

TRANSCRIPTION CONFERENCE CALL

FEBRUARY 28, 2024

LUIS ENRÍQUEZ

Good morning. Thank you very much for attending the 2023 results conference. You will have seen that we have made a new presentation, a new structure, somewhat more detailed, which we hope will be useful and will help you to make a better assessment of the company. Due to this new structure, which we believe can be clear, I am not going to go into things that are already perfectly explained. And I will try to give a somewhat more qualitative and reasonably brief explanation.

Regarding the 2023 objectives, we had set ourselves the fulfillment of practically everything. We have an EBITDA of €34.5M for the year 2023, which meets the growth target at constant perimeter, that is to say, without the inclusion of the Rosás company within the company's perimeter. I am going to mix it with the 2024 objectives. What we have planned for the year 2024 in terms of EBITDA, double-digit growth rate, double-digit environment.

In terms of digital revenues and diversification, it is 46% of the company's revenues in line with what we had set for the 2026 target of over 60%, so that is also fulfilled.

If we go now to the EBITDA of the diversification businesses, which is one third of the company's EBITDA excluding structural expenses, and a constant perimeter growth, this is again excluding Rosás of the 50% in the target that we set for next year is that those diversification businesses reach 36% of EBITDA ex structure. Does this mean that they are going to grow less? Well, it means that the press business will have a better resilience, where by 2024 if we don't consider Relevo, the press business will be reasonably flat. If we consider Relevo, it will have the improvement that the newspaper itself has had since its inception, so the press business will grow. Despite this growth, the EBITDA of the diversification businesses will reach 36%.

In terms of the press area itself, we are already seeing 21% growth in digital subscriptions. This year the margin on sales of copies, which includes the margin from the sale of physical copies plus all the net digital subscribers, is positive, and probably in 2024 it will also be positive, which helps margins a lot. As for advertising, the growth rates we show are strengthened in our case by local advertising, which is performing strongly and will continue to perform strongly in 2024. And, unlike 2023 where national advertising has suffered a lot, it has been doing so since the end of 2022, in 2024 we expect it to have a certain better performance compared to 2023. Not so much because the advertising market recovers, not so much because we see that the structures of the advertising market will be more solid or will be more defined. But because of an issue that has to do with the group's traffic. We had a downside in the generation of traffic, mainly due to the change in the algorithms of both Google and Discover, at the time of the computation, for example in ABC of the information of ABC de Sevilla, something that has been fixed, so that by 2024 we expect to have an increase in traffic that will give us a better feeling in terms of national advertising, but without exaggerating. As for the efficiency plan for the year, we have achieved the €2.5M savings we had set, which will be translated into 2024, and the net financial debt ex NIF ends at €15.1M, somewhat better than the €19M we had forecast in the other conference we held here.

What is going to happen with ordinary cash generation in the year 2024? Well, in normal conditions it will be approximately this time not in a growth rate but in absolute value, i.e. this time it will be in euros approximately in double digits again.

More or less this is the result of what 2023 has been, and more or less I believe that the objectives we have set for 2024 are clear. Moving on to the most important part of the

presentation, which now, as you will have seen in all the Vocento media, is the publication we have made of each of the details of our diversification. There is a microsite posted in each of our media that you can consult, and I believe that all the information is reasonably clear. The growth of 21% in revenues and 50% of the diversification margin without Rosás, including Rosás it would be 60%, puts Vocento's diversification on track towards the range that we thought about all this when we started planning in 2016. This is the materialization of 8 years of work, which let's say is already reaching a certain cruising speed.

Regarding the press business, the year started with €3M of impact, mainly due to the recovery of that part of the salary of the 3,000 workers of Vocento that was reduced in 2021 and 2022 to ensure the solvency of the group at a time when we were leaving behind the first year Covid, the recovery of that payment affected us more or less in €3M in 2022 and then, in addition, and then the small increase of the Relevo project compared to the launching year. If we disregard that, two issues that impact from the beginning of the year. The performance of Vocento's press division is more or less flat. So it makes some sense with what I said before in terms of the 2024 objectives with the whole mix of digital subscriptions growth, which you have seen is 21%, it will have a very similar growth regime next year, with a very solid customer base fundamentally anchored in annual subscribers. Which is one of the jobs that we have been doing throughout this year. Which has hurt ARPU to some extent, because as you can imagine an annual subscription is more discounted than a monthly subscription, but on the other hand we have raised the price of all our regional newspapers in June, so that's why the ARPU path continues to grow in 2024.

We have made a page of post-closing events, because they have accumulated, there are three and they are important.

On one hand, the favorable ruling of the Supreme Court overturning RD 3/2016 where, Joaquín will explain it in much more detail later, but we will have an impact on cash and P&L in a range, depending on the scope, of between €4-6M and in the income statement it will be around €8M. This will happen in 2024, and Joaquín will give you some more detail on that.

Then we are finishing negotiations, a review of our industrial plan, where we are going to close the production of national press in our Rotomadrid plant and we will go to print at the printing center that will remain in this sense in Madrid in Bermond, with which we eliminate even more overcapacity that we have been doing since 2011 I think I remember that in Vocento we had 9 printing centers, and therefore, after this, we will have all the work that we do for third parties not related to press, that we will do in Rotomadrid,

What does this mean? Well, approximately €2.5-3M in savings in cruising speed for the next few years. These are consolidated savings. These are differential and incremental savings on Vocento's profit and loss accounts.

And after the approval from the Junta de Andalucía of one of the two university licenses for the Utamed project of which we own 25%, together with Meacc, from the purchase of KKR, a company owned by KKR, and as 25%, we will see the impact on our income statement from the equity method. We expect the first course to be the 2025-26 course. This should not be considered as a new line of diversification, we continue to maintain the four lines previously mentioned, we do not want to make a large global sample of indiscriminate diversification lines, it is simply a very good opportunity that we understand will bear fruit for Vocento from a financial investment perspective.

And then lastly, we have made a comparison of the frustration of the team, of the work done and the non-recording of the work done in the share value, we have been comparing the situation of this company from 2011 to 2023. In 2011 we had 6% digital weight, in 2023 we have 28%. We had a reported EBITDA in 2011 of €16M, in 2023 we have €34.5M, if we go to recurring EBITDA, we are comparing €38.2M in 2011 with €39.7M, but this 39.7 in 2023 includes the €6M of Relevo as a project in launch, which was not the case in 2011. The net financial debt in 2023 was €34M (including the IFRS effect) in 2011 it was €138.7M (not including the IFRS effect). We are talking about an EBIT in 2011 of €16.6M in 2023 of €13.3M. And the fact is that in 2011 we had a share price at year-end of €1.6/share and in 2023 of €0.6/share. Including debt, this means that Vocento was worth €385M in 2011 and €122M in 2023. This apart from having distributed the last two years €10.9M of dividend, five and a bit each year, and that has been proposed for this year 2023 again, payable in 2024 another €5.5M of dividends. We thought that as an investment community you would have a moment of reflection on these numbers.

I will now leave you with Joaquín who will give you more details on everything and then I will be at your disposal for questions.

JOAQUÍN VALENCIA

Thank you very much Luis. I am going to highlight some aspects, especially for fiscal year 2023, to try to clarify some points and provide more information. What happened during the fiscal year? We have had an increase in revenues of €18M, the top line has done very well, 5.1% upwards, which is mainly based on two legs. On the advertising growth part, where we grew 5.2%. We have grown against the market, if we compare total market, print advertising, if we compare digital. We have done better than the market if we compare in all areas, which in turn advertising has two big sails that we can lean on depending on where the wind is coming from: national advertising and local advertising. This year local advertising has done very well despite being an election year, and it has been what has allowed us to have this growth in advertising revenues.

The other aspect, which Luis has already explained, I am not going to comment on it, is the diversification aspect, which is gaining critical mass and is growing at a faster pace.

What has fallen this year: the sale of copies. It has fallen by 3.9% despite the fact that digital subscriptions have grown by 28%. That part, the digital part is growing at very high rates. Our digital subscription portfolio, the subscriber base has grown by over 20% and we are on target to exceed our target of 250,000 by 2026, which we are maintaining.

Regarding the Arpu, despite what Luis has said that we are increasing the weight of annuals, which is going to give us greater customer loyalty and greater value in the long term, despite that, we have managed to improve the Arpu thanks to the price increase of On+. And then finally, the weight of the digital margin in the total margin of readers is already 25% and we maintain the objective that by 2026 this will already be more than half. All in all, the digital subscriber leg remains a fundamental leg and is going perfectly according to plan.

Relevo, which is the other big bet, as Luis said, press comes flat, that is to say, we are holding the press, Relevo grows and improves substantially in 2024. In 2023 it already has a significant growth in traffic, in audience, in unique users, all the metrics are perfectly in line with the plan and it also starts to improve its financial performance in terms of revenues, and we will see more of this, and also transferred to its EBITDA in 2024.

We have already synthesized the company's EBITDA in general, on the one hand stability in the press, we have maintained a little bit the result of the previous year, excluding the impact of Relevo and the impact of the extra pay, and on the other hand we have also given it a boost due to the diversification part. This is what has allowed us to maintain EBITDA at current levels.

Our P&L this year, we just gave a bottom line net result of €4M, you have to look more at pre-tax results because we had €9.1M of assets in discontinued operations, the sale of Net TV and Veralia that we had last year, we have kept flat in pre-tax results and we have a series of extraordinary results, just to give some detail on these, we have sold real estate and we have a result from disposal of fixed assets of €4.2M, this comes mainly from the capital gains from the sale of Boluleta, from the former headquarters of El Correo which are €3.3M of the 4.2. The others are sales of buildings that we have made and that we have also accounted for the capital gains in 2023. The other extraordinary would be a net gain would be from the disposal of non-current assets of €1.6M is the capital gain from the sale of Gelt, It is a capital gain of €1.3M is a sale that we made for €2M in cash, of which we had a capital gain of €1.3M. These are the main extraordinary effects on the P&L. That to be reasonably clear.

I am going to focus for a while on cash generation, and a little on debt. Total debt increased by €6.3M in the year, the ex-IFRS debt. And we generated an ordinary cash flow of €1.7M, if we remove the Relevo effect, which is a bet we have made and which obviously has a drag in terms of negative EBITDA, working capital and Capex, the ordinary cash flow would be €8.9M. The main components of the Cashflow during this year, we have a significant impact on working capital, and we have been explaining it during the year, there are some extraordinary effects, the effect of the Digital Kit, the delays in the collection of the government is a negative effect of €6.3M that we expect to improve reasonably in 2024. We will be in negative territory, but we will definitely improve this number. Also the Capex of €12.8M, we are going to improve it somewhat, we will be in double digits, but double digits are scarce, very low.

Financial and other includes several effects, including financial expenses for €3.6M, payments to minority shareholders for €3.9M, as there are minority shareholders that we have to pay their dividend, for example Sumauto, we also have tax payments for €1.4M within this block. The main One Off effects, apart from Vocento's dividend of €5.5M are mainly the sales of real estate, the purchase of Rosas for €5M, and also the income from the sale of Gelt for €2M. These are the main one off effects.

What is going to happen looking forward to 2024? As Luis has commented, we will be in a very low double digit total cash generation or very high single digit, at those levels. That would be including the effect of Relevo, if we take Relevo out of there, we will be in the 13-14. As I said, we will have improvement in working capital, and improvement in Capex. We will have some more extraordinary effect. We have one more property that we will also sell in 2024, which is not very large, but it will also help us in cash generation.

Then one more aspect regarding the impact of the RD of 3/2016, and how we are going to account for it. To give some clarity on this issue. We estimate that the total P&L impact is going to be approximately €8M, of which approximately €1M long will come in as a late payment interest, as a financial income, and the rest will come in positive in the corporate tax account. This in terms of P&L impact. Regarding the impact on cash, a conservative estimate we have made, we believe that the impact on cash will be between €4 million and €6 million. That will be a net cash inflow, which depends on how fast the tax authorities are, although we expect it to be more towards the end of 2024.

I believe that these are the main points, and we open the Conference Call for questions.

QUESTIONS AND ANSWERS SECTION
JUAN PEÑA – GVC GAESCO

J.P.: Hello good morning to all. First of all congratulations to all of you for your continued determination to keep achieving your goals year after year. Secondly I wanted to ask you a question about the feeling of how the year has started. You have told us how you think it is going to end. But I wanted to know how you are seeing the feeling of advertising, both locally and nationally, display, how everything is working. Both at the classified level, which also a few months ago the issue of cars was a bit limping in some parts, as well as the issue of the Digital Kit, how is this working, we know that there are many problems with the issue of collections by the public administration, how are you seeing that in the clients? Do you think that it is a year of much growth? What is your feeling in these two months of the year in these three lines of business?

L.E.: Thank you for the question and our stubborn will to meet our objectives. In Classifieds quite a good surprise without exaggeration, but good surprise the engine performance. Also in Premium Lead, which is one of the categories of Lead generation in the Clasificados edition. So Classifieds starts well, with the objectives set, maybe a little better in engine, but in line. LDK is also in line with last year, with what we had planned for this year. It is true that we have collection problems with the Administration, but it is money approved by the Administration, so it is just a gap. There are no fears of bad debts or anything like that, so that is the only drawback we can find, and the company's progression in the digital services offer is still strong, as it ended in 2023.

Local advertising remains strong, also like last quarter 2023. National advertising remains more or less in line, but as I said before, we are probably already starting to benefit from the slightly better behavior of our traffic in all the sites of the group. One of the samples that we can offer without it being extrapolable or identifiable as a posteriori, but well, they are indications and just as we take them when they are bad, we take them when they are good, in the first fortnight of February from GfK, ABC is already the second site behind El Español, so in terms of traffic, national advertising will gradually have a slightly better performance than in 2022, but without exaggerating either. And digital subscriptions, more or less in line with what you have seen.

J.P.: To complement this, you expect that from the first quarter onwards we will start to see good figures. I mean, obviously because of your seasonality, especially in terms of agencies, it is very much in Q4, but from Q1 we are going to start to see good year-on-year growth, we are going to start to have good news from the beginning.

L.E.: You know how seasonality works in this sector, particularly in the media sector, and in the group since we have changed the diversification of television in agencies, which also tilts towards the last quarter. So in absolute value the magnitudes will not be tremendous, but the behavior of the year should be reflected in a reasonably linear way. In percentages, I mean.

J.P.: Perfect, thank you very much.

L.E.: In any case, the behavior of national advertising is probably expected to go from less to more throughout the year. Then there will be stumbling blocks along the way, such as the

Basque elections. The Basque elections for El Correo both in Vizcaya and in Alava, as well as for Diario Vasco, will have a pause there, which, as you have seen in the national elections, can be rectified later on, it is something cyclical. But come on, beyond the conjunctures, it should be something similar.

J.P.: Perfect, thank you.

FERNANDO CORDERO BARREIRA – BANCO SANTANDER

F.C.: Hello good morning, good afternoon almost. I just wanted a little bit thinking about 2024 and 2025 and beyond the operational evolution of which you have already spoken. Understand what the main vectors are within your cash generation. And I mean what you expect in the evolution of your working capital, what you expect from the evolution of financial data and to what extent we should also see volumes of compensation restructuring in your cash flow. Thanks a lot.

LE.: Now I leave it to Joaquín to point it out a little more. Our working capital has been penalized as you know for a few things as you know. One of the things was everything that happened with the raw material suppliers. Particularly paper. From the war in Ukraine and all the increase in prices that it entailed. Also remember that we had a supplier in Russia that we were the first group in the world to cancel the supply, so we had to look for other sources of paper supply. I believe that this issue, as we said at the time, without going to recover pre-war prices, is landing as we had planned, which is one of the factors that within our working capital will no longer affect in the way it has. On the other hand, we also have the progression of Relevo that also harms working capital and on the other hand we have the incorporation of a certain dimension of agencies. That they have a slightly more complicated working capital, but that is already in the wheel. So, what we understand is that as I say, by 2024 an ordinary cash generation including everything, Relay, of approximately double digits in progression towards 25 once all these aspects have been smoothed out. Capex will be perfectly controlled in the range of between €9 and 10M as you know, and indemnities we do not expect any major progress in compensation beyond the restructuring we are doing in Rotomadrid in 2024 that has other compensations from Bermond, so you will not see different figures from what you have seen in recent years. But Joaquín...

J.V.: Yes, just to stress a little bit what Luis just said. The broad dimensions of our strategy are very clear. A part, the cash generation generated by the business should grow gradually in the following years. One part of us has the press business that continues to hold up and the projections are that it continues to endure, a version in relay that is going around. A business that goes from negative EBITDA to positive in the projection period, so we have additional cash generation. A business of diversification that it is locating, with its various legs. If all this is fulfilled, we have a business that begins to generate a lot of cash on several fronts. Where this drains cash, we have a fairly limited investment in Capex, as Luis says. We are at 9-10-11, that is a level of Capex that should be projected not much more than that. And a level of working capital, which this year has been very penalized by some things and that next year should go down and then in projections as we increase the total volume of business of the company, possibly the investment in working capital will go up. But it shouldn't constantly increase much, nor should it lead to excessive cash drain. So financial expenses that you mentioned if we generate cash and we are reducing the debt, which is what this plan would be if things are fulfilled, should not be financial expenses that grow either. So the company's medium-term

projection is that it is generating cash and gradually reducing the little debt it has. I don't know if I have answered you Fernando with this.

F.C.: Perfectly, thank you Joaquín, thank you Luis. And as a result of your answer, and taking into account the perspective of cash generation, and taking into account that you have a more than reasonably healthy balance sheet right now. The question is beyond your shareholder remuneration, are you seeing opportunities to strengthen your diversification strategy?

L.E.: At the moment no, it does not mean that we are not going to be attentive, it does not mean that we are going to miss opportunities. We have been doing everything this year 2023 but no new inorganic additions are planned, at the moment, within the four diversification parameters. In neither sense, neither investment nor divestment. Growth, and organic growth of what we already have.

F.C.: Very clear Luis, thank you.

VIRGINIA PÉREZ REPES – INTERMONEY VALORES

V.P.: Hello good morning everyone, the truth is that I really liked the presentation. Slide 17 in which you compare 2011 with 2023 is very clear, very relevant and hopefully the market will close that huge divergence. And I have few doubts left, after what you have explained and the questions that have been asked. Perhaps the only one regarding the dividend. In the end, a little regardless of the net profit reported, both last year and this year, you are going to pay the same amount and also in 2022, what should we assume in the future that is maintained, which then grows a little independently of the payout and assume a growth or a constant figure?

L.E.: The question is entirely reasonable. When the Board of Directors began the path of recovering dividend payments, we did so with a purpose. Let's keep a reasonably growing and stable dividend over the years. We had marked a line as guidance for the market, which was 40% of the payout, we continue to maintain that line. What had we seen in our 5-year plan, but it is not this time, I have already been seeing it since the plan we made in 2022 and following? We had two years that were 2023 and 2024 (what happens is that 2024 with this history of the RD will probably alter somewhat for the better), which were two abnormally low years in the last line. So the reflection is: we are going to try, despite this situation, to maintain a reasonable dividend bet, as we had planned, since the projections we are making for 2024 and subsequent years are also reasonably maintained. So we continue once again to try to take advantage of the minimum of 40% of the payout, but with a reasonably stable proposal that is desirably slightly increased.

V.P.: In other words, what will that 40% payout be, or at least that €5.5M?

L.E.: More or less.

V.P.: Perfect, thank you very much.