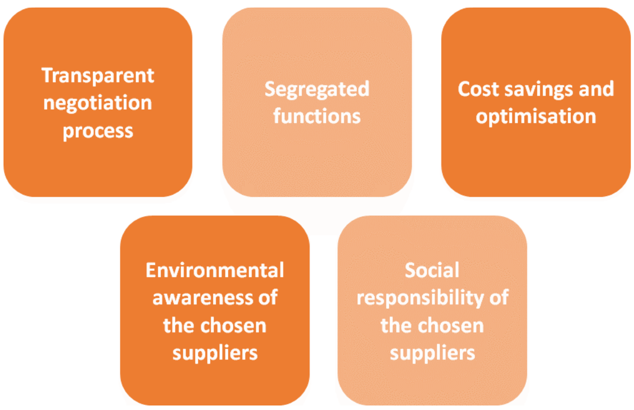
Atresmedia draws a distinction between **suppliers of content and suppliers of other goods and services** needed for its business.

		2018	2019	2020	Annual chg., 2019-2020 (%)
Suppliers of goods and services	**Spending on purchases (EUR million)**	71.61	72.07	**63.96**	-11.25%
	Number of suppliers	1,313	1,471	**1359**	-7.61%
	% of national suppliers	94	94	**94**	0.00%
	% of purchases from national suppliers	93	94	**91**	-3.19%
		2018	**2019**	**2020**	**Annual chg., 2019-2020 (%)**
Content providers	**Spending on purchases (EUR million)**	486.1	470.7	**393.8**	-16.34%
	No. of production companies	25	31	**33**	6.45%
	No. of contents (programmes and series)	97	71	**77**	8.45%
	No. of distributors	68	61	**57**	-6.56%
	No. of bids received	168	161	**136**	-15.53%
	% of Spanish distributors	32	36	**47**	31.31%

Suppliers of goods and services

Atresmedia's **corporate Procurement Policy and department** are there to guarantee transparency when negotiating with suppliers of the goods and services the Atresmedia Group needs to carry on its business. Atresmedia includes clauses in all its contracts to promote **environmental and social responsibility** by its chosen suppliers. Moreover, Atresmedia closely monitors suppliers that work at its facilities, checking that they comply with their tax and employment obligations.

The existence of a company-wide procurement policy and department ensures:



In 2020, the Audit and Control Committee agreed to extend the scope of the existing whistleblowing channel for raising queries or reporting any conduct or behaviour that violates Atresmedia's rules and regulations on matters governed by the Code of Conduct. See section 5.6 – Regulatory compliance

Producers and distributors

Aside from its suppliers of goods and services, Atresmedia also does business with producers and distributors as a core element of its business.

The Production Department handles relations with content production companies and awards contracts. Atresmedia Televisión **hand picks and controls** all the content it produces and broadcasts, thus ensuring that all of its products reflect the Group's values and meet the required standards of quality. The Content Committee sees to it that these values are applied across the entire content creation process. More precisely, all producers must comply with the principles enshrined in the General Corporate Responsibility Policy by signing a clause that requires them to honour and uphold the Group's values, as well as its environmental and social commitments. This clause refers specifically to conveying the Company's values through series or programmes made in partnership with content producers.

Where the argument of the series or programme allows, the parties undertake to consider including plots and/or content related to social impact, e.g. normalising disabilities, promoting diversity and equality, raising awareness against gender violence, or respecting human and fundamental rights. They are equally committed to enabling people with disabilities to access all content.

Moreover, Atresmedia enforces strict compliance with applicable law on occupational health and safety, sector-specific agreements and any other law or regulation that may apply. This includes the protection of human rights and especially the rights of children when they are involved in Group programmes or series. It also works hard to ensure the safety of third-party workers in cases where the production company works directly on the premises of Atresmedia.

To allow production and filming to continue during the pandemic under exceptional working conditions, the Production Department, the Prevention Service and the various production companies with which Atresmedia arranges series and audiovisual products, have all worked closely to reduce the risk of contagion and protect the safety of the workers involved in production activities at all times, as well as the guests, collaborators, actors and audience members involved in programmes and filming. To achieve this, the Prevention Service has drawn up various generic and specific protocols for each production and has scrutinised the COVID-19 prevention protocols of the production companies with which the Group works. These include the implementation of:

- Preventive measures for audience management.
- Preventive measures for contestants.
- Specific prevention protocols for each production carried out: Autopromociones, La Ruleta, Pasapalabra, Road Trip, Geo, Campanadas 2020, etc.
- Reviewing and validating the protocols of the producers of the following programmes: *Top Photo*, *Veneno*, *La cocinera de Castamar*, *Divididos*, *La Voz*, *Mask Singer*, *Documental Trans* or *By Ana Milán*.

On a technical level, continuity was reconfigured, the NOC [Network Operations Centre], hygiene and sanitary measures were added to production controls, make-up services, hairdressing and sets and back-up operations were set up off the premises to ensure the continuity of Atresmedia's production and broadcasting activity.

Meanwhile, the External Production Management is responsible for relations with distributors of audiovisual content and for assuring them that the operating environment is safe. Atresmedia acquires broadcasting rights for those products that are not produced exclusively for Atresmedia Televisión, including feature length films, TV movies, documentaries and entertainment shows. It guarantees the complete transparency of the contracting process in all cases, through an internal approval process. This includes intellectual property rights, with security and encryption mechanisms utilised for audiovisual content.

It is worth noting that the **number of contractual engagement proposals** was affected by the pandemic situation and the resulting drop in the number of premières in 2020, which were down by nearly 20% compared to 2019.

Atresmedia worked with **55 distributors** in 2020, on a total of **136 pieces of television content**. Given how hard the crisis hit the content industry during the period, contracts with national distributors were prioritised. Thus, the number of Spanish companies with which contracts were signed rose from 36% in 2019 to 47% in 2020.

Due to the lower number of premières in 2020 amid the pandemic, the volume of contractual engagement proposals was down on the figure reported in 2019. However, Atresmedia did everything within its power to cushion the impact of the profound crisis within the content industry by prioritising contracts with national distributors, whose proportion of total contracts increased significantly.

The department tasked with arranging content has adapted to the new normal to have arisen from the pandemic and has drawn up a series of action and response protocols in a bid to protect the safety of all employees and the personnel of subcontractor production and distribution companies. These include audience management and prevention protocols for contestants. It has also reviewed the protocols and plans already in place with the production companies with which we regularly collaborate.

6.5 On the natural environment

Though Atresmedia's activities have a relatively **limited environmental impact**, the Company has had an **Environmental Policy** in place since 2010, as a precautionary measure. The policy was updated in 2019 and enshrines the Company's commitment to environmental protection through the following courses of action:

Becoming more energy efficient

Ensuring the responsible management of resources

Reducing the generation of waste and emissions

Raising awareness of environmental concerns among employees and society

The Environmental Policy is also enforced on our **suppliers**, with which Atresmedia works jointly to minimise the environmental impact of the supply chain, and extends also to the management of the events organised by the Group.

Atresmedia did its level best to continue pursuing its **Environmental Strategy** in 2020 amid the COVID-19 pandemic, following the environmental **courses of action** defined in 2019:

- Extending the calculation of Scope 3 greenhouse gas emissions
- Providing training on climate change
- Setting greenhouse gas emission-reduction targets
- Acquiring 100% renewable energy
- Approving suppliers on the basis of environmental criteria

Beyond just actively taking care that its facilities, operations and employees have the smallest possible environmental impact, Atresmedia believes that the best way it can help protect the environment is by making **society more aware of the issue** and informing the public of the important role each of us plays in this process. To do so, Atresmedia relies on the broadcasting might of its many communication channels to help protect the environment, by broadcasting news programmes, reports and awareness campaigns on the subject.

To continue improving its environmental management, Atresmedia has been a member of the **Climate Change and Environment Cluster promoted by Forética** since 2015. This platform, made up of 58 companies, aims to lead the strategic positioning against climate change on the business agenda, discuss and share not only opinions, but also best practices, make climate change part of the global debate, and be key agents in government decision-making.

6.5.1 Internal management of environmental impacts

Atresmedia's environmental policy's internal management objectives entail **becoming more energy efficient**, **managing resources responsibly** and **reducing waste and emissions**. Along this path, a 76% reduction in Scope 1 + Scope 2 emissions was achieved in 2020.

	2018	2019	2020	Annual performance,

					2019-2020 (%)
Management	Environmental spend (€) - Expenditure incurred on environmental protection[11]	137,244	356,334	32,364.50	-90.9%
Emissions	Scope 1 emissions (tCO2e)	1802.9946	1,789.78	1,860	3.9%
	• Permanent installations	1632.91	1619.29	1730.28	6.9%
	• Vehicle travel	170.0846	170.48	130.05	-23.7%
	Scope 2 emissions (tCO2e) (electricity consumption)	8,845.7410	8,261.17	525.69	-93.6%
	Scope 1 + Scope 2 emissions	10648.7	10051	2393.2	-76.2%
	Scope 3 emissions (tCO2e) (see breakdown below)	3,457	167,963.31	163,922	-2.65%
	Scope 1 emissions intensity	0.85	0.71	0.77	8.5%
	Scope 2 emissions intensity	4.16	3.27	0.22	-93.3%
	Scope 3 emissions intensity	0.44	69.47	67.74	-2.7%
	NOx	333ppm (limit 1,200)	331ppm (limit 1,200)	360 ppm (limit 1,200)	8.8%
	SOx	182 mg/m3 N (limit 3,400)	274 mg/m3 N (limit 3,400)	310 mg/m3 N (limit 3,400)	13.1%
	CO	48 ppm (limit 5,780)	23 ppm (limit 5,780)	31 ppm (limit 5,780)	34.8%
Energy	Total energy consumption (GJ)	133,737	130,246	127,513	-2.1%
	Electricity consumption (kWh)	30,384,914	29,461,067	28,460,248	-3.4%
	Percentage of electricity from renewable sources	36%	37.8%	93.90%	148.4%
	Energy consumption outside of the organization (GJ)	49,236.18	517,696.25	495,246.03	-4.3%
	Consumption of heating oil (L)	561,807	558,274	600,718	7.6%
	Gas consumption (m^3)	11,190	9,361	4,161	-55.5%
	Petrol consumption for transport (L)	24,719	25,340	17,427	-31.2%
	Diesel consumption for transport (L)	46,110	46,460	37,311	-19.7%
Materials	Consumption of plain paper (kg)	21,212	23,599	14,110	-40.2%
	Consumption of toner (kg)	1,202	999	418	-58.2%
Water	Water consumption	55,436	50,618	42,556	-15.9%

In what was a difficult year marked by the COVID-19 pandemic, an **investment of EUR 32,364.50** was made in 2020 (down 90% on the amount invested in 2019) to **purchase solar filters** and conduct **energy efficiency audits**.

Reducing emissions

To minimise the impact of its greenhouse gas emissions, Atresmedia is working to:

1. **Reduce greenhouse gas emissions** by implementing various **sustainable mobility** initiatives, **championing renewable energies** and **calculating the emissions of its value chain**:

   - **Sustainable mobility:**
     - One of the key **measures** here is the **travel policy**, which encourages train travel over air travel for medium-distance trips, and **promotes** the use of **teleworking**, **investment in videoconferencing equipment** to conduct meetings remotely and avoid unnecessary travel and the use of **electric vehicles**. In December 2020, Atresmedia renewed the fleet of mobile news units at La Sexta and Antena3 in Madrid and local stations, replacing a large

[11] Due to the nature of its operations, Atresmedia does not incur provisions or guarantees for environmental risks, which are minimal.

part of the fleet with electric vehicles. As a result, 71% of total vehicles now qualify as ECO-ZERO. The impact of this measure can be seen in the figures on **Scope 1 emissions** from vehicle travel, which fell by almost 24% in 2020 compared to 2019.

- In 2020, Atresmedia joined the **Companies for Sustainable Mobility platform**, a meeting point for businesses, institutions and local administrative bodies on the present and future of environmentally friendly, safe, inclusive and sustainable mobility.

- **Use of renewable energies:**
  - In January 2020, Atresmedia signed a **new contract with Iberdrola** whereby almost **100% of the energy it purchases for its work centres is renewable**, thus complying with its environmental strategy. This commitment has had a direct impact on the volume of Scope 2 emissions, which were down 93.6% in the period thanks to the fact that 94% of total electricity was acquired from renewable sources, compared to just 38% in 2019.
- **Calculating emissions along the value chain:**
  - For the second straight year and in line with its objective of becoming more transparent and diligent with regard to its impact on the natural environment, Atresmedia made **further progress in calculating Scope 3 emissions** in the period. The analysis was successful in identifying the most relevant categories and calculating the **corresponding emissions**:

GHG Protocol Category	Sources of Scope 3 emissions	Status of assessment	2019 emissions (tCO2e)	2020 emissions (tCO2e)	Annual performance, 2019-2020 (%)
1	Purchased goods and services	Material, calculated	78,313.9	**79,142.6**	1.06%
2	Capital goods	Material, calculated	4,038.2	**3,829.3**	-5.17%
3	Activities related to the production of energy (not included in Scope 1 or 2)	Material, calculated	1,893.79	**1,645.3**	-13.12%
4	Upstream transportation and distribution	Material, calculated	298	**1,634.9**	448.64%
5	Waste generated in operations	Material, calculated	**35.2**	**83.7**	137.75%
6	Business travel	Material, calculated	**3,635.0**	**3,396.8**	-6.55%
7	Employee commuting	Material, calculated	**3,823.2**	**3,066.9**	-19.78%
8	Leased assets	Material, calculated	**1,458.1**	**2,222.18**	52.40%
11	Use of products sold by the organization	Material, calculated	**37,504.7**	**33,154.0**	-11.60%
15	Investments	Material, calculated	**36,963.1**	**35,746.2**	-3.29%
TOTAL			**167,963.1**	**163,921.71**	-2.41%

- The **emission categories considered immaterial**, and therefore not calculated, are downstream transport and distribution, processing of products sold, waste derived from products sold by the organisation, assets leased to the organisation and franchises.

2. **Setting objectives to measure, monitor and report the carbon footprint**.

- **Setting objectives**: In 2019, the following targets were set as part of the 2030 emissions reduction plan:
  - Achieving an **81% reduction in Scope 1 and 2 emissions** by 2025
  - Purchasing **100% renewable energy for all activities carried out at the San Sebastián de los Reyes centre** in 2020, and for all other Onda Cero radio stations by 2025.
- **Communicating performance**: Atresmedia reports annually on its climate change performance through the **CDP questionnaire** aimed at institutional investors. Thanks to the progress that Atresmedia has made on the environmental front, it has succeeded in improving its score under this initiative from a C in 2019 to a **B in 2020**.

Becoming more energy efficient

Efficient energy use is a priority environmental concern for Atresmedia, and every year the Group makes new actions and initiatives part of its daily operations. Highlights in 2020 were as follows:

- Ongoing **preventive maintenance** of all infrastructure, with personnel on site 24 hours a day, and continued control of boiler usage (hours) to optimise and adjust usage to real production needs. The gradual installation of solar filters also got under way during the year.

- Various **studies** carried out to reduce consumption of infrastructure:

  - Study into the merits of **replacing existing oil-fired boilers** with natural gas and/or aerothermal boilers.
  - Technical and economic study into the **possible use of photovoltaic energy**.
  - Study into the **implementation of an installation monitoring system** (electricity, diesel and water).

Consumption of certain **fossil fuels** saw a significant reduction in 2020 compared to 2019 (gas: -55.5%; petrol and diesel for transport: -31.2% and -19.7%, respectively), although consumption of heating oil saw a slight increase (7.6%).

Responsible management of resources and waste

Atresmedia is fully aware of the importance of using resources responsibly so as to ensure the sustainability of the environment. It therefore strives to **minimise consumption** and encourages and promotes **reuse** and **recycling**.

Use of materials

Atresmedia mainly consumes resources at its offices and mostly **paper** and **toner**. For more efficient use and better management of waste, Atresmedia is working on an employee awareness training programme through its main waste management partner (CESPA), although the initiative has had to be postponed due to the COVID-19 pandemic and will resume once the situation permits.

There was a significant reduction in paper and toner consumption in 2020 (by more than 40% and 50%, respectively, compared to the previous year), mainly due to the fact that fewer employees were present in the offices during the period on account of the pandemic.

Water consumption

All our water consumption comes from the **public grid** and is for **domestic use**. The largest amount is consumed at our **headquarters**. The water we use is discharged directly into the **public sanitation system**. Therefore, water consumption does not have a heavy environmental impact due to the activity of the Atresmedia Group.

There was a significant reduction in water consumption in 2020 (-16%), mainly due to the fact that fewer employees were present in the offices during the period on account of the pandemic.

Generation and management of hazardous waste

Some products generate hazardous waste when they are used and reach the end of their life. At Atresmedia, these are mainly **computer equipment, technical equipment or toners**, which are treated by **authorised waste management companies** and reused or recycled wherever possible. For instance, all used toner cartridges are recycled thanks to an agreement reached with the APADUAM foundation, which also works on the social and inclusion and labour integration of functionally diverse people. Lamps, fluorescent bulbs and batteries are also treated accordingly by a waste management company.

As with the previous indicators, the generation of hazardous waste saw a significant decline in 2020 (by more than 50% in the different categories tracked).

Generation and management of non-hazardous waste

For the rest of the waste generated, the **Zero Waste Project** will be initiated once the pandemic has passed in order to further improve waste treatment, focusing on reuse, recycling, composting and energy recovery, and thus avoiding landfill. Food waste will be part of this project, even though the Group's business model does not consider it a material topic.

As for **non-hazardous waste such as paper and cardboard**, Atresmedia has an on-site cardboard baler and blue recycling containers to help recycle this type of waste. The containers are then collected and managed by an authorised waste management company.

In early 2020, Atresmedia was considering an **agreement with Ecoembes** to improve its recycling rates in office space and publishing zones. However, this study has had to be postponed due to COVID-19, as it requires a site visit by Ecoembes.

As with the previous indicators, the generation of non-hazardous waste saw a significant reduction in 2020 (between 40% and 70% across the different categories tracked).

While waste management is not a particularly material concern for the Group given its business model, Atresmedia still tracks information related to this aspect, as follows:

		2018	2019	2020	Annual chg., 2019-2020 (%)
Non-hazardous waste	Paper and cardboard (t)	63	61	**30**	-50.7%
	Construction waste (m^3)	14,605	128	**36**	-71.9%
	Solid urban waste (t)	368	315	**181**	-42.6%
Hazardous waste	Televisions (units)	35	48	**9**	-81.3%
	Light bulbs (t)	0.2	0.85	**0.00**	-100.00%
	Batteries (units)	82	312	**99**	-68.3%
	Toner (t)	1	1	**0.4**	-49.7%
	Batteries (t)	1	2	**1**	-46.2%

Atresmedia does not carry out operations in any protected areas. Therefore, the Group has **no impact on biodiversity** and so this topic is not material for the Company and there is no need to devise any courses of action in this realm.

6.5.2 – Raising social awareness

To improve reporting on the global climate change challenge, in 2019 Atresmedia signed the **Media declaration against climate change**, spearheaded by Fundación Ecología y Desarrollo (ECODES) in partnership with Investigación Mediación Dialéctica de la Comunicación Social (MDCS) of the Complutense University of Madrid. This declaration includes **key recommendations** for **improving the quantity and quality of information on climate change in the press and media** and reinforces the Company's commitment to measures that help minimise the environmental impact by raising awareness and informing audiences. It is essentially an editorial working guide for the news and programmes departments and areas.

The Group allotted part of its **programming** to environmental concerns in 2020, notably:

- Numerous **news and reports** dedicated to this topic by the news programmes of Antena 3 Noticias and laSexta Noticias, especially in their weather programmes. In 2020, particular attention was paid to the **impact of COVID-19** on reducing pollution or increasing ocean waste generated by gloves and face masks. All these news events are covered on the websites of Antena 3 Noticias, laSexta Noticias and Onda Cero, in their sections on the environment.
- ***Más de Uno*** programme on Onda Cero, which features a weekly section on nature.
- Première on laSexta of the programme ***Natural***, a series of eight educational and powerful reports that seek to reconnect us with nature and reverse the damage caused by human action.
- ***2100, Una Odisea en la Tierra*** podcast on Onda Cero, which aims to raise listeners' awareness of pressing environmental concerns in a fun yet educational way

As a further show of Atresmedia's pledge to raising environmental awareness within society, the ***Hazte Eco*** campaign on the Neox channel has been raising awareness of values and behaviour to help **protect the environment** since 2010.

Hazte Eco

CONTRIBUTION TO THE SDGs:

Take urgent action to combat climate change and its impacts.

Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

Sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Hazte Eco is a campaign associated with the Neox channel. Conceived in 2010, it seeks to **raise awareness of environmental issues** by championing values that help protect the environment. The initiative aims to brings the public closer to pressing environmental concerns and helps viewers appreciate that their individual efforts add up.

In 2020 *Hazte Eco* supported the WWF's **Earth Hour**, with a symbolic gesture of switching off lights for an hour to save energy. Neox dedicated a special show to this initiative that also had online coverage. It was backed by the Group, which turned off the lights of the main façade of its buildings. Meanwhile, **World Recycling Day** was held on 17 May, with a TV campaign to remind people of the need to recycle on a daily basis to take proper care of the environment. And throughout the year, the programme *Hazte Eco*, which is broadcast fortnightly on Neox, continued to raise awareness of the need to care for the environment and combat climate change and has given a voice to a multitude of projects and initiatives that work towards this common goal.

In 2020, *Hazte Eco* focused on the need to conserve our seas and oceans through a campaign for the protection and recovery of the environment, focusing on specific environments such as rivers and coasts.

7. Requirements of Law 11/20018 on non-financial and diversity information

TOPIC	Content	Scope / Boundary	Related GRI standards	Chapter in which it is addressed
Business model	Brief description of the Group's business model, including: 1.) its business environment, 2.) its organisation and structure, 3.) the markets where it operates, 4.) its objectives and strategies, 5.) the main trends and factors that may affect its future development.	Atresmedia Group	102-1 / 102-2 / 102-4 / 102-5/ 102-6 /	5 About us
Policies	(b) a description of the policies pursued by the Group in relation to those matters, including; 1.) the due diligence procedures undertaken to identify, measure, prevent and mitigate significant risks and impacts 2.) assurance and control procedures, including the actions taken.	Atresmedia Group	103 Management approaches in each area within the economic, environmental and social dimensions	In each section
Short-, medium- and long-term risks	The principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and * how the Group manages those risks, * explaining the processes undertaken to detect and assess them in accordance with national, EU-based on international frameworks for each. * Should include information and disclosures on the impacts detected, especially regarding short-, medium- and long-term risks.	Atresmedia Group	102-15 / 102-29	5.5 Risk prevention, control and identification

KPI	Non-financial key performance indicators (KPIs) relevant to the particular business and that meet comparability, materiality, relevance and reliability criteria. * To facilitate comparison of information, both over time and among undertakings, non-financial KPIs that may be applied generally and that comply with European Commission guidelines and Global Reporting Initiative standards shall be taken. The Group must specify in the report the national, EU-based or international framework used for each matter. * Non-financial KPIs should be applied to each section of the non-financial statement. * These indicators should be useful, taking into account the Group's specific circumstances and coherent with the parameters used in the Group's internal risk management and assessment procedures. * In any case, the information presented must be accurate, comparable and verifiable.	Atresmedia Group	General or specific GRI standards of the economic, environmental and social dimensions reported in the following blocks	In each section
Environmental matters	**Overall environment**			
	1.) Detailed information on the current and foreseeable impacts of the company's operations on the environment including, where appropriate, on health and safety, environmental assessment or certification processes; 2.) Resources allocated to preventing environmental risks; 3.) Application of the precautionary principle or approach, amount of provisions and guarantees for environmental risks. (e.g. arising from the environmental responsibility law)	Atresmedia Group (excluding Buendía and H2H)	103 Management approaches in each area within the environmental dimension 102-11	6.5 On the natural environment
	Pollution			
	Measures to prevent, reduce or repair carbon emissions that **seriously** affect the environment; taking into account any type of air pollution specific to an activity, including noise and light pollution.	Atresmedia Group (excluding Buendía and H2H)	103 Emissions management approach / Biodiversity	6.5 On the natural environment > 6.5.1 Internal management of environmental impacts
	Circular economy and waste prevention and management			
	Circular economy	Atresmedia Group	Not material	Not material
	Waste: Waste prevention, recycling and reuse measures, and other forms of waste recovery and removal;	Atresmedia Group (excluding Buendía and H2H)	103 Waste management approach 306-2	6.5 On the natural environment > 6.5.1 Internal management of environmental impacts
	Actions to combat food waste.	Atresmedia Group	Not material	Not material

	Sustainable use of resources			
	Water consumption and water supply in accordance with local limits;	Atresmedia Group (excluding Buendía and H2H)	303-5	6.5 On the natural environment > 6.5.1 Internal management of environmental impacts
	Consumption of raw materials and measures taken to make more efficient use of them;	Atresmedia Group (excluding Buendía and H2H)	103 Materials management approach 301-1	6.5 On the natural environment > 6.5.1 Internal management of environmental impacts
	Direct and indirect consumption of energy, measures taken to improve energy efficiency and use of renewable energies.	Atresmedia Group (excluding Buendía and H2H)	103 Energy management approach 302-1 / 302-2	6.5 On the natural environment > 6.5.1 Internal management of environmental impacts
	Climate change			
	Key aspects of the greenhouse gas emission caused by the Company's activities, including the use of the goods and services it produces;	Atresmedia Group (excluding Buendía and H2H)	103 Emissions management approach 305-1 / 305-2 / 305-3 / 305-4	6.5 On the natural environment > 6.5.1 Internal management of environmental impacts
	Measures taken to adapt to the consequences of climate change;	Atresmedia Group	103 Emissions management approach	6.5 On the natural environment > 6.5.1 Internal management of environmental impacts
	The voluntary medium- and long-term greenhouse gas emission-reduction targets and the measures implemented to achieve them.	Atresmedia Group	103 Emissions management approach	6.5 On the natural environment > 6.5.1 Internal management of environmental impacts
	Protection of biodiversity			
	Measures taken to preserve or restore biodiversity;	Atresmedia Group	103 Biodiversity management approach	6.5 On the natural environment > 6.5.1 Internal management of environmental impacts
	Impacts caused by activities or operations in protected areas.	Atresmedia Group	103 Biodiversity management approach	6.5 On the natural environment > 6.5.1 Internal management of environmental impacts
Social and employee-related matters	**Employment**			
	Total number and breakdown of employees by gender, age, country and professional classification;	Atresmedia Group (excluding Buendía)	103 Employment management approach 102-8 / 405-1	6.3 On employees > 6.3.1 Workforce structure
	Total number and breakdown of types of employment contracts,	Atresmedia Group (excluding Buendía)	102-8	6.3 On employees > 6.3.1 Workforce structure
	Average annual number of permanent, temporary and part-time contracts by gender, age and professional category,	Atresmedia Group (excluding Buendía)	102-8 / 405-1	6.3 On employees > 6.3.1 Workforce structure
	Number and breakdown of dismissals by gender, age, and professional classification;	Atresmedia Group (excluding Buendía)	401-1	6.3 On employees > 6.3.2 Stable employment and rewarding working environment
	Average remuneration and trends by gender, age and professional category or equivalent amount; gender pay gap, remuneration for equal positions or average	Atresmedia Group (excluding Buendía)	103 Diversity management approach and equal opportunities 405-2	6.3 On employees > 6.3.2 Stable employment and rewarding working environment

	remuneration within the company,			
	Average remuneration of directors and managers, including variable remuneration, per diem allowances, severance pay, long-term retirement plans and any other amounts received, broken down by gender,	Atresmedia Group (excluding Buendía)	103 Diversity management approach and equal opportunities 405-1	6.3 On employees > 6.3.2 Stable employment and rewarding working environment
	Implementation of right to disconnect policies	Atresmedia Group	103 Employment management approach	6.3 On employees > 6.3.6 Fostering equality, diversity and work-life balance
	Employees with disabilities.	Atresmedia Group (excluding Buendía)	405-1	6.3 On employees > 6.3.1 Workforce structure > 6.3.6 Fostering equality, diversity and work-life balance
	Work organisation			
	Organisation of working hours	Atresmedia Group	103 Employment management approach	6.3 On employees > 6.3.6 Fostering equality, diversity and work-life balance
	Number of hours of absenteeism	Atresmedia Group (excluding Buendía and H2H)	403-9	6.3 On employees > 6.3.7 Safe and healthy work environment
	Measures aimed a facilitating work-like balance and encouraging the equal enjoyment by both parents.	Atresmedia Group	103 Employment management approach 401-2 401-3	6.3 On employees > 6.3.6 Fostering equality, diversity and work-life balance
	Health and safety			
	Health and safety conditions in the workplace;	Atresmedia Group	103 Occupational health and safety management approach	6.3 On employees > 6.3.7 Safe and healthy work environment
	Workplace accidents, in particular their frequency and severity, and occupational diseases, broken down by gender.	Atresmedia Group (excluding Buendía and H2H)	403-9 /403-10	6.3 On employees > 6.3.7 Safe and healthy work environment
	Social relations			
	Organisation of social dialogue, including procedures for informing and consulting with staff and negotiating with them;	Atresmedia Group	103 Employee-company relationship management approach	6.3 On employees > 6.3.5 Safeguarding labour rights
	Percentage of employees covered by a collective bargaining agreement, by country;	Atresmedia Group	102-41	6.3 On employees > 6.3.5 Safeguarding labour rights
	Status of collective bargaining agreements, particularly in relation to occupational health and safety.	Atresmedia Group	103 Employee-company relationship management approach 403-4	6.3 On employees > 6.3.5 Safeguarding labour rights
	Training			

	Policies implemented in relation to training;	Atresmedia Group	103 Training and teaching management approach 404-2	6.3 On employees > 6.3.4 Attracting and retaining talent
	Total hours of training by professional category	Atresmedia Group	404-1	6.3 On employees > 6.3.3 Attracting and retaining talent
	Universal accessibility for people with disabilities	Atresmedia Group	103 Diversity management approach and equal opportunities and non-discrimination	6.3 On employees > 6.3.6 Fostering equality, diversity and work-life balance
	Equality			
	Measures adopted to promote equal treatment and opportunities between men and women;	Atresmedia Group	103 Diversity management approach and equal opportunities	6.3 On employees > 6.3.6 Fostering equality, diversity and work-life balance
	Equality plans (Chapter III of Organic Law 3/2007, of 22 March, on effective equality between men and women), measures adopted to promote employment, protocols against sexual abuse and sexual harassment, integration and university accessibility for people with disabilities;	Atresmedia Group		6.3 On employees > 6.3.6 Fostering equality, diversity and work-life balance
	Policy against all forms of discrimination and, where applicable, diversity management.	Atresmedia Group		6.3 On employees > 6.3.6 Fostering equality, diversity and work-life balance
Human rights	Implementation of due diligence processes in relation to human rights Prevention of risks of human rights violations and, where applicable, measures to mitigate, management and redress any such violations;	Atresmedia Group	103 Human rights assessment management approach and non-discrimination 102-16 / 102-17	6.2.5 Respect for human rights
	Reported human rights violations;	Atresmedia Group	406-1	6.2.5 Respect for human rights
	Advocacy and compliance with the provisions of fundamental conventions of the International Labour Organization related to safeguarding the freedom of association and the right to collective bargaining;	Atresmedia Group	103 Human rights assessment management approach + Freedom of association and collective bargaining Human rights	6.2.5 Respect for human rights
	The elimination of workplace discrimination and job discrimination;	Atresmedia Group	103 Non-discrimination management approach 406-1	6.2.5 Respect for human rights
	Elimination of forced or compulsory labour;	Atresmedia Group	103 Human rights assessment management approach	6.2.5 Respect for human rights
	Effective abolition of child labour.	Atresmedia Group	Human rights management approach	6.2.5 Respect for human rights
Corruption and bribery	Measures adopted to prevent corruption and bribery;	Atresmedia Group	103 Anti-corruption management	5.6 Regulatory compliance

	Anti-money laundering measures,	Atresmedia Group	approach 102-16	5.6 Regulatory compliance
	Contributions to foundations and non-profit organisations	Atresmedia Group	413-1	5.6 Regulatory compliance 6.2 On society 6.2.4 Fundación Atresmedia
Society	**Company commitments to sustainable development**			
	The impact of the company's operations on local employment and development;	Atresmedia Group	103 Local communities management approach and indirect economic impacts 203-1 / 413-1	6.3 On employees / 6.2 On society
	The impact of the company's operations on local communities and in the area;	Atresmedia Group		6.2 On society
	The relationships with key members of local communities and the various forms of engaging them;	Atresmedia Group	102-43 / G4-M6 / G4-M7	6. Atresmedia's impact on the environment
	Association and sponsorship activities.	Atresmedia Group	102-12 / 102-13	6.2 On society
	Outsourcing and providers			
	* Inclusion in the procurement policy of social, gender equality and environmental matters; * Consideration in relationships with suppliers and subcontractors of their social and environmental responsibilities;	Atresmedia Group	103 Procurement practices management approach 102-9 / 102-10 / 204-1 / 414-1 / 308-1	6.4 On suppliers, producers and distributors
	Supervision and audit systems and their findings.	Atresmedia Group		6.4 On suppliers, producers and distributors
	Consumers			
	Consumer health and safety measures;	Atresmedia Group	103 Customer health and safety management approach, marketing and labelling, and customer privacy 308-1 / 417-2 / 418-1 / G4-M3 / G4-M4 / G4-M5	6.1 On customers and users: advertisers and audience
	Whistle-blowing systems, complaints received and their resolution.	Atresmedia Group		6.1.1 Audience protection mechanisms 5.5 Risk prevention, control and identification > 5.5.6 Management quality
	Tax information			
	Country-by-country earnings obtained Income taxes paid	Atresmedia Group	103 Economic performance management approach 201-1	5.7 Compliance with tax obligations
	Public subsidies received	Atresmedia Group	201-4	5.7 Compliance with tax obligations

8. GRI content index

Standard	Content	Section
GRI 102: General disclosures		
Organizational profile		
102-1	Name of the organization	Front cover
102-2	Activities, brands, products, and services	5.4 Business model and strategy
102-3	Location of headquarters	4. About this report
102-4	Location of operations	5. About us
102-5	Ownership and legal form	5.1 Corporate governance
102-6	Markets served	5.4 Business model and strategy
102-7	Scale of the organization	3. The year at a glance
102-8	Information on employees and other workers	6.3 On employees
102-9	Supply chain	6.4 On suppliers, producers and distributors
102-10	Significant changes to the organization and its supply chain	4. About this report
102-11	Precautionary Principle or approach	6.5 On the natural environment
102-12	External initiatives	5.2 Atresmedia's purpose, mission, vision and values
102-13	Membership of associations	5.2 Atresmedia's purpose, mission, vision and values
Strategy		
102-14	Statement from senior decision-maker	1. Letter from the Chairman 2. Message from the Chief Executive Officer
102-15	Main impacts, risks and opportunities	5.5 Risk prevention, control and identification
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	5.2 Atresmedia's purpose, mission, vision and values 6.1.1 Audience protection mechanisms 6.2.5 Respect for human rights
Governance		
102-18	Governance structure	5.1 Corporate governance
102-20	Executive responsibility for economic, environmental and social concerns	5.1 Corporate governance
102-29	Identifying and managing economic, environmental, and social impacts	5.5 Risk prevention, control and identification
102-30	Effectiveness of risk management processes	5.5 Risk prevention, control and identification
Stakeholder engagement		
102-40	List of stakeholder groups	6.2 On society
102-41	Collective bargaining agreements	6.3.5 Safeguarding labour rights
102-42	Identifying and selecting stakeholders	6.2 On society
102-43	Approach to stakeholder engagement	6.2 On society
102-44	Key topics and concerns raised	6.2 On society
Reporting practice		
102-45	Entities included in the consolidated financial statements	"Basis of consolidation" section of the annual financial statements
102-46	Defining report content and topic Boundaries	4. About this report
102-47	List of material topics	4. About this report
102-48	Restatements of information	New quantification criteria and measurement methods have allowed us to restate the information on toner consumption, Scope 3

		emissions, director remuneration and where indicated in other sections of the report.
102-49	Changes in reporting	4. About this report. There have been no significant changes
102-50	Reporting period	Period from 01 January 2020 to 31 December 2020
102-51	Date of most recent report	The most recent Non-Financial Statement published was for the 2019 financial year
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	4. About this report
102-54	Claims of reporting in accordance with the GRI Standards	4. About this report
102-55	GRI content index	8. GRI content index
102-56	External assurance	Independent assurance report
Economic disclosures		
GRI 103: Management approach		
103-1	Explanation of the material topic and its Boundary	5.4 Business model and strategy
103-2	The management approach and its components	5.4 Business model and strategy
103-3	Evaluation of the management approach	5.4 Business model and strategy
GRI 201: Economic performance		
201-1	Direct economic value generated and distributed	3. The year at a glance
201-4	Financial assistance received from government	5.7 Compliance with tax obligations
GRI 203: Indirect economic impacts		
203-1	Infrastructure investments and services supported	6.2 On society
GRI 204: Procurement practices		
204-1	Proportion of spending on local suppliers	6.4 On suppliers, producers and distributors
GRI 206: Anti-competitive behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	5.5 Risk prevention, control and identification
GRI 207: Tax		
207-1	Approach to tax	5.7 Compliance with tax obligations
207-2	Tax governance, control and risk management	5.7 Compliance with tax obligations
207-3	Stakeholder engagement and management concerns related to tax	5.7 Compliance with tax obligations
207-4	Country-by-country reporting	In 2020, Atresmedia did not disclose the information required under GRI 207.4, as it is adapting its reporting criteria to this new requirement, which it is expected to comply with in its report for the 2021 financial year.
Social disclosures		
GRI 103: Management approach		

103-1	Explanation of the material topic and its Boundary	6. Atresmedia's impact on the environment
103-2	The management approach and its components	6. Atresmedia's impact on the environment
103-3	Evaluation of the management approach	6. Atresmedia's impact on the environment
GRI 401: Employment		
401-1	New employee hires and employee turnover	6.3.1 Workforce structure
GRI 403: Occupational health and safety		
403-4	Worker participation, consultation and communication on occupational health and safety at work	6.3.7 Safe and healthy work environment
403-9	Work-related injuries	6.3.7 Safe and healthy work environment
403-10	Work-related ill health	6.3.7 Safe and healthy work environment
GRI 404: Training and education		
404-1	Average hours of training per year per employee	6.3.3 Professional development of employees
404-2	Programs for upgrading employee skills and transition assistance programs	6.3.3 Professional development of employees
GRI 405: Diversity and equal opportunities		
405-1	Diversity of governance bodies and employees	5.1 Corporate governance 6.3 On employees
405-2	Ratio of basic salary and remuneration of women to men	6.3.2 Stable employment and rewarding working environment
GRI 406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	6.2.5 Respect for human rights
GRI 413: Local communities		
413-1	Operations with local community engagement, impact assessments, and development programs	6.2 On society
GRI 414: Supplier social assessment		
414-1	New suppliers that were screened using social criteria	6.4 On suppliers, producers and distributors
GRI 417: Marketing and labeling		
417-2	Incidents of non-compliance concerning product and service information and labeling	6.1 On customers and users: advertisers and audience
GRI 418-1: Customer privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	5.5.5. Data protection
Environmental disclosures		
GRI 103: Management approach		
103-1	Explanation of the material topic and its Boundary	6.5 On the natural environment
103-2	The management approach and its components	6.5 On the natural environment
103-3	Evaluation of the management approach	6.5 On the natural environment
GRI 301: Materials		
301-1	Materials used by weight or volume	6.5.1 Internal management of environmental impacts
GRI 302: Energy		
302-1	Energy consumption within the organization	6.5.1 Internal management of environmental impacts
302-2	Energy consumption outside of the organization	6.5.1 Internal management of environmental impacts
GRI 303: Water		
303-1	Interactions with water as a shared resource	6.5 On the natural environment
303-2	Management of water discharge-related impacts	6.5 On the natural environment
303-5	Water withdrawal	6.5.1 Internal management of environmental impacts
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	6.5.1 Internal management of environmental impacts

305-2	Energy indirect (Scope 2) GHG emissions	6.5.1 Internal management of environmental impacts
305-3	Other indirect (Scope 3) GHG emissions	6.5.1 Internal management of environmental impacts
305-4	GHG emissions intensity	6.5.1 Internal management of environmental impacts
GRI 306: Waste		
306-2	Management of significant waste-related impacts	6.5 On the natural environment
GRI 308: Supplier environmental assessment		
308-1	New suppliers that were screened using environmental criteria	6.4 On suppliers, producers and distributors
Sector-specific guidance disclosures		
G4-PR-M3	Actions taken to improve adherence to content creation values and results obtained	6.1 On customers and users: advertisers and audience
G4-PR-M4	Actions taken to improve performance in relation to content dissemination issues and results obtained	6.1 On customers and users: advertisers and audience
G4-PR-M5	Number and nature of responses (feedback/complaints) related to content dissemination, including protection of vulnerable audiences and informed decision making and accessibility, and processes for addressing these responses.	6.1 On customers and users: advertisers and audience
G4-PR-M6	Methods to interact with audiences and results	6.1 On customers and users: advertisers and audience
G4-PR-M7	Actions taken to empower audiences through media literacy skills development and results obtained	6.1 On customers and users: advertisers and audience

9. Historical figures at a glance

Financial dimension	2018	2019	2020
Total net revenue (€ million)	1,042.30	1,039.4	866.3
Revenue from advertising	91%	85.27	82.36%
Revenue from other sources	9%	12.29%	17.64%
EBITDA (€ million)	187.15	183.68	74.26
Net profit (€ million)	88.18	118.03	23.85
Economic value distributed (€ million)	778.57	783.27	616.43
Tax credit and government aid received (€ million)	10.3	13.9	17.7
Advertising cost-to-income ratio	1.48	1.55	1.53
No. of production companies	25	31	35
Number of suppliers of goods and services	1,313	1,471	1,359
Average viewership share - Antena 3 Televisión (%)	12.3	11.7	11.8
Average viewership share - laSexta (%)	6.9	7	7
Average viewership share - Neox (%)	2.4	2.4	2
Average viewership share - Nova (%)	2.4	2.2	2.5
Average viewership share - MEGA (%)	1.6	1.5	1.5
Average viewership share - Atreseries (%)	1.2	1.4	1.5
Number of Onda Cero listeners (3rd wave of EGM survey)	2,000,000	1,948,000	1,792,000
Number of Europa FM listeners (3rd wave of EGM survey)	1,500,000	1,300,000	1,041,000
Number of Melodía FM listeners (3rd wave of EGM survey)	233,000	197,000	172,000
Number of unique visitors of Atresmedia websites (million/month)	21.2	24.4	26
Number of directors	12	12	12
Number of independent directors	4	4	4
Number of women directors	4	4	4

Environmental dimension	2018	2019	2020
Investment in the environment (€)	137,244.0	356,334	32,364.5
Consumption of plain paper (kg)	21,212	23,599	14,110
Water consumption (m3)	55,436.0	50,618	42,556
Consumption of toner (units)	1,202	999	418
Consumption of heating oil (L)	561,807.0	558,274	600,718
Electricity consumption (kWh)	30,384,914.0	29,461,067	28,460,248
Gas consumption (m^3)	11,190.0	9,361	4,161
Petrol consumption for transport (L)	24,719.0	25,340	17,427
Diesel consumption for transport (L)	46,110	46,460	37,311
Scope 1 emissions	1,802.9946	1,789.78	1,860
Scope 2 emissions	8,845.7410	8,261.17	525.69
Scope 3 emissions	3,457	167,963.31	163,922
Score under the CDP	C	C	B

Social dimension	2018	2019	2020
Cumulative hours of subtitling and closed captioning on TV	42,076.6	42,109.35	42,603.14
hours of subtitling on the web	10,848	14,858	18,316
Number of employees	2,127	2,527	2,407
% of women on the workforce	51.06%	52.04%	52.35%
Investment in training (€)	733,421.5	594,594	244,644
Training hours per employee	15	15	15.33
Hours of corporate volunteering donated to the community	2136	1,910	4,309
Foundation revenue contributed by Atresmedia (€)	500,000	500,000	500,000
No. showings, Compromiso Atresmedia	9,363	18,699	18. 107
Infringements on the Code on Self-Regulation	2	1	3
Number of copy advice requests made to Autocontrol	1,593	1,613	1,494
Opportunity cost of granting free promotional space on television for non-profit organisations (€)	9,708,600	9,051,163	9,849,925
Opportunity cost of granting free advertising space on the radio for non-profit organisations (€)	4,084,600	5,804,490	8,706,570
Opportunity cost of granting free advertising space on the website for non-profit organisations (€)		73,455.24	105,822.49

10. Non-financial dashboard

	Material topic	Indicator		2019	2020
Corporate governance	Good governance	CG 1	Level of compliance with the Code of Good Governance for Listed Companies (%)	98% Atresmedia complies with 59 of the 60 recommendations applicable to it	83.33% Atresmedia complies with 50 of the 60 recommendations applicable to it
Corporate governance	Regulatory compliance	CG 3	Penalties for non-compliance with LGCA regulations	2 cases 1 infraction	5 cases 5 infractions

	Material topic	Indicator		2019	2020
Human Resources	Engagement and management of human talent and capital	HR 2	Percentage of permanent contracts	84%	83%
Human Resources	Culture of equality, inclusion and non-discrimination in the workplace	HR 3	Gender pay gap	Executives: 32.66% Technicians: 11.98% Administrative: -2.02% Other: 0.58% Average: 32.45%	Executives: 33.58% Technicians: 11.98% Administrative: 8.9% Other: 0.56% Average: 29.64%
Human Resources	Engagement and management of human talent and capital	HR 4	Investment in training	595,594	244,644
Human Resources	Engagement and management of human talent and capital	HR 5	Voluntary turnover rate	12.35%	11.90%

	Culture of equality, inclusion and non-discrimination in the workplace	**HR 6**	Percentage of new hires by gender	56% women	56% women
	Culture of equality, inclusion and non-discrimination in the workplace	**HR 7**	% women in management positions	33%	33%
	Culture of diversity and integration of people with disabilities	**HR 8**	% of employees with 8	45 employees	44 employees

	Material topic	**Indicator**		**2019**	**2020**
Society	Specific programming related to social issues	**S 1**	Average viewership share - Atresmedia Televisión	26.2%	26.30%
		S 2	Listeners - Atresmedia Radio	3,500,000 million	3,050.000
		S 3	Average number of unique users	24.4 million	26 million
	Promoting community development initiatives and creating opportunities	**S 4**	Economic value distributed	783.8 million	616.43 million
	Accessibility	**S 5**	Percentage of subtitled programmes	93.7%	93%
	Specific programming related to social issues	**S 6**	Value of advertising space donated to non-profits	€14.9 M	€18.66 M
	Promoting community development initiatives and creating opportunities	**S 7**	Voluntary work hours donated	1,910 hours	4,309

	Material topic	**Indicator**		**2019**	**2020**
Innovation	Innovation and development of new technologies for content distribution	**I 3**	Advertising innovation projects	See section: Atresmedia Publicidad: committed to innovation and advertisers	See section: Atresmedia Publicidad: committed to innovation and advertisers
	Customer experience when using the platforms	**I 4**	Approved investment in technological innovation projects	€7,082,770	€6,379,792
	Promoting community development initiatives and creating opportunities	**I 5**	Number of startups with ongoing investment	15	20

Pursuant to Article 538 of the Spanish Companies Act (*Ley de Sociedades de Capital*), the Annual Corporate Governance Report is part of this management report. The Annual Corporate Governance Report is included in a price-sensitive information disclosure and submitted to the National Securities Market Commission, Comisión Nacional del Mercado de Valores, which publishes the report on its website (www.cnmv.es). The report is also available on the Parent’s corporate website (www.atresmediacorporacion.com).

11. Independent external review

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This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent verification report

To the shareholders Atresmedia Corporación de Medios de Comunicación, S.A.:

Pursuant to Article 49 of the Code of Commerce, we have verified, under a limited assurance scope, the accompanying Consolidated Non-Financial Statement 2020 (hereinafter "CNFS") for the year ended 31 December 2020 of Atresmedia Corporación de Medios de Comunicación, S.A. (the Parent company) and subsidiaries (hereinafter "Atresmedia") which forms part of Atresmedia's Consolidated Management's Report.

The content of the CNFS includes additional information to that required by current commercial legislation on non-financial information reporting which has not been covered by our verification work. In this respect, our work has been restricted solely to verifying the information identified in the "Requirements of Law 11/2018 on non-financial and diversity information" and in the "GRI Content Index" tables included in the accompanying CNFS.

Responsibility of the directors of the Parent company

The preparation of the CNFS included in Atresmedia Consolidated Management's Report and the content thereof are the responsibility of the directors of Atresmedia Corporación de Medios de Comunicación, S.A. The CNFS has been drawn up in accordance with the provisions of current commercial legislation and with the *Sustainability Reporting Standards of the Global Reporting Initiative* (hereinafter "GRI Standards") in accordance with the Core option and the Media Sector Disclosures, in line with the details provided for each matter in the "Requirements of Law 11/2018 on non-financial and diversity information" and in the "GRI Content Index" tables included in the CNFS.

This responsibility also includes the design, implementation and maintenance of the internal control that is considered necessary to ensure that the CNFS is free from material misstatement, due to fraud or error.

The directors of Atresmedia Corporación de Medios de Comunicación, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the CNFS is obtained.

Our independence and quality control

We have complied with the independence requirements and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ("IESBA") which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

Our firm applies the International Standard on Quality Control 1 (ISQC 1) and therefore has in place a global quality control system, in place which includes documented policies and procedures related to compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

The engagement team has been formed by professionals specialized in Non-Financial Information reviews and specifically in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance verification report based on the work carried out. Our work has been aligned with the requirements set by the current International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Guidelines for verification engagements on non-financial statements issued by the Spanish Institute of Auditors ("Instituto de Censores Jurados de Cuentas de España").

In a limited assurance engagement, the procedures performed vary in terms of their nature and timing of execution, and are more restricted than those carried out in a reasonable assurance engagement. Accordingly, the assurance obtained is substantially lower.

Our work has consisted in posing questions to management and several Atresmedia Corporación de Medios de Comunicación, S.A. units that were involved in the preparation of the CNFS, in the review of the processes for compiling and validating the information presented in the CNFS, and in the application of certain analytical procedures and review sampling tests, as described below:

- Meetings with Atresmedia Corporación de Medios de Comunicación, S.A. personnel to ascertain the business model, policies and management approaches applied and the main risks related to these matters and to obtain the information required for the external review.
- Analysis of the scope, relevance and integrity of the contents included in the CNFS for 2020, based on the materiality analysis carried by Atresmedia and described in the section "About this report" and considering the content required under current commercial legislation.
- Analysis of the procedures used to compile and validate the information presented in the CNFS for 2020.
- Review of information concerning risks, policies and management approaches applied in relation to material issues presented in the CNFS for 2020.
- Verification, through sample testing, of the information relating to the content of the CNFS for 2020 and its adequate compilation using data supplied by Atresmedia's information sources.
- Obtainment of a management representation letter from the directors and the management of the Parent company.

Conclusions

Based on the procedures performed in our verification and the evidence we have obtained, no matters have come to our attention which may lead us to believe that the CNFS of Atresmedia Corporación de Medios de Comunicación, S.A. and its subsidiaries for the year ended 31 December 2020 has not been prepared, in all of their significant matters, in accordance with the provisions of current commercial legislation and with the GRI Standards in accordance with the Core option and the Media Sector Disclosures, in line with the details provided for each matter in the "Requirements of Law 11/2018 on non-financial and diversity information" and in the "GRI Content Index" tables included in the accompanying CNFS.

Use and distribution

This report has been drawn up in response to the requirement laid down in current Spanish commercial legislation and therefore might not be suitable for other purposes or jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by

Pablo Bascones Ilundáin

24 February 2021