



A los efectos de lo previsto en el artículo 17 del Reglamento (UE) nº 596/2014 sobre abuso de mercado y en el artículo 226 del texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, Promotora de Informaciones, S.A. (la “**Sociedad**” o “**Prisa**”) comunica la siguiente

INFORMACIÓN PRIVILEGIADA

Prisa ha firmado un contrato de compromisos básicos o “*lock-up agreement*” (el “**Contrato de Lock-Up**”) que incorpora una hoja de términos o “*Term Sheet*” que regula, entre otras cuestiones, las condiciones esenciales para la reestructuración de la deuda financiera sindicada del grupo.

El acuerdo negociado con un grupo representativo de sus principales entidades financieras acreedoras afecta a la deuda derivada del contrato de financiación sindicada por importe actual de 1.148 millones de euros, de fecha 11 de diciembre de 2013 (tal y como ha sido modificado en diversas ocasiones desde entonces), que quedará totalmente reestructurada en los próximos meses (la “**Reestructuración**”).

El Contrato de Lock-Up ha entrado en vigor respecto de las entidades firmantes o adheridas al mismo, que representan un 79,7% de la financiación sindicada a reestructurar. Tras ello, la Sociedad promoverá la adhesión al Contrato de Lock-Up de las restantes entidades acreedoras (incluyendo la deuda de rango preferente) o, en su defecto, de un número mínimo de ellas que garantice que el acuerdo alcanzado pueda ser implementado en términos que resulten vinculantes para la totalidad de las entidades acreedoras.

Asimismo, los términos de la Reestructuración han sido aprobados por unanimidad en el Consejo de Administración de la Sociedad celebrado en el día de ayer, 18 de octubre de 2020.

Los términos básicos de la Reestructuración consisten en: (i) el repago parcial de la deuda a reestructurar por un importe de 400 millones de euros; (ii) un alargamiento significativo de los plazos de vencimiento de la deuda financiera remanente, hasta el año 2025; y (iii) la adaptación de las condiciones económicas de la deuda a la nueva capacidad de generación de caja del grupo. Junto a estos términos esenciales, la Reestructuración acordada permite a Prisa incurrir en nueva deuda de rango preferente a fin de fortalecer su posición de liquidez a futuro, así como realizar determinadas operaciones de reorganización societaria. Por último, entre los términos esenciales se encuentran la relajación de diversos ratios financieros y el compromiso de Prisa de alcanzar un nivel de apalancamiento máximo en diciembre 2023.

La Reestructuración acordada flexibilizará de esta forma la deuda financiera del Grupo y le dotará de una estructura financiera que posibilite cumplir con sus compromisos financieros, asegurando la estabilidad del Grupo en el corto y medio plazo.



La ejecución de la Reestructuración está condicionada a que la transmisión de determinados activos del negocio de K-12 y pre K-12 de Santillana en España llegue a buen fin. Por otra parte, la Reestructuración debe ser vinculante para la totalidad de los acreedores de la deuda financiera a reestructurar. Por ello, en el supuesto de que no se alcance una adhesión del 100% de tales acreedores a la operación, la Sociedad lanzará un procedimiento legal o judicial que permita tal eficacia general. Atendiendo a la ley aplicable a dicha deuda, es previsible que el procedimiento que se siga para ello sea el denominado “Scheme of Arrangement” previsto en la legislación inglesa.

Se adjunta una presentación sobre la Reestructuración.

En Madrid, a 19 de octubre de 2020

D. Xavier Pujol Tobeña
Secretario General y del Consejo de Administración



Debt Refinancing Agreement & Disposal of Santillana Spain

October 2020



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1

Debt refinancing agreement



- Lock-up Agreement with the majority of Prisa's financing entities to amend and extend the current financial facilities
- Key agreed terms:
 - Extension of maturities until 2025
 - €400m repayment of existing syndicated loan
 - Increased Super Senior capacity. New liquidity line of c. €110m
 - Variable margin starting @ 5.5%. All-in average cost of c.7%
- Lock-up Agreement already approved by 79.7% of lenders to be processed by means of a Scheme of Arrangements if not approved by unanimity and expected to enter into force by H1 2021
- New financing package allowing management team to fully focus on business performance and operational excellence



2

Disposal of Santillana Spain



- Agreement with Sanoma Corporation to sell Santillana's business in Spain
- Enterprise Value of €465m
 - Implied multiple of 9.6x through the cycle EV / EBITDA¹ above the key precedent comparable transactions
- 100% cash consideration after deducting the net debt as of 30 June of €53m²
- Strong strategic rationale:
 - Allows Santillana to fully focus in LatAm, the market with the highest growth and value potential
 - Enables to achieve a long term and more sustainable capital structure
- Transaction subject Prisa's GSM approval, antitrust clearance in Spain and implementation of refinancing
 - Expected closing in H1 2021

3

Future roadmap



- The combination of both transactions represents a significant step forward in the Company's strategic roadmap, allowing Management to fully focus on the execution of the Company's strategy:
 - Unlock value embedded in its Ed-tech business in LatAm, with particular focus on subscription model
 - Reinforce the digital offering and the subscription model of its Media business

1. Based on an average EBITDA of €48.7m between 2017 and 2019

2. Based on a locked-box mechanism as of June 2020

1 Debt refinancing agreement

Key terms of the Term Sheet agreed with the majority of the lenders

Maturity	Extension of debt maturity until March 2025
Syndicated Debt repayment	€400m prepayment of Syndicated Senior Debt primarily funded through proceeds from disposals of Santillana Spain and Media Capital
Financial covenant	Commitment to reduce net leverage below 4.25x in September 2023
Debt margin	Variable margin starting @ 5.5%. All-in average cost of c.7%
Additional liquidity	Incremental super senior basket capacity of c. €110m
Refinancing process	Lock-up Agreement already approved by 79.7% of lenders to be processed by means of a Scheme of Arrangements, if not approved by unanimity, and expected to enter into force by H1 2021

Long term and sustainable capital structure

- ✓ Net debt to be reduced by over 30%
- ✓ Longer term maturities alleviating current financial constrains
- ✓ Over €275m¹ of consolidated cash balances / RCF lines for liquidity needs and the development of the company's roadmap
- ✓ Enables to continue executing Prisa's Roadmap of differentiated businesses: Education and Media

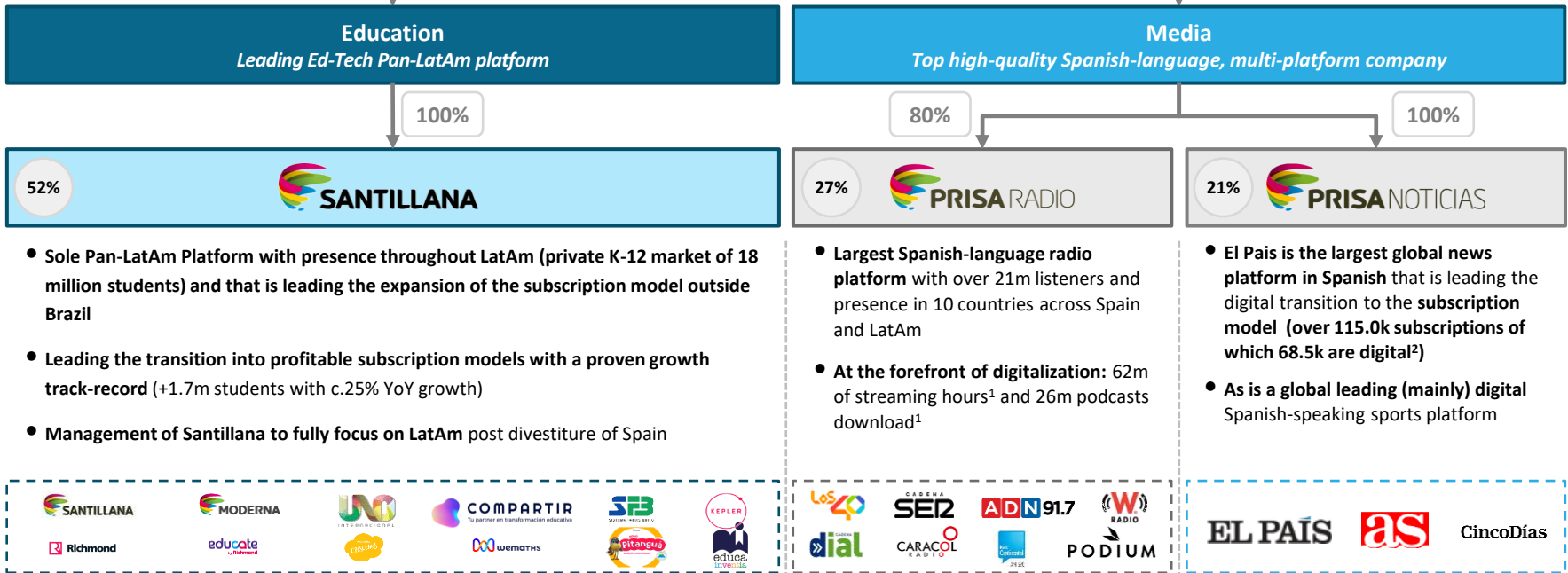
1. Includes €80m of revolving credit facility

2 Disposal of Santillana Spain

Key transaction terms

Description	Disposal of Santillana Spain business to Sanoma Corporation
Price consideration	Enterprise Value of €465m <ul style="list-style-type: none">– Implied through the cycle EV / EBITDA of 9.6x¹ above the key precedent comparable transactions in the education sector
Payment	Consideration at closing to be fully paid in cash <ul style="list-style-type: none">– Net debt as of 30 June of €53m to be deducted from final consideration²
Transaction rationale	Allows Santillana to fully focus in LatAm, the market with the highest growth and value potential Enables to achieve a long term and more sustainable capital structure
Transaction financial impacts	<ul style="list-style-type: none">– Deconsolidation of Santillana Spain business– Estimated capital gain of c. €385m at consolidated level
Condition precedents	Prisa's GSM approval, antitrust clearance in Spain and implementation of refinancing <ul style="list-style-type: none">– Anti-trust risk between signing and closing assumed by Sanoma
Timetable	Completion expected by H1 2021

1. Based on an average EBITDA of €48.7m between 2017 and 2019
2. Based on a locked-box mechanism as of June 2020. Pre carve-out and transaction costs



Strategic Priorities

- Acceleration of the migration of students from didactic business to subscription models
- Focus on market share improvements in key countries in Private LatAm Education
- Maximisation of results in LatAm public markets

- Reinforcement of digital offering, improving margins and positioning the Media business to capture growth in the future
- Acceleration of the subscription model and digital transition in Media
- Consolidation of audiences, leveraging on Brand Portfolio strength

1. Average monthly figures
 2. As of September 2020
 3. Proforma for the sale of Santillana Spain. Excludes corporate and others

% Ownership % of Group Proforma³ Revenue LTM Q1'20



Sole Pan-LatAm Platform with presence throughout the large and growing LatAm (private K-12 market of 18 million students)



Scalable technological platform ready to benefit from the acceleration of digital transformation as a result of COVID-19



+1.7M students under subscription models with c.25% YoY growth

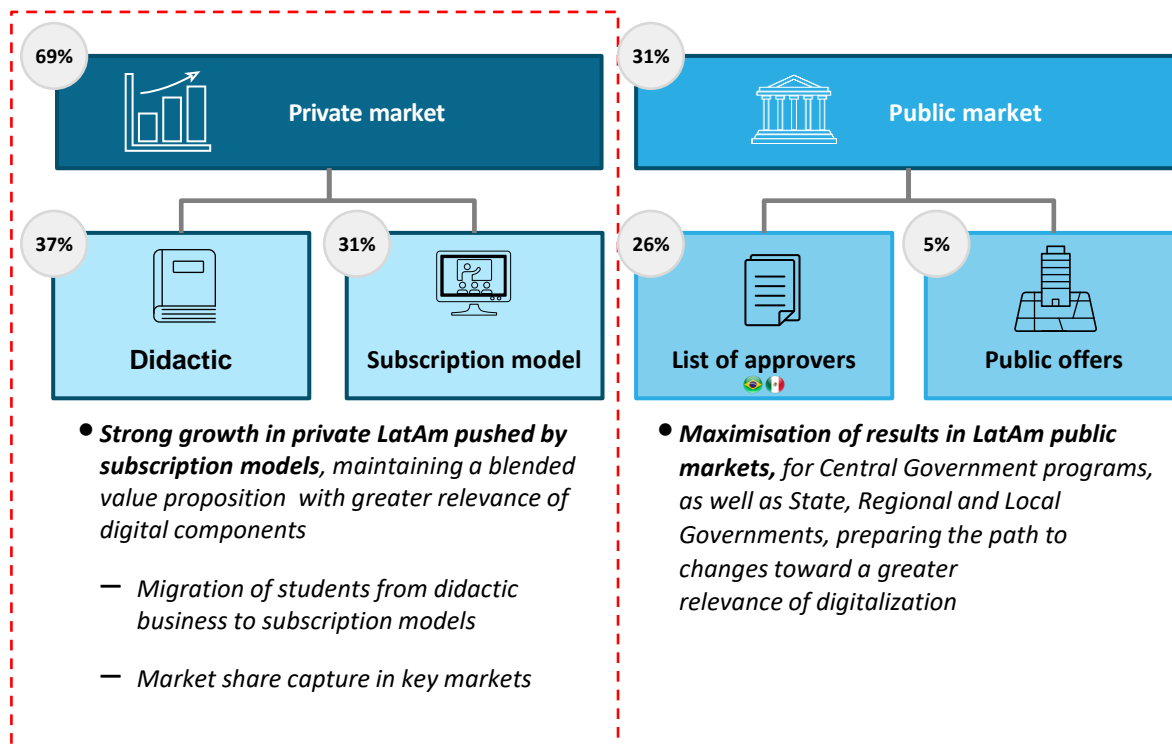


Leading positions in private and public markets across geographies



Unparalleled distribution network of c. 1,800 sales representatives with broad experience and specialization

Key Business Focus



● **Strong growth in private LatAm pushed by subscription models**, maintaining a blended value proposition with greater relevance of digital components

- Migration of students from didactic business to subscription models
- Market share capture in key markets

● **Maximisation of results in LatAm public markets**, for Central Government programs, as well as State, Regional and Local Governments, preparing the path to changes toward a greater relevance of digitalization

○ % of Group Proforma¹ Revenue LTM Q1'20

Best-in-class Pan-LatAm platform with a full focus on crystallizing value in growing education market segments

1. Proforma for the sale of Santillana Spain. Excludes corporate and others

3 Santillana within the Private LatAm Market

Irreplicable position to accelerate subscription model transformation in a promising market



- Largest K-12 platform in Private LatAm Education
- Leadership presence in 17 Countries (15 countries with Subscription model)
- The only Pan-LatAm scalable platform leading the expansion of subscription model outside Brazil
- Strong transformation potential to subscription model in a large, growing and low penetrated market

Key LatAm Subscription Peers	# of Students ^{1,2} (million)		# of Countries		Total Addressable Market ¹ (million students)			
	~5.3	~1.7	~7.0	17	15	~11.4	~6.6	~18.0
	~1.3 ³	~2.7		1	1	~3.3	~4.7	~8.1
		~1.5			1	~3.3	~4.7	~8.1

Legend: ■ Didactic ■ Subscription

Santillana is the only player with a Pan-LatAm platform that is present in all LatAm countries and that is expanding the subscription model outside Brazil, benefiting from a larger and less penetrated addressable market

Source: Companies information

1. Figures as of June 2020
 2. Subscription model students are exclusive students of one education provider. Didactic students can be supplied by the different education providers with different degrees of penetration from one book to the complete curriculum
 3. Number of didactic students for Q12020 as per Vasta IPO prospectus

3 Santillana Private strategic priorities

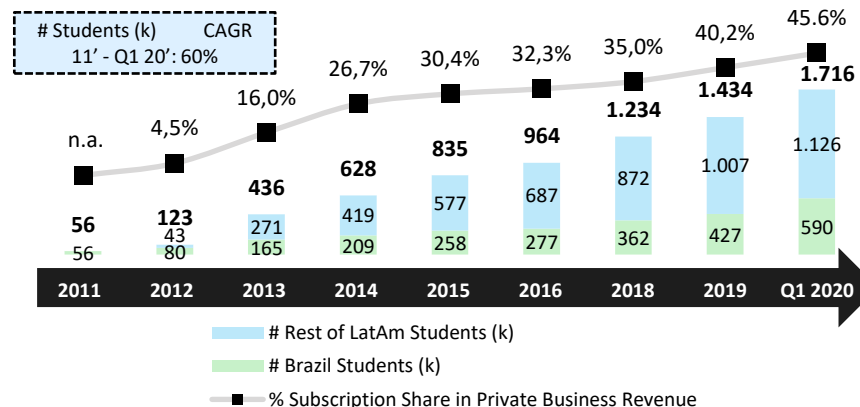
Clear strategy towards growth and value creation

1 Undisputable leadership across countries with room to further capture market share

		Addressable Market ¹ (m students)	Santillana ^{1 2} (m students)	Market Share (%)
Brazil (~8.0m Students)	Didactic	~3.3m	~1.3m	22%
	Subscription	~4.7m	~0.6m	13%
Mexico (~3.2m Students)	Didactic	~2.7m	~0.7m	15%
	Subscription	~0.5m	~0.2m	49%
Colombia (~1.8m Students)	Didactic	~1.2m	~0.8m	37%
	Subscription	~0.6m	~0.5m	80%
Peru (~1.1m Students)	Didactic	~1.0m	~0.6m	33%
	Subscription	~0.1m	~0.1m	60%
Rest of LatAm (~3.9m Students)	Didactic	~3.2m	~1.9m	34%
	Subscription	~0.7m	~0.4m	57%
Total (~18.0 m Students)	Didactic	~11.4m	~5.3m	30%
	Subscription	~6.6m	~1.7m	24%

2 Leading the transition into profitable subscription model with a proven track-record of growth

Evolution of Students in the Subscription Model



Subscription model ensures attractive economics

Increased Average ARPU per Student
(Higher vs. didactic) ✓

Elimination of double use/no use practices ✓

Higher Profitability
(c. 30% EBITDA margin) ✓

High Visibility of Earnings:
long term contracts of 3-4 years with schools ✓

Higher Contact and Knowledge of Final Client
(>90% renewal rate) ✓

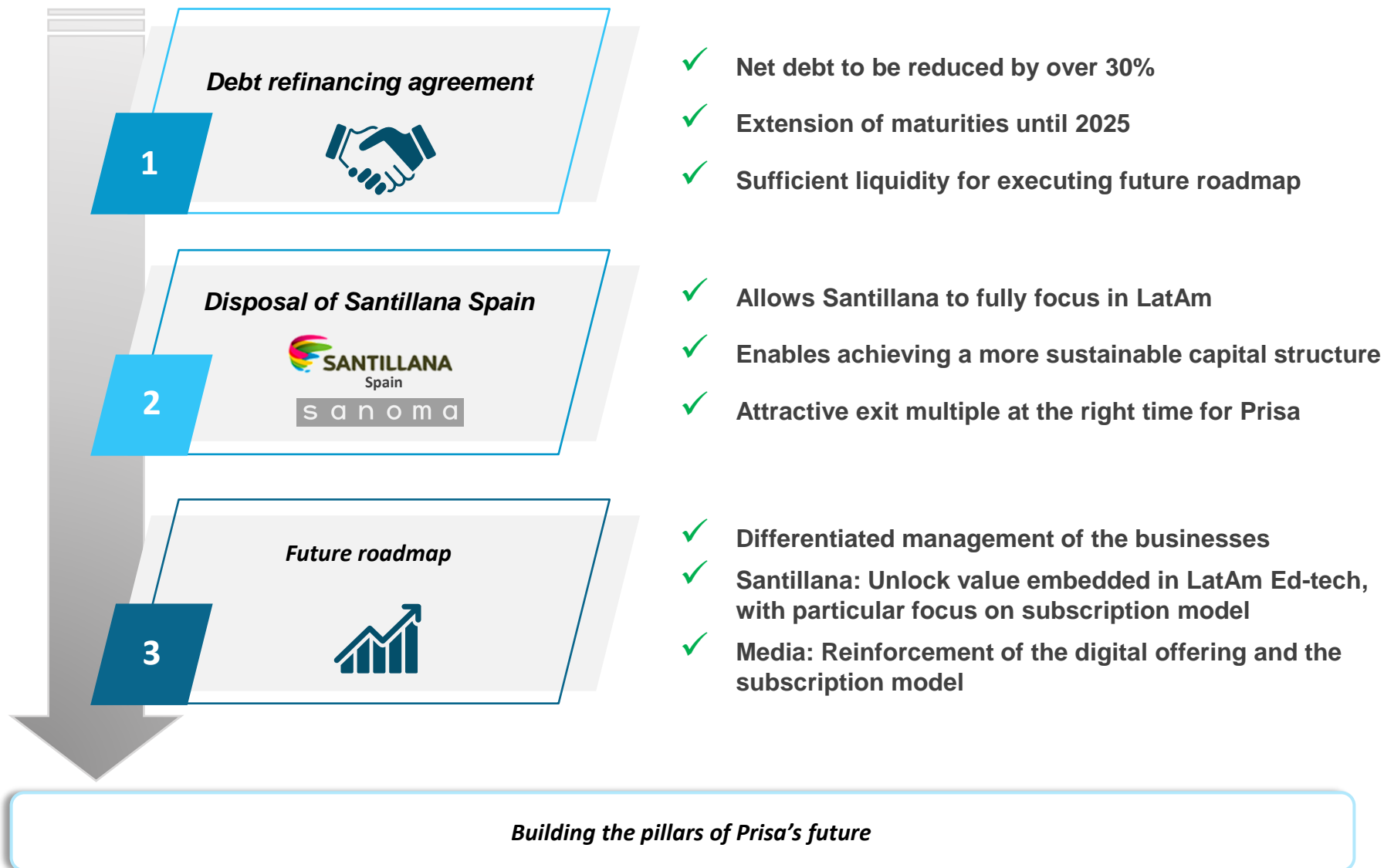
Fully Invested Digital Platform ✓

Clear proposition to accelerate our growth and leadership in Private LatAm with a full focus on the attractive and profitable subscription model

Source: Company information

- Figures as of June 2020
- Subscription model students are exclusive students of Santillana. Didactic students can be supplied by the different education providers with different degrees of penetration from one book to the complete curriculum

Key Takeaways





Appendix

Santillana Spain and Sanoma Corporation overview



Founded in 1960, Santillana Spain is the largest provider of learning materials, primarily textbooks, for primary and secondary education in Spain (K-12)

- Strong position thanks to its content quality, its proactive approach with teachers and its digital capabilities
- Primarily focused on Standard Education (textbooks) and with an increasing presence in Languages and children's literature
- In 2019, a peak-year in the education cycle, Santillana Spain reported sales of €128m

The Sanoma logo consists of the word 'sanoma' in a lowercase, white, sans-serif font, centered within a dark grey rectangular background.

Founded 130 years ago as an independent News Media Company. Sanoma is an innovative and agile learning and media company listed at Helsinki Nasdaq

- Sanoma Learning is a growing European education company with presence in 11 countries through a portfolio of modern, blended course materials in primary, secondary and vocational education (K-12)
- Sanoma Media Finland is the leading media company in Finland, reaching 97% of all Finns weekly through multiple media platforms

Subscription model product offering

Differentiated multi-model approach to address every customer 's need across geographies

Santillana has a complete portfolio of **10 brands in the subscription model** ...




... enabling the company to **adapt its strategy** for client capture and development in each **country** and competitive environment

Fully digital blended offering to benefit from ..

... **COVID-19 acceleration of technology adoption** and penetration of technological platforms at schools



Content

	<p>Full-Service Systems</p>  <p>Premium Service High Income</p> <p>Basic Service Medium/Low Income</p>
	<p>Flexible Systems</p>  <p>Medium/High Income</p> <p>Medium/Low Income</p>
	<p>Disciplinary Systems</p> 
	<p>Formats</p> <p>Blended online and offline (printed materials and its digital version) and on-site / off-site offering</p>
	<p>Customis.</p> <p>Customised monitoring of the student, online feedback, coaching for teachers, communication via app, utilization reports, etc.</p>



Formats



Customis.

Extensive digital offering covering all segments and methodologies optimally positioned to benefit from the acceleration of the K-12 technology in LatAm



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