



Q12021 RESULTS PRESENTATION

April 28, 2021

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- 1** Q1 2021 key operating highlights of the period
- 2** Q1 2021 Group results
- 3** Q1 2021 results by business unit
- 4** Key Takeaways
- 5** Appendix

KEY OPERATING HIGHLIGHTS

Q1 2021 EBITDA reached €12Mn vs €64Mn previous year (-80.8%/-70.7%LC)

- ❑ **Q1 2021 results show continued momentum in digital business despite remaining conditioned by pandemic in line with expectations.** The comparison between quarters is not homogeneous as Q1 2020 was barely impacted by the pandemic while during Q1 2021 the operating performance of the businesses has been conditioned by the Covid 19 crisis both in Santillana, with the southern campaign mainly affected by the closure of schools, and in Media by the impact of the crisis on the advertising market during January and February.
- ❑ **Digital business accelerates its growth in the period with total digital revenues increasing its contribution by 26% to represent 39% of total group revenues.** The number of Santillana's subscription model students increases by 5.2% to 1,806,000, EL PAÍS reaches 145,130 subscribers (101,046 digital-only) and Radio reaches average monthly 65 million hours of streaming consumed (+16%) and 30,8 million podcast downloads (+32%)
- ❑ **Operating cash flow in the period reached 21 million euros vs 8.1 million euros same period last year,** benefiting from a temporary positive impact in working capital that will reverse by year end.
- ❑ **New organizational structure to accelerate the operational split of the Education and Media businesses** with a greater focus on the businesses to maximize value. The Board of Directors of PRISA has appointed Carlos Núñez as Executive Chairman of PRISA Media. Both Carlos Núñez as Executive Chairman of PRISA Media and the Executive Chairman of Education, Manuel Mirat, will sit on the Group's Board as executive members once the Ordinary General Meeting is held. Carlos Núñez will take up his executive duties on May 24.

Q1 2021 Key Operating Highlights (Cont'd).

KEY OPERATING HIGHLIGHTS

By business Unit

- **Education:** The Education business was **particularly affected in Q1 2021 compared to Q1 2020, which was barely impacted by the effects of the pandemic**. In Q1 2021, **schools** in the countries where Santillana is present **remain closed**. Revenues in the period fell -42.5% in local currency (-53.6% in euros), mainly due to the decline in the private didactic business and the performance of public sales in Brazil, whose comparative performance is conditioned by the recording in Q1 2020 of sales corresponding to the previous year (PNLD 2019). **Subscription models continued to grow**, proving their strength in a very difficult economic environment, **growing 5.2% in students to 1,806,000**. Revenues in Q1 fell 16% in local currency due to a different pace of campaign placement compared to the previous year, which will be corrected in the following quarters. **Expectations are maintained for the subscription models to achieve a slight growth in revenues in local currency in 2021** compared to the previous year and with all the focus on leading the transformation and digitization of the K-12 education market in LatAm. Strong cost control partially offsets the decline in revenues
 - **Media:** Media businesses (**Radio and News**) were affected in the period by the fall in the advertising market, which had a weak performance in January and February. PRISA Media's advertising revenues fell in January (-22.7%) and February (-22.8%), with March showing growth of 16%. **Despite the fall in revenues for the period as a whole (-9.3%), cost control has enabled the Media businesses to achieve an EBITDA similar to the same period of the previous year, excluding severance payments.**
- **Contingency Plan :** Compliance with the plan to reduce fixed costs by EUR 30 million in all business units.
 - **FX:** The exchange rate had a negative effect on revenues of EUR -20.1 million and on EBITDA of EUR -6.5 million, mainly due to the devaluations in Brazil, Argentina and Colombia.
 - **Net bank debt:** at the end of the period stood at EUR 660 million compared to EUR 679 million at December 2020. **As of March 31**, Cash position standing at €263 Mn cash with additional liquidity lines undrawn amounting to €120 Mn (80 Mn at PRS and 40 Mn at business units).

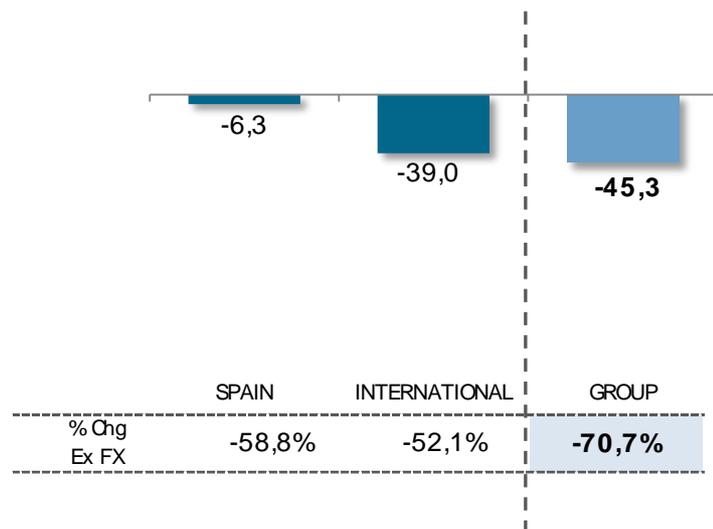
2 Q1 2021 Group results

Q1 2021 Operating Overview

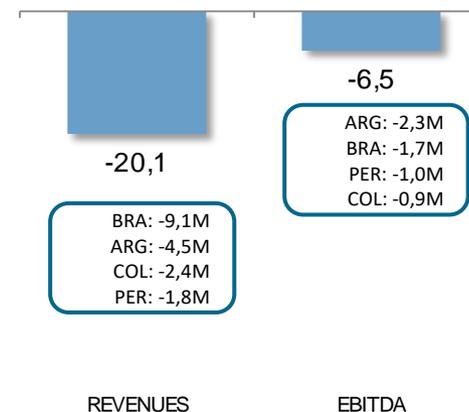
| € Millions | JAN-MAR 2021 | Var. 21/20 on constant ccy | | Var. 21/20 | |
|----------------------|-----------------|-------------------------------|--------------|---------------|---------------|
| REVENUES | 159 | -31,6% | -82,6 | -39,3% | -102,7 |
| EXPENSES | 146 | -18,9% | -37,3 | -25,8% | -50,9 |
| EBITDA | 12 | -70,7% | -45,3 | -80,8% | -51,8 |
| <i>EBITDA Margin</i> | <i>7,8%</i> | <i>-14,0%</i> | | <i>-16,8%</i> | |
| EBIT | -5 | --- | -41,7 | --- | -46,0 |

EBITDA Variation (Abs) at constant currency

Var Local Currency



FX Effect (m€)



Q1 2021 Operating Overview – Net Profit

| € Millions | 2021 | 2020 | Chg. |
|---|--------------|--------------|---------------|
| Reported Results | | | |
| Reported EBIT | -4,5 | 41,5 | --- |
| <i>EBIT Margin</i> | <i>-2,9%</i> | <i>15,9%</i> | <i>---</i> |
| Financial Result | -7,1 | -15,1 | 52,7% |
| Interests on debt | -12,7 | -14,8 | 13,9% |
| Other financial results | 5,6 | -0,3 | --- |
| Result from associates | -0,4 | 1,5 | --- |
| Profit before tax | -12,1 | 27,9 | --- |
| Income tax expense | 3,7 | 25,0 | -85,3% |
| 1 Results from discontinued activities | 0,0 | -30,3 | 100,0% |
| Minority interest | -1,9 | -1,2 | -56,1% |
| Net Profit | -13,8 | -26,1 | 47,3% |
| MCimpairment | | 28,8 | -100,0% |
| Comparable Net Profit | -13,8 | 2,6 | --- |

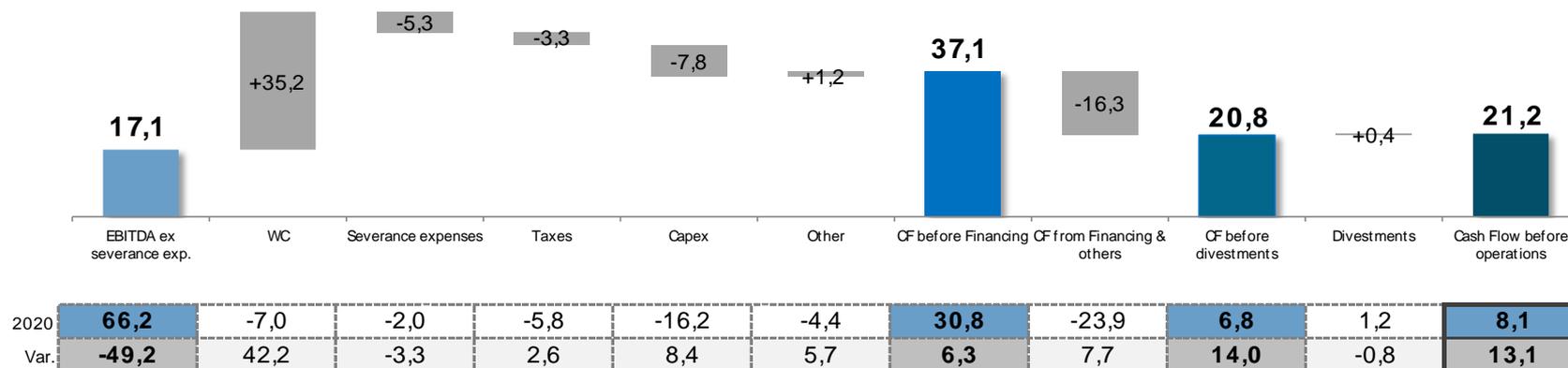
| € Millions | 2021 | 2020 | Chg. |
|--|--------------|---------------|--------------|
| One-offs | | | |
| 1 Results from discontinued activities | (0,0) | (30,3) | 100,0 |
| MCimpairment | | 28,8 | (100,0) |
| Comparable Results from discont. activities | 0,0 | (1,5) | 100,0 |

Net Profit reached -13.8 Mn vs -26Mn last year with lower final results and taxes partially offsetting the operating decline

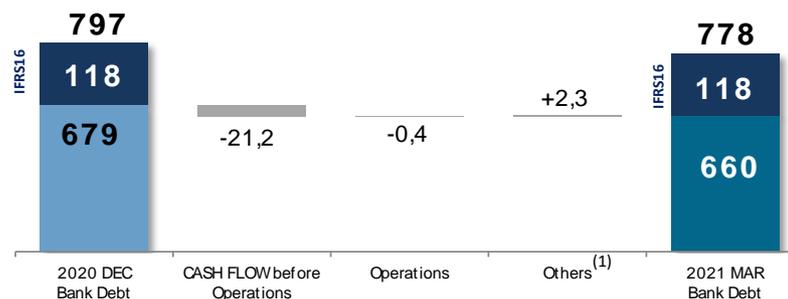
Q1 2021 Operating Overview – Cash Flow Generation

Cash Flow Generation (Mn€)

Cashflow excludes FX impact in Cash Balance



Net Bank Debt Evolution (Mn€)



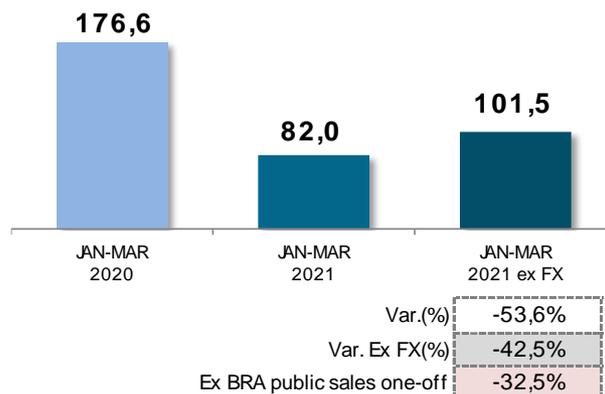
Positive operating cashflow generation during the period (€21,2 Mn) benefiting from a temporary positive impact in WC that will reverse by year end. Cash position standing at €263 Mn cash with additional liquidity lines undrawn amounting to €120 Mn (80 Mn at PRS and 40 Mn at business units).

(1) Includes mainly PIK and impact of FX in balance sheet

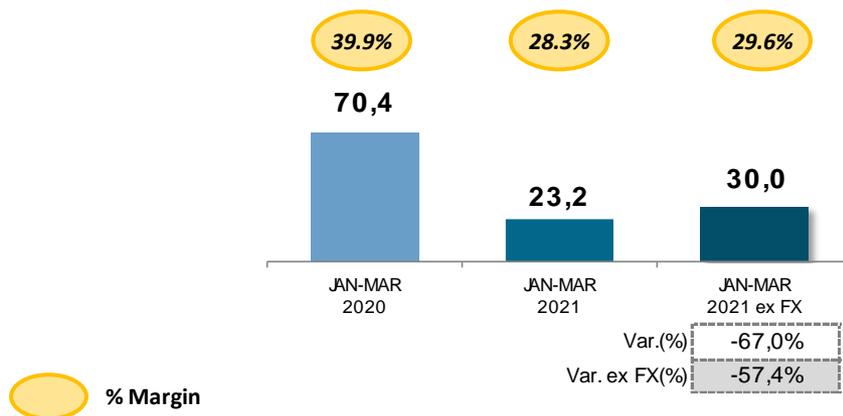
3 Q1 2021 results by business unit

Q1 2021 Operating Overview – Santillana

Revenue evolution (Mn€)



EBITDA evolution (Mn€)



Evolution conditioned by a non-homogeneous comparison mainly due to i) 2021 south campaigns have been affected by the pandemic (school closures) while during Q1 2020 the pandemic had a limited impact in those campaigns and ii) during Q1 2020 €30 Mn of public sales revenue from Brazil 2019 PNLD campaign were recorded.

Q1 2021 Operating Overview – Santillana

Revenue evolution (Mn€)

| € Millions | JANUARY - MARCH | | | | Ex BRA Pub.Sales One-off % |
|---------------------------|-----------------|--------------|---------------|---------------|----------------------------------|
| | 2021 | 2020 | Chg.% | LC% | |
| Education sales | 80,3 | 175,9 | (54,3) | (43,3) | (33,3) |
| Private Latam | 70,6 | 137,8 | (48,7) | (37,5) | (37,5) |
| Traditional | 27,2 | 73,2 | (62,8) | (56,1) | (56,1) |
| Learning systems | 43,4 | 64,6 | (32,8) | (16,4) | (16,4) |
| Public sales | 9,7 | 38,1 | (74,6) | (64,3) | 14,9 |
| Other | 0,0 | 0,0 | (60,8) | (50,6) | (50,6) |
| Other revenues | 1,7 | 0,7 | 134,5 | 147,3 | 147,3 |
| Operating Revenues | 82,0 | 176,6 | (53,6) | (42,5) | (32,5) |

- **Private Latam** performance affected by i) the comparison with a 1Q20 campaign that was barely impacted by pandemic ii) the non-reopening of schools ; iii) the difficulties faced by the commercial teams in the sale of systems and textbooks with schools closed; and by iv) the transfer of students from private to public schools.
- **Learning systems** evolution conditioned by the recording in Q1 2021 of a lower % of campaign revenues than in 2020; 33% vs 48%; (explained by a different campaign placement due to the pandemic) which will be corrected in the following quarters. **Expectations to achieve slight growth in revenues for FY in LC maintained.**
- **Public sales** performance in line with expectations for Q1 2021 but compare negatively vs Q1 2020 because some sales from Brazil 2019 PNLD program (€ 30 Mn) were recorded in Q1 2020.

Operating revenues comparison is not homogeneous versus 2020 as a result of the pandemic impact in Q1 2021 and the normal level of public sales in Q1 2021 vs. same quarter last year.

Evolution mainly explained by the performance of the private didactic business, which has been extremely affected by the environment as a result of Covid 19 (schools closed and difficulties of commercial teams) and some temporary delay in revenue recognition in LS that will reverse in the following quarters

(1) PNLD corresponds to "Programa Nacional de Livro Didactico in Brazil". FI(1st to 5 th grade); FII(6th to 9th Grade) ; Ensino Medio (Bachelor)

Key Focus on subscription models

Key Benefits of subscription models

High visibility of earnings: long term contracts of 3-4 years with schools

Increased average ARPU per student (Higher vs. traditional)

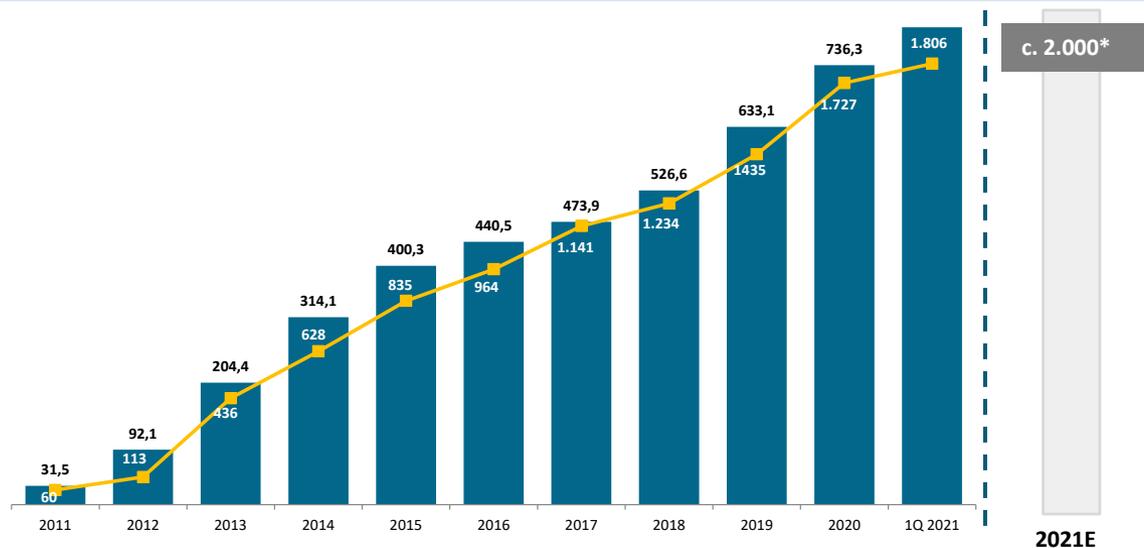
Higher profitability (>80% gross margin)

Higher contact and Knowledge of final client (90% renewal rate)

Fully invested digital platform with high growth potential



Historical subscription Revenue (BRL Mn) and students evolution (000's)

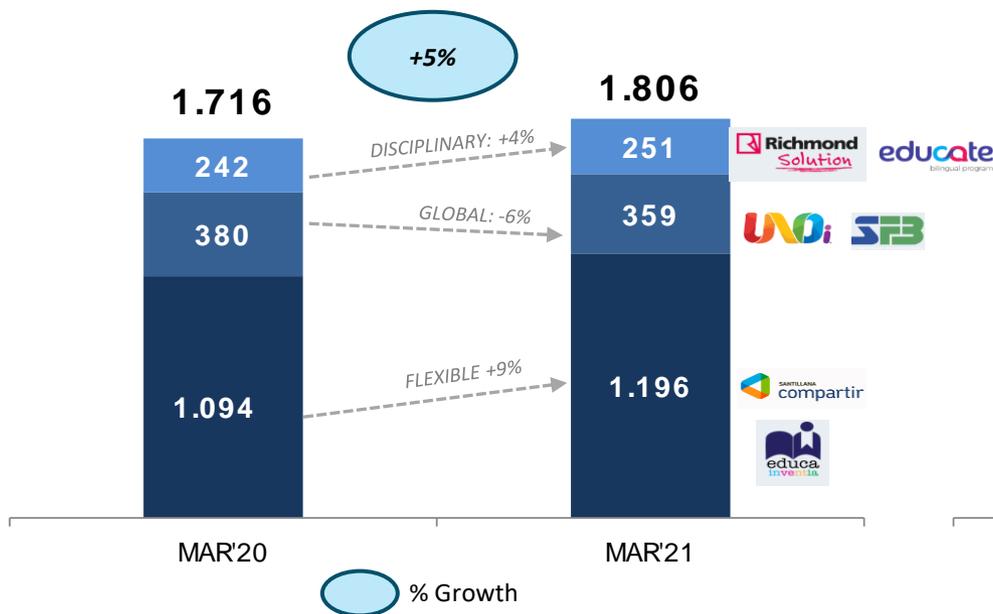


Strong performance of Subscription models, on track to reach circa 2 million by year end.

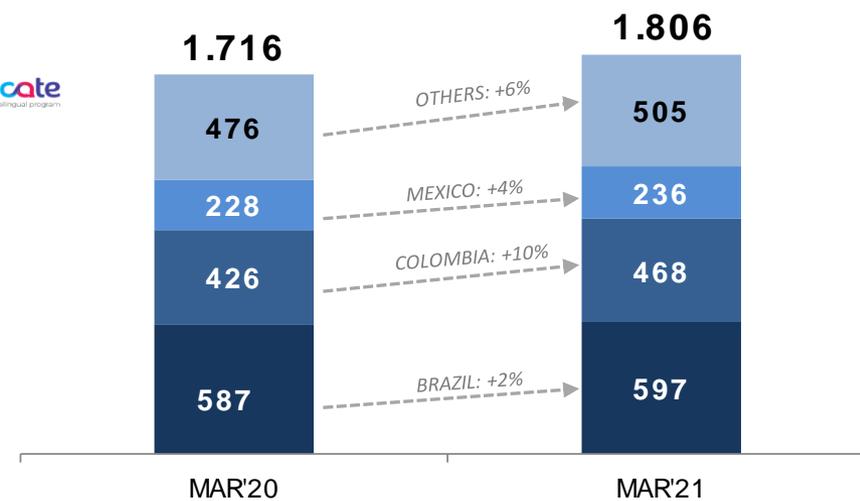
Figures include Uno, Compartir, Farias Brito, Educa and English systems

* Circa 2 million number of students expected in 2021 based on annual contracts signed

**Subscription model
Number of Students (000's)**



**Students evolution 21/20
by country (000's)**

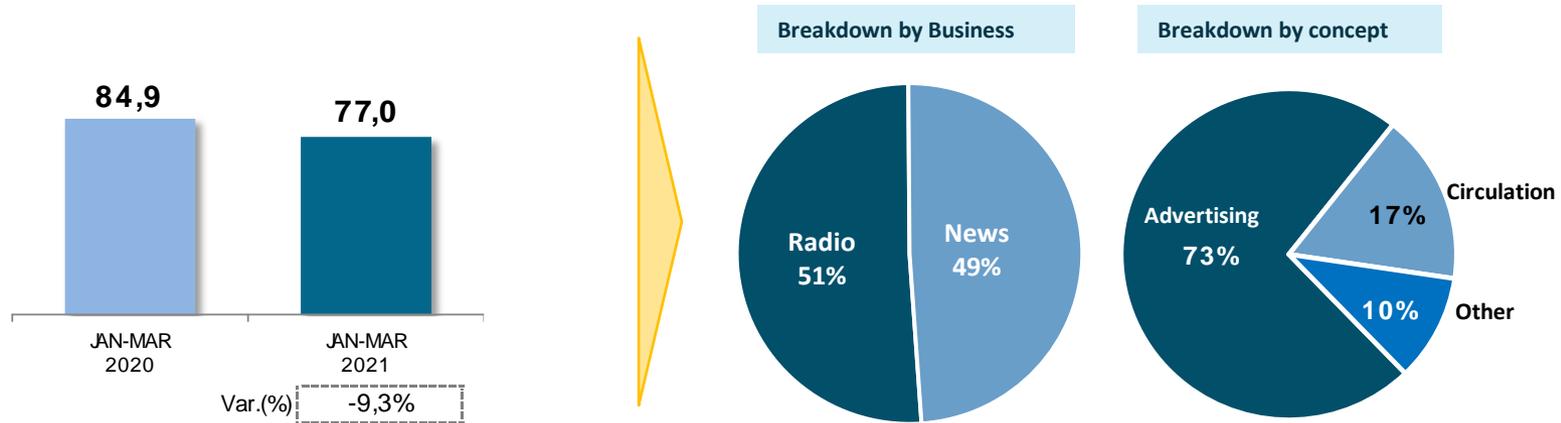


- Santillana has guaranteed school activity in total normality through its platforms and digital resources during pandemic
- Users and content consumption has increased exponentially
- Covid-19 is representing a fundamental change in Education accelerating the shift towards digital of both teachers and students

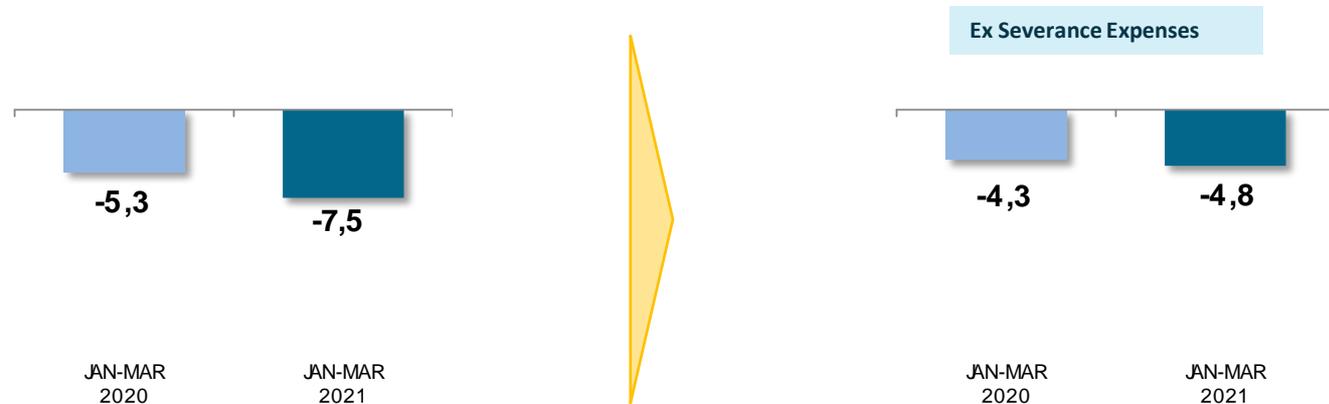
Subscription models continue to grow, proving its strength in a very difficult economic environment.

Q1 2021 Operating Overview – Prisa Media

Revenue Evolution (Mn€)



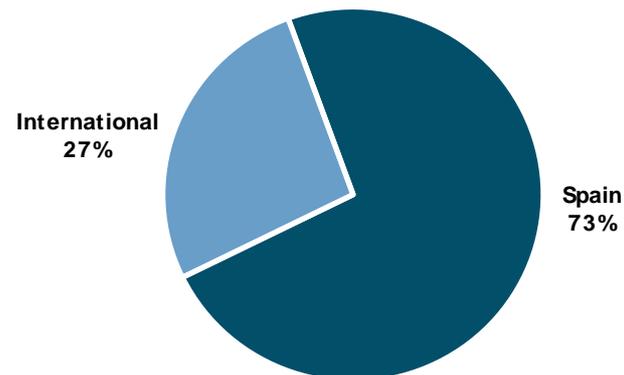
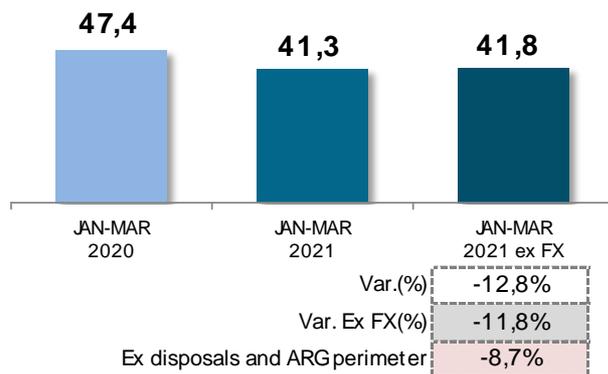
EBITDA Evolution (Mn€)



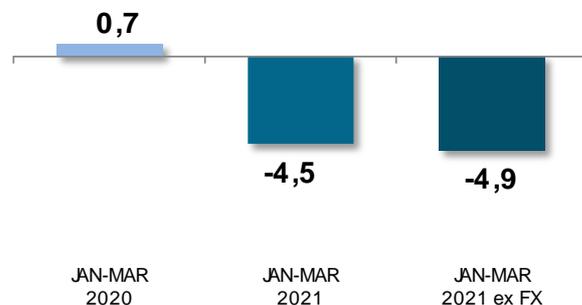
Despite the fall in revenues for the period as a whole (-9.3%), cost control has enabled the Media businesses to achieve an EBITDA similar to the same period of the previous year, excluding severance payments.

Q1 2021 Operating Overview – Radio

Revenue Evolution (Mn€)



EBITDA Evolution (Mn€)



Total Listening Hours and Podcast downloads reaching record levels

| | JANUARY - MARCH | | |
|---------------|--------------------|-------------|--------------|
| | 2021 | 2020 | Chg. |
| Millions | | | |
| | TLH | | |
| Spain | 33,0 | 27,5 | 19,8% |
| International | 32,2 | 28,6 | 12,7% |
| TOTAL | 65,2 | 56,1 | 16,2% |
| | PODCASTS DOWNLOADS | | |
| Spain | 20,3 | 15,8 | 28,6% |
| International | 8,2 | 6,0 | 34,9% |
| TOTAL | 28,4 | 21,8 | 30,3% |
| | PODIUM DOWNLOADS | | |
| TOTAL | 2,4 | 1,5 | 55,6% |

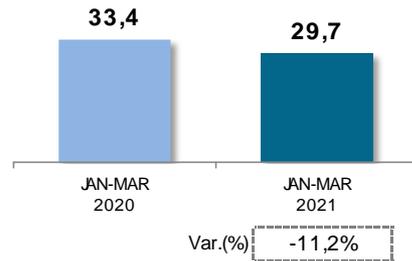
Business affected by declines in advertising market both in Spain and LatAm in January and February with March showing strong growth. Focus on digital audio content development increasing the streaming consumption and podcast downloads

Q1 2021 Operating Overview – Radio Spain & Radio LatAm

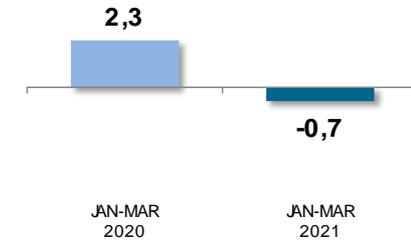
Radio Spain



Revenue evolution (Mn€)*



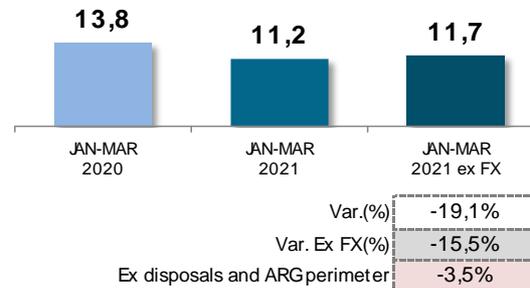
EBITDA evolution (Mn€) *



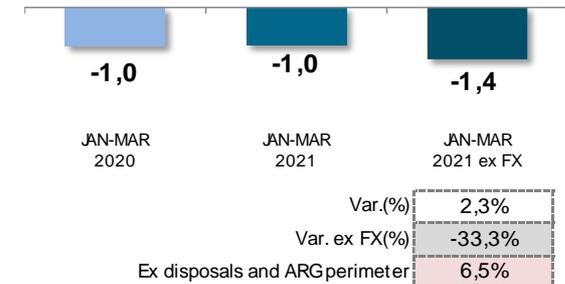
Radio Latam



Revenue evolution (Mn€)



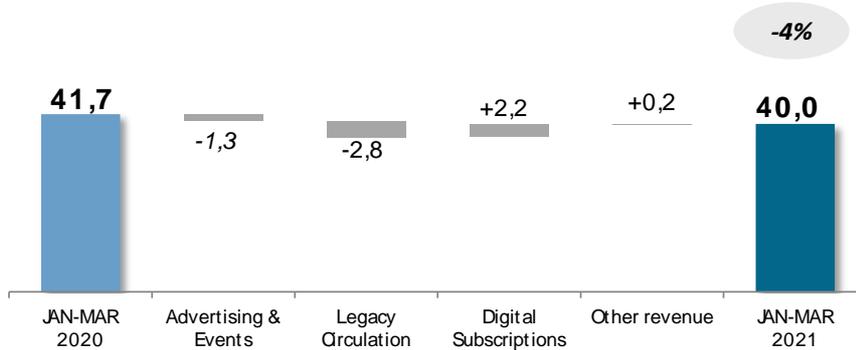
EBITDA evolution (Mn€)



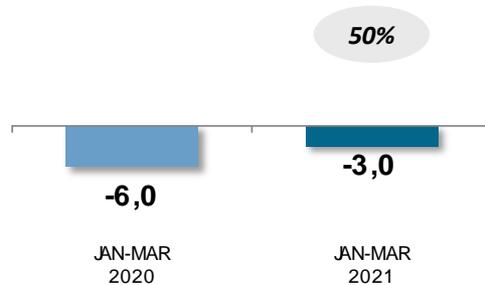
* Spain figures exclude HQ, Music and others.

Q1 2021 Operating Overview – News ⁽¹⁾

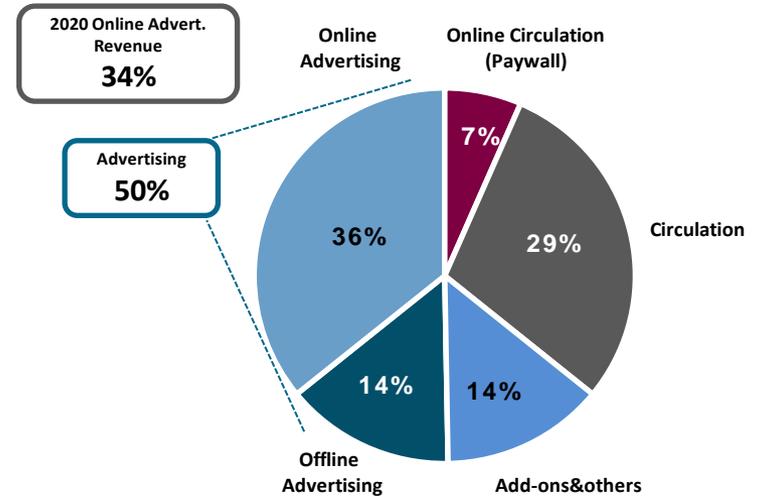
Revenue evolution (Mn€)



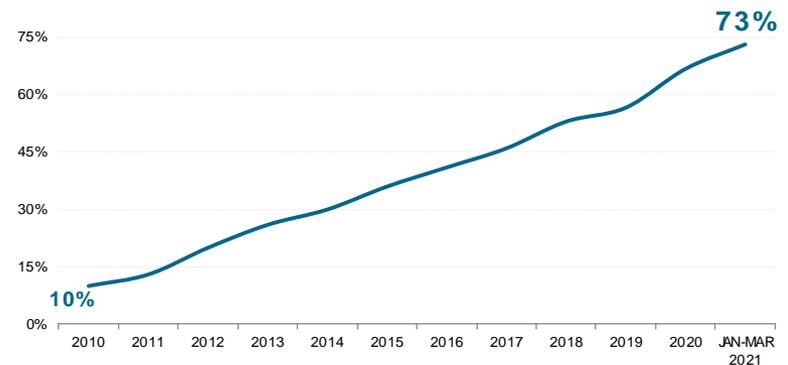
EBITDA evolution (Mn€)



News Revenues breakdown (excluding PBS&IT)



Online Advertising Contribution



Operating results conditioned by COVID-19 affecting both advertising and circulation trends with positive contribution from digital subscriptions

⁽¹⁾ News including PBS & IT.

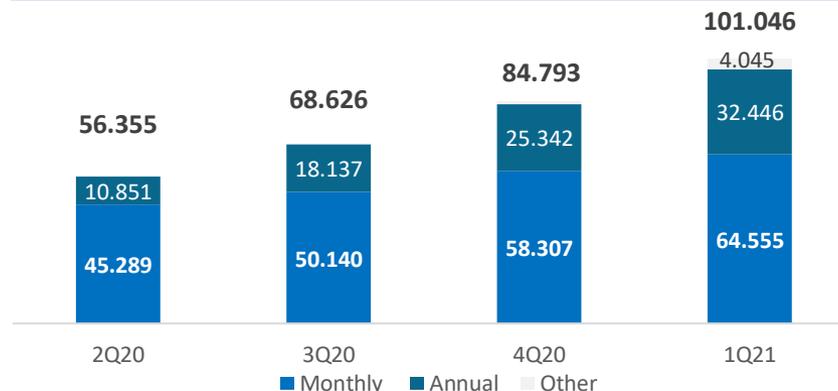
Q1 2021 Operating Overview – News ⁽¹⁾

PAYWALL LAUNCHING OF EL PAÍS

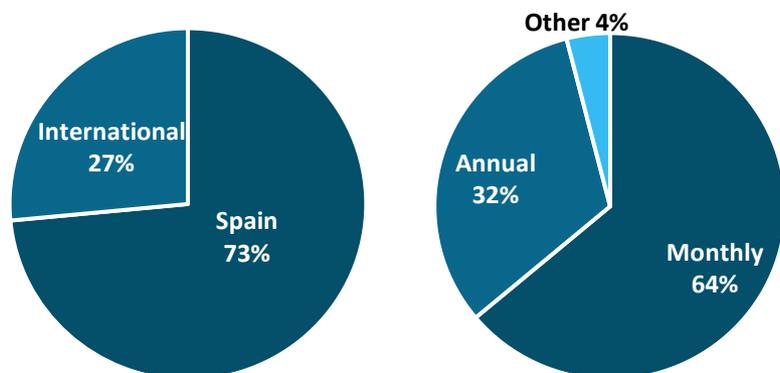
KEY HIGHLIGHTS

- Launching of registration model in July 2019
- Launching of paywall model 1st of May 2020
- **3,5Mn** readers registered
- **101,046** digital-only subscribers

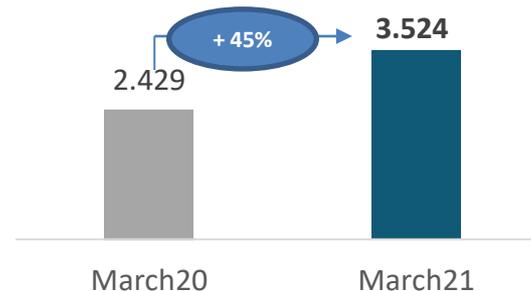
EVOLUTION OF DIGITAL-ONLY SUBSCRIBERS SINCE LAUNCHING



TYPE DIGITAL-ONLY SUBSCRIBERS AS OF MARCH



REGISTERED READERS (k)



El PAÍS paywall continuing to grow and demonstrating to be a profitable business that will consolidate and enlarge the digital business developed over the the past years

⁽¹⁾ News including PBS & IT.

4 Key Takeaways

Key Takeaways

- 1 Q1 2021 results show continued momentum in digital business despite being impacted by pandemic in line with expectations
- 2 Compliance with the cost reduction plan in place amounting 30 Mn euros in all business units
- 3 New organizational structure to accelerate the operational split of the Education and Media businesses with a greater focus on the businesses to maximize value.

5 APPENDIX

2021 Outlook

- **2021 is expected to be a year of transition due to global uncertainty resulting from the future consequences of Covid-19 (new waves, lockdowns, vaccine effectiveness, mobility restrictions). The macroeconomic outlook points to global growth in 2021 although pre-pandemic levels are not expected to be recovered until 2022/23.**
- **PRISA Outlook for 2021 both at Group level and by business unit is as follows:**

TOTAL GROUP

- **Operating growth in all business units with a difficult start of 2021 due to worst comparison with 2020 in the first months , which will recover throughout the year**
- **Continued improvement in total Group digital KPI's with significant growth in subscription models both in Education and El PAIS**
- **Fixed cost reduction plan amounting to 30 million euros in 2021 versus 2019 especially at the media businesses (excluding redundancies and FX). The plan includes permanent cost reductions of 15 million euros and temporary cost reductions of 15 million euros. Temporary cost reductions include the extension of extraordinary measures taken in 2020 such as salary reductions and renegotiation of contracts. The company keeps exploring additional efficiency measures**
- **Significant improvement in cash consumption compared to 2020 net of restructuring costs**

2021 Outlook (Cont'd)



1 EDUCATION

Focus on growth and extension of subscription models.

- **Private Market:**
 - **Subscription models:** Growth in students above 10% based on contracts closed to **date until reach circa 2 million students compared to 1.7 in 2020.**
 - **Traditional:** Market recovery subject to uncertainties about the evolution of the pandemic and the reopening of schools in all countries.
 - Expected transfer of students from private to public schools.
- **Public market:** Growth versus 2020 due to novelties in Ensino medio (PNLD) in Brazil.
- **Carve out of public and private business.**



2 RADIO

- **Maintenance of leadership** in Spain, Chile and Colombia.
- Advertising growth in line with market.
- Focus on the creation of new content and growth of digital products.



3 NEWS

- **Consolidation of the Subscription model increasing the subscriber base to over 150K vs 85k in December 2020.**
- Advertising growth in line with market.
- Focus on content and digital growth.

2021 Outlook (Cont'd)

Operating growth in all businesses with a difficult start of 2021 due to worse comparative in the first months with expected recovery throughout the year.

| | | 2020 | 2021 | 1Q | 2Q | 3Q | 4Q |
|-----------|----|--|--|--|--|--|----|
| EDUCATION | VS | <ul style="list-style-type: none"> Non recurrent public sales (€31Mn*) South campaign finalized with limited impact from pandemic <p>BRL/EUR:4.9 MXN/EUR:22.0 COL/EUR:3892</p> | <ul style="list-style-type: none"> Closure of distribution chain and schools physically closed <p>BRL/EUR:5.9 MXN/EUR:25.7 COL/EUR:4223</p> | <ul style="list-style-type: none"> North campaigns affected by schools physically closed <p>BRL/EUR:6.3 MXN/EUR:25.9 COL/EUR:4354</p> | <ul style="list-style-type: none"> Physically closed schools impacting the start of 21 South campaigns <p>BRL/EUR:6.4 MXN/EUR:24.5 COL/EUR:4352</p> | <p>PNLD repositions (public sales) 3Q/4Q →</p> | |
| | | <ul style="list-style-type: none"> Lack of public sales South campaign affected by physical closure of schools | <ul style="list-style-type: none"> Reopening of schools? | <ul style="list-style-type: none"> ¿Reopening of schools? North campaigns | <ul style="list-style-type: none"> Ensino medio novelties (Public sales) Start of 22 South campaigns | <p>PNLD repositions (public sales) 3Q/4Q →</p> | |
| | | <p>* Public sale corresponding to 2019 Brazil PNLD which was registered in 1Q 2020. 2020 PNLD sales were registered in total in 2020</p> | | | | | |
| MEDIA | VS | <ul style="list-style-type: none"> Advertising decline (-21%) | <ul style="list-style-type: none"> Advertising decline (-50.9%) Launching of Paywall EL PAÍS | <ul style="list-style-type: none"> Advertising decline (-25.6%) | <ul style="list-style-type: none"> Advertising decline (-11.5%) | | |
| | | <ul style="list-style-type: none"> Advertising performance in line with market: decline expected | <ul style="list-style-type: none"> Advertising performance in line with market: growth expected | <ul style="list-style-type: none"> Advertising performance in line with market: growth expected | <ul style="list-style-type: none"> Advertising performance in line with market: moderate growth expected | | |

EDUCATION

- Focused on e-learning, in a year marked by the pandemic, guaranteeing the normality of school activity by opening its technological platforms to all its students and teachers.
- Integrating the Sustainable Development Goals (SDGs) into the development of educational content.
- Promoting technology in education to support the development of social and individual well-being.
- Participation in programmes aimed at promoting creativity, innovation and technological and scientific development.
- Participation in foundations that promote professional and personal development, such as *Fundación Conocimiento y Desarrollo* or *Fundación Princesa de Girona*, among others.
- Participating in the education of **29 million** students in Latin America.

INFORMATION

- PRISA's media assets have fulfilled their social function during the pandemic. They have provided uninterrupted, in-depth, accurate and rigorous information to all citizens, placing special emphasis on their role as an essential service and strictly monitoring the actions of the authorities and public authorities.
- EL PAÍS has maintained free access to information on the health crisis throughout the pandemic and radio has prioritised service information.
- Fighting against fake news.
- Publisher Board.
- El País, SER and AS style books.
- Support for journalism that defends freedoms, independence and rigour with the Ortega y Gasset Awards.
- Response to social emergencies by collaborating with different foundations in solidarity actions such as *Acción contra el Hambre*, *Operación Frio* or *Kilos de solidaridad*, among others.
- Collaboration with the Gates Foundation on *Planeta Futuro*.



ENVIROMENT

Defending nature and the environment by collaborating with the World Wide Fund for Nature Conservation (WWF).

+20% of electricity consumed comes from renewable sources.



SOCIAL

Gender equality:

48% women in Staff

37% in management positions

95% Permanent contracts

30 Nationalities

- United Nations Global Compact Partner
- Alliance against Child Poverty



GOVERNANCE

Diverse and independent Board:

50% independent members

6 independent, **5** shareholder representative,

1 executive

Code of Ethics that applies to the entire workforce