Promotora de Informaciones, S.A. (the "**Company**" or "**Prisa**") discloses the following for the purposes of article 17 of Regulation (EU) No 596/2014 on market abuse and article 226 of the Spanish Securities Market Act (*Ley del Mercado de Valores*) as recast by Legislative Royal Decree 4/2015 of 23 October 2015.

INSIDE INFORMATION

Prisa has entered into a lock-up agreement (the "**Lock-up Agreement**") which contains a term sheet that sets out, among other aspects, the essential terms on which the group's syndicated financial debt will be restructured.

The agreement, negotiated with a representative group of its main financial creditors, concerns the debt arising from the syndicated facility agreement currently totalling €1,148m, dated 11 December 2013 (as amended on various occasions since then), that will be totally restructured in the coming months (the "**Restructuring**").

The Lock-up Agreement came into effect in respect of the banks that signed or acceded to it, which represent 79.7% of the syndicated indebtedness to be restructured. Following this, the Company will seek support for the Lock-up Agreement from the rest of the creditors (including the senior-ranking debt), or at least the minimum number needed to ensure that the arrangement can be implemented in terms that are binding for all creditors.

The terms of the Restructuring were also unanimously approved at the Company board meeting held yesterday, 18 October 2020.

The basic terms of the Restructuring consist in: (i) partial repayment of the debt to be restructured in an amount of €400 million; (ii) a significant time extension for the maturity of the remaining financial debt, until 2025; and (iii) adaptation of the financial conditions of the debt to the group's new position in terms of generating cash. On top of these essential terms, the agreed Restructuring allows Prisa to incur further senior-ranking debt to strengthen its liquidity position in the future, and to complete certain actions of business reorganisation. Finally, the basic terms include a relaxation of certain financial covenants and Prisa's commitment to achieving a leverage cap in December 2023.

The agreed Restructuring will therefore make the Group's financial indebtedness more flexible and give it a financial structure that allows the Group to fulfil its financial commitments, ensuring the Group's stability in the short and medium term.

The Restructuring is conditional on successfully completing the selling of certain Santillana K-12 and pre K-12 business assets in Spain. The Restructuring also needs to be binding on all creditors owed the financial debt to be restructured. In the event, therefore, that it is not possible to get those creditors' full support for the arrangement, the Company will take legal or judicial action to enable it to take effect generally. In view of the law applicable to this debt, an English-law scheme of arrangement is foreseen as the possible procedure for this.

A presentation on Restructuring is attached.

Madrid, 19 October 2020

Xavier Pujol Tobeña
Board and General Secretary

Debt Refinancing Agreement & Disposal of Santillana Spain

October 2020

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Key highlights

Building the pillars of Prisa's future

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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

SANTILLANA Spain
sanoma

- Agreement with Sanoma Corporation to sell Santillana's business in Spain
- Enterprise Value of €465m
  - Implied multiple of 9.6x through the cycle EV / EBITDA[1] above the key precedent comparable transactions
- 100% cash consideration after deducting the net debt as of 30 June of €53m[2]
- 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

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 €275m[1] 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*

Disposal of Santillana Spain

Key transaction terms

Description	**Disposal of Santillana Spain business to Sanoma Corporation**
Price consideration	**Enterprise Value of €465m** – Implied through the cycle EV / EBITDA of 9.6x[1] above the key precedent comparable transactions in the education sector
Payment	**Consideration at closing to be fully paid in cash** – Net debt as of 30 June of €53m to be deducted from final consideration[2]
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	– 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** – 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

3 The new Prisa

Optimally positioned to start building on the future roadmap

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Education
Leading Ed-Tech Pan-LatAm platform

Media
Top high-quality Spanish-language, multi-platform company

100%

80%

100%

52% SANTILLANA

27% PRISA RADIO

21% PRISA NOTICIAS

SANTILLANA

- **Sole Pan-LatAm Platform with presence throughout LatAm (private K-12 market of 18 million students) and that is leading the expansion of the subscription model outside Brazil**
- **Leading the transition into profitable subscription models with a proven growth track-record** (+1.7m students with c.25% YoY growth)
- **Management of Santillana to fully focus on LatAm** post divestiture of Spain

PRISA RADIO

- **Largest Spanish-language radio platform** with over 21m listeners and presence in 10 countries across Spain and LatAm
- **At the forefront of digitalization:** 62m of streaming hours[1] and 26m podcasts download[1]

PRISA NOTICIAS

- **El Pais is the largest global news platform in Spanish** that is leading the digital transition to the **subscription model (over 115.0k subscriptions of which 68.5k are digital[2])**
- **As is a global leading (mainly) digital** Spanish-speaking sports platform

Strategic Priorities

Education	Media
Acceleration of the migration of students from didactic business to subscription models	*Reinforcement of digital offering, improving margins and positioning the Media business to capture growth in the future*
Focus on market share improvements in key countries in Private LatAm Education	*Acceleration of the subscription model and digital transition in Media*
Maximisation of results in LatAm public markets	*Consolidation of audiences, leveraging on Brand Portfolio strength*

% Ownership   *% of Group Proforma[3] Revenue LTM Q1'20*

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

Santillana at a glance

Ed-Tech Pan-LatAm platform suited for growth and value creation

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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

SANTILLANA

69% **Private market**

- 37% **Didactic**
- 31% **Subscription model**

31% **Public market**

- 26% **List of approvers**
- 5% **Public offers**

- ***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 Proforma[1] 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

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- **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): Didactic	Subscription	Total	# of Countries: Didactic	Subscription	Total Addressable Market[1] (million students): Didactic	Subscription	Total
SANTILLANA	~5.3	~1.7	~7.0	17	15	~11.4	~6.6	~18.0
VASTA PLATFORM	~1.3[3]	~1.4	~2.7	1	1	~3.3	~4.7	~8.1
arco		~1.5	~1.5		1	~3.3	~4.7	~8.1

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

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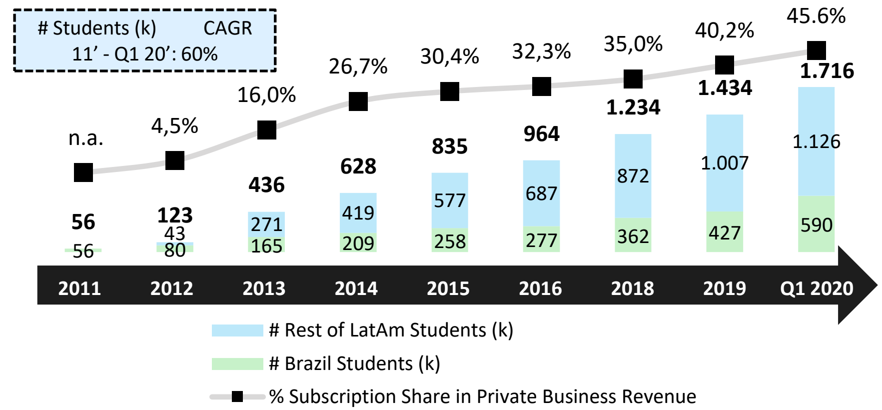
1 Undisputable leadership across countries with room to further capture market share

		Addressable Market[1] (m students)	Santillana[1 2] (m students)	Market Share (%)
Brazil (~8.0m Students)	Didactic	~3.3m	~1.3m	22% 2
	Subscription	~4.7m	~0.6m	13% 3
Mexico (~3.2m Students)	Didactic	~2.7m	~0.7m	15% 1
	Subscription	~0.5m	~0.2m	49% 1
Colombia (~1.8m Students)	Didactic	~1.2m	~0.8m	37% 1
	Subscription	~0.6m	~0.5m	80% 1
Peru (~1.1m Students)	Didactic	~1.0m	~0.6m	33% 1
	Subscription	~0.1m	~0.1m	60% 1
Rest of LatAm (~3.9m Students)	Didactic	~3.2m	~1.9m	34% 1
	Subscription	~0.7m	~0.4m	57% 1
Total (~18.0 m Students)	Didactic	~11.4m	~5.3m	30% 1
	Subscription	~6.6m	~1.7m	24% 1

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

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

Key Takeaways

1 ***Debt refinancing agreement***

- ✓ Net debt to be reduced by over 30%
- ✓ Extension of maturities until 2025
- ✓ Sufficient liquidity for executing future roadmap

2 ***Disposal of Santillana Spain***

SANTILLANA Spain

sanoma

- ✓ Allows Santillana to fully focus in LatAm
- ✓ Enables achieving a more sustainable capital structure
- ✓ Attractive exit multiple at the right time for Prisa

3 ***Future roadmap***

- ✓ Differentiated management of the businesses
- ✓ Santillana: Unlock value embedded in LatAm Ed-tech, with particular focus on subscription model
- ✓ Media: Reinforcement of the digital offering and the subscription model

Building the pillars of Prisa's future

Appendix

Santillana Spain and Sanoma Corporation overview

SANTILLANA Spain

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

sanoma

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

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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

Full-Service Systems

Premium Service
High Income

Basic Service
Medium/Low Income

Flexible Systems

Medium/High Income

Medium/Low Income

DIsciplinary Systems

Formats

Blended online and offline (printed materials and its digital version) and on-site / off-site offering

Customis.

Customised monitoring of the student, online feedback, coaching for teachers, communication via app, utilization reports, etc.

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

PRISA

October 2020