



# GRUPO PRISA

## Issuance of Mandatory Convertible Notes with Pre-emptive Subscription Rights

January 10, 2023



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# TRANSACTION OVERVIEW\*



(\*) Public Offering for Subscription of Subordinated Notes Mandatorily Convertible into newly issued ordinary shares of Prisa, announced to the market on January 9, 2023, with recognition of shareholders' Pre-emptive Subscription Rights and prospectus prepared in accordance with Regulation (EU) 2017/1129 of the Parliament and of the Council, of June 14, 2017. Approved by the National Securities Market Commission (CNMV) in accordance with applicable regulations, available on the CNMV's website ([www.cnmv.es](http://www.cnmv.es)) and on the Company's website ([www.prisa.com](http://www.prisa.com)).

# OFFERING OVERVIEW

## OFFERING

**Up to €130m**

Subordinated Notes Mandatorily  
Convertible into newly issued common  
shares of Prisa



## USE OF FUNDS

**Partial prepayment**  
of the Company's syndicated financial  
debt (junior tranche)<sup>(1)</sup>, indexed at  
Euribor +8%

## TRANSACTION RATIONALE

Reduction of the Group's syndicated financial debt



### Reduce financial cost of debt

Improving the Company's financial position and achieving  
greater cash flow stability



### Reduce financial leverage

Strengthening the Company's balance sheet and increasing  
headroom over financial covenants



### Transaction open to participation

Any shareholder may subscribe the issuance and request,  
during the corresponding periods, the conversion of the Notes  
into shares





# MAIN INDICATIVE TERMS AND KEY MILESTONES OF THE OFFERING

|                                  |  |
|----------------------------------|--|
| <b>Issuer</b>                    | Promotora de Informaciones, S.A.   |
| <b>Offering</b>                  | Public offering of Subordinated Notes Mandatorily Convertible into newly issued ordinary shares of Prisa, up to a maximum notional amount of up to €130m             |
| <b>Maturity (conversion)</b>     | Mandatory in 2028 (5 years) - optional semi-annual conversion windows in May and November each year and extraordinary conversion periods under certain circumstances |
| <b>Coupon</b>                    | 1.00% fixed (per annum)  |
| <b>Nominal Value</b>             | €370 per debenture   |
| <b>Rights / obligation ratio</b> | For each 2,104 rights, one debenture may be subscribed   |
| <b>Conversion price</b>          | €0.37 fixed (subject to the usual adjustments in this type of transactions)  |
| <b>Conversion rate</b>           | 1 debenture = 1,000 shares; with a conversion price of €0.37, assuming no conversion price adjustments   |
| <b>Underwriting commitments</b>  | Irrevocable commitments from Amber Capital UK LLP and Vivendi, for 45.01% of the maximum offering size   |
| <b>Listing</b>                   | AIAF Mercado de Renta Fija (Spanish Regulated Market)  |

## TENTATIVE CALENDAR



Key milestones of the offering

- 
**10/01/2023**  
 Approval of the Securities Note by CNMV and publication
- 
**13/01/2023 – 26/01/2023**  
 Pre-emptive Subscription Period (rights trading)
- 
**01/02/2023**  
 Additional and Discretionary Allocation Periods
- 
**03/02/2023**
  - Settlement of the Convertible Notes
  - Registration of the Convertible Notes in Iberclear's accounting records (date of issuance)
- 
**07/02/2023**  
 Convertible Notes start trading

See complete calendar on page 15

# COMPANY'S MOMENTUM



# GLOBAL GROUP FOCUSED ON EDUCATION, INFORMATION AND ENTERTAINMENT



**RELEVANT PARTNER IN THE TRANSFORMATION AND DIGITIZATION OF THE K-12 ECOSYSTEM IN LATIN AMERICA**  
THROUGH INNOVATIVE CONTENT AND THE BEST TECHNOLOGY SOLUTIONS FOR STUDENTS AND SCHOOLS



Relevant positioning in most of Latin American countries



Ed-tech company with over 2.6 million education system subscriptions by Sep-2022



**ONE OF THE LARGEST HISPANIC MEDIA AND ENTERTAINMENT COMPANIES, AT THE FOREFRONT OF DIGITAL TRANSFORMATION,**  
WITH LEADING BRANDS IN SPAIN, LATIN AMERICA AND THE USA



One of the most relevant multimedia groups for Spanish-speaking audiences



Successful digital transformation of *El País*, with more than 200k digital subscribers by Sep-2022

## ROADMAP. REINFORCED POSITION OVER THE LAST 18 MONTHS

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### **Restructuring** (from July-2021)

Deep reorganization and restructuring process completed: optimization and efficiency. Maximization of the operational potential of the business: separation of the Private and Public businesses in Education and integration of the Press and Radio businesses in Media



### **Capital Markets Day** (March-2022)

For the first time in history, the Group presented a roadmap with clear and ambitious objectives for 2025. A plan based on 5 strategic pillars that constitute the framework for the future



### **Refinancing Agreement** (April-2022)

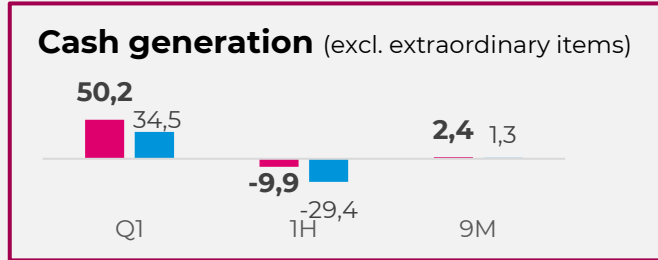
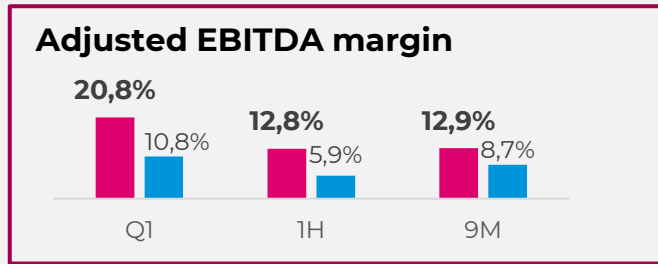
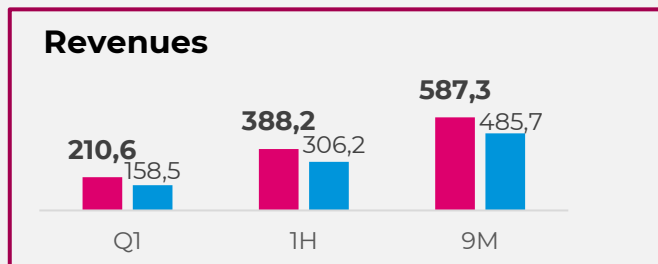
Strengthening the Group's balance sheet structure. Enhances flexibility and optionality: extended maturities, cost reduction, covenant resetting and early prepayment optionality



## 5 STRATEGIC PILLARS, FRAMEWORK FOR THE FUTURE

| FINANCIAL STABILITY  | FOCUS  | GROWTH   | BEST-IN-CLASS  | ESG   |
|--|--|--|--|---|
| <ul style="list-style-type: none"><li>· Lenders supporting business growth</li><li>· 5-year maturity and lower cost</li><li>· Flexibility: adequate covenants and early prepayment optionality</li></ul> | <ul style="list-style-type: none"><li>· Well defined perimeter: Education &amp; Media</li><li>· Result oriented (delivery)</li><li>· Renewed culture</li></ul> | <ul style="list-style-type: none"><li>· Mainly organic</li><li>· Accelerating digital contribution</li><li>· Innovation: technology and contents</li></ul> | <ul style="list-style-type: none"><li>· Relevant position across all businesses</li><li>· Strong Brands</li><li>· Global Platforms</li></ul> | <ul style="list-style-type: none"><li>· Solid commitment to the 5 SDGs defined as strategic for the Group</li><li>· Tangible objectives to meet commitments</li></ul> |

# TO DATE (Sep-2022), ON TRACK TO ACHIEVE THE 2022 OBJECTIVES



## GUIDANCE 2022

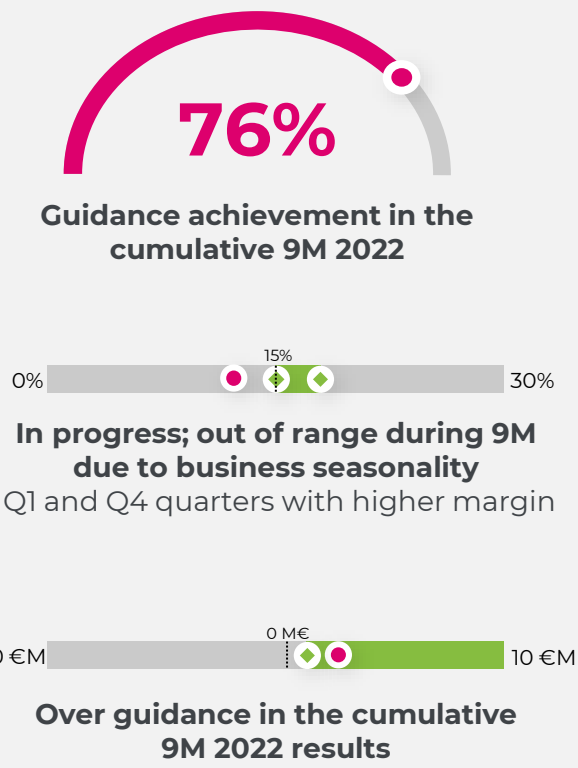
# 770-800

Million euros

# 15-17%

# > 1,6

Million euros



■ 2022   ■ 2021

Sources: PRISA Results Presentation 1Q, 2Q, 3Q 2022, October 25th, 2022 (<https://www.prisa.com/uploads/2022/04/q1-2022-results-presentation-def.pdf>); (<https://www.prisa.com/uploads/2022/07/h1-2022-results-presentation-def.pdf>); (<https://www.prisa.com/uploads/2022/10/q3-2022-results-presentation.pdf>);

# STRONG PERFORMANCE OF THE MEDIA BUSINESS

## ADVERTISING

Relevant market share among media players



**+5%**

Net advertising revenue growth vs 2021 despite challenging market conditions

- ❑ Outstanding international performance: +20% vs 2021
- ❑ In Spain, advertising in line with 2021, despite lack of events during 9M 2022 (Euro 2021)

## AUDIENCE

vs. 2021

**23m**

Radio listeners

**+7%**



**230m**

Unique Browsers

**-10%**



**46m**

Audio downloads

**+43%**



**79m**

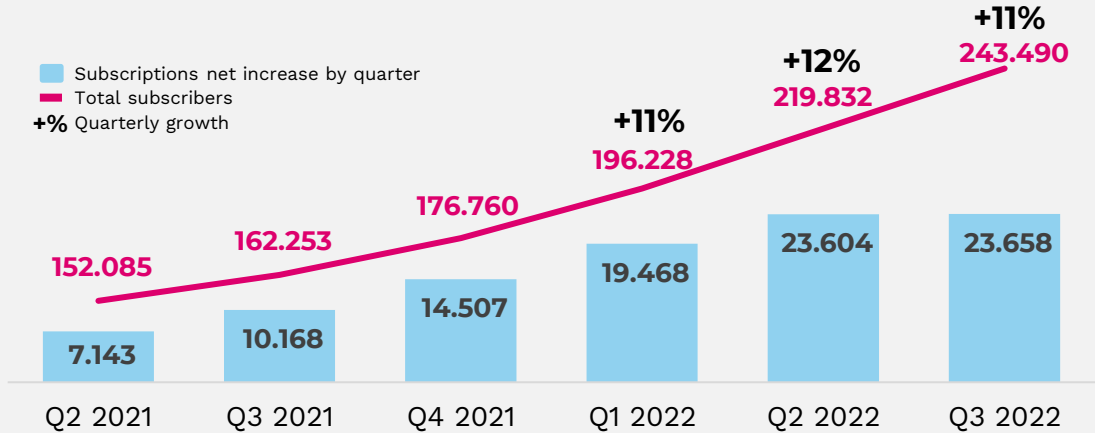
Total Listening Hours

**+19%**



## “EL PAÍS” SUBSCRIPTION MODEL PERFORMANCE (k)

Outstanding positioning in the Hispanic market of press digital subscriptions



**+50%**

Total subscribers' annual growth

- ❑ >243k subscribers, of which >204k are digital-only subscribers
- ❑ >66,000 digital-only net additions in the first nine months of 2022
- ❑ >11% Compounded Quarterly Growth Rate in 2022

# AND STRONG PERFORMANCE OF THE EDUCATION BUSINESS AS WELL

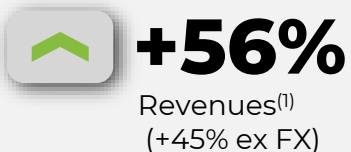
## LEARNING SYSTEMS

Boosted by market transformation



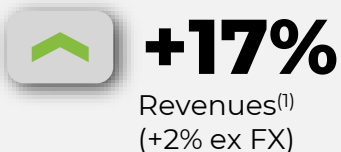
## EDUCATIONAL

Overall post-pandemic recovery



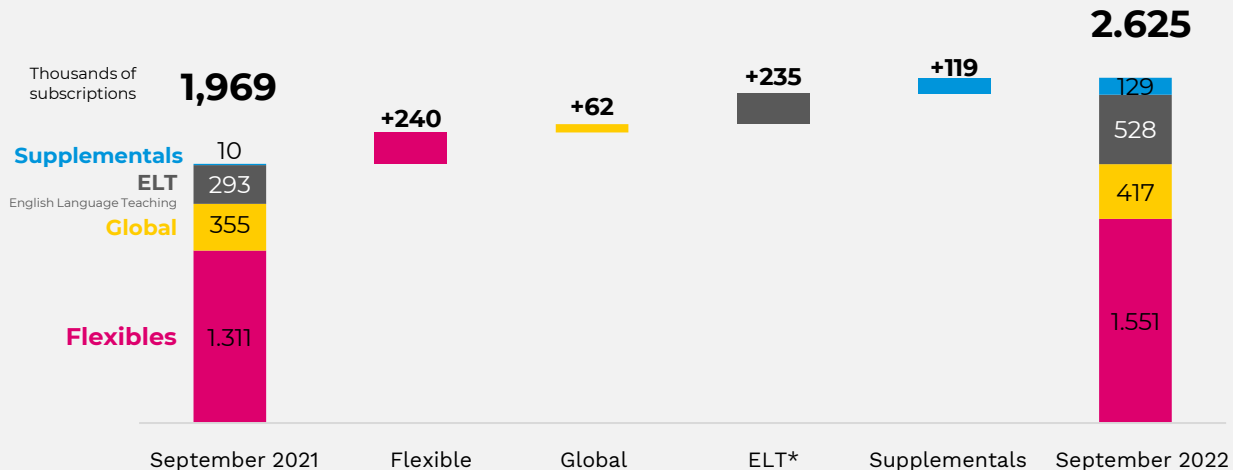
## PUBLIC MARKET

Strong performance in Mexico, pending Brazil



## DIGITAL SUBSCRIPTION MODELS PERFORMANCE

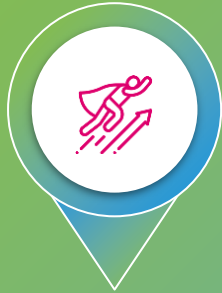
Acceleration of subscription models with outstanding results in both the South and North Campaigns



- ❑ North campaign subscriptions: +29%
- ❑ +117% YoY growth in supplementals and ELT
- ❑ >656 thousands of new subscriptions in the first 9 month during 2022

(1) Revenue growth vs. 2021  
Source: PRISA Results Presentation 3Q 2022, October 25th, 2022 (<https://www.prisa.com/uploads/2022/10/q3-2022-results-presentation.pdf>)

# THE GROUP, ON THE ROAD TO ACHIEVE TARGETS FOR 2025



**TOP LINE  
GROWTH**

**~ €1,000M**  
Revenues



**MARGIN  
EXPANSION**

**22%-25%**  
**EBITDA Margin**  
(ex severance payments)



**CASH FLOW  
GENERATION**

**~ €300m**  
Accumulated FCF  
(Debt service cash  
generation)



**DIGITALIZATION**

**52%**  
Digital Revenues

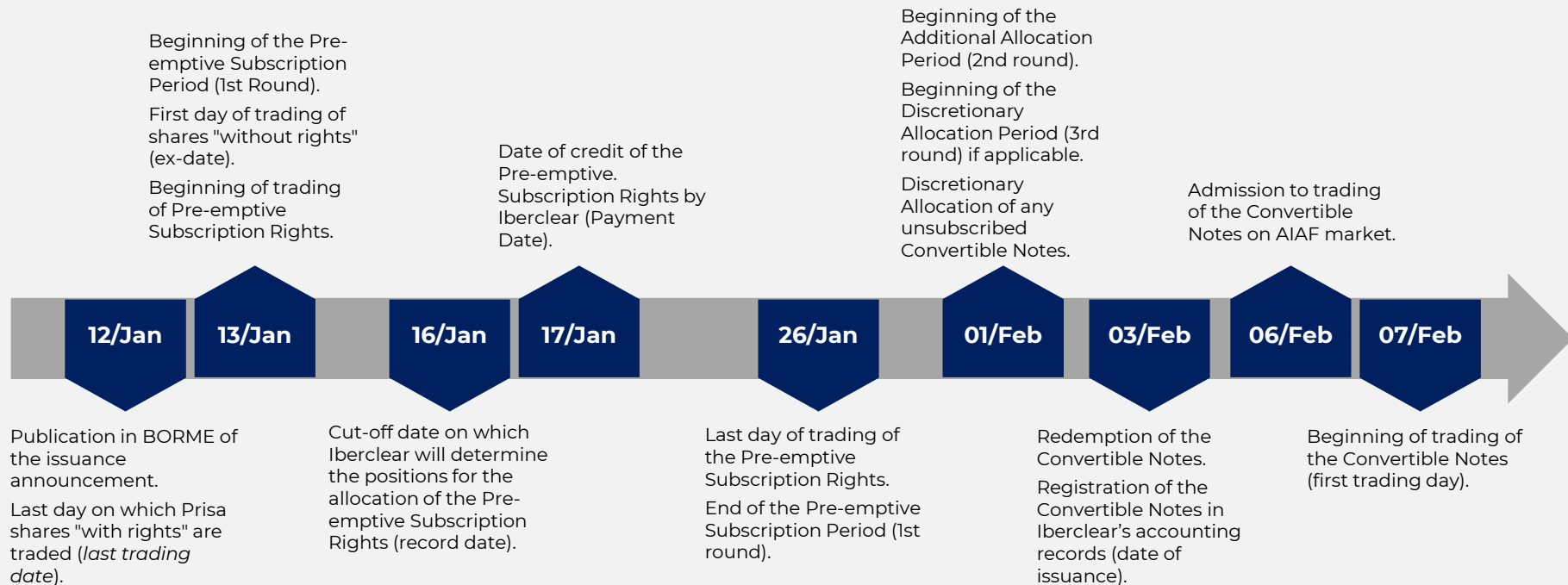
# APPENDIX

## Offering Details\*



(\*) Public Offering for Subscription of Subordinated Notes Mandatorily Convertible into newly issued ordinary shares of Prisa, announced to the market on January 9, 2023, with recognition of shareholders' Pre-emptive Subscription Rights and prospectus prepared in accordance with Regulation (EU) 2017/1129 of the Parliament and of the Council, of June 14, 2017. Approved by the National Securities Market Commission (CNMV) in accordance with applicable regulations, available on the CNMV's website ([www.cnmv.es](http://www.cnmv.es)) and on the Company's website ([www.prisa.com](http://www.prisa.com)).

# TENTATIVE OFFERING CALENDAR FOR THE ISSUANCE OF CONVERTIBLE NOTES INTO NEWLY ISSUED COMMON SHARES OF PRISA



# OFFERING MECHANICS (I/II)

## 1st ROUND

### Pre-emptive Subscription Period

Shareholders of the company are entitled to Pre-emptive Subscription Rights provided that they have acquired their shares by the date of publication of the issuance announcement in the BORME (last trading date: expected to be January 12, 2023) and that they appear as shareholders in Iberclear's records within the following 2 trading days (record date: scheduled for January 16, 2023).

Each shareholder will be entitled to 1 Pre-emptive Subscription Right for each share of the company held.

Shareholders may subscribe Convertible Notes provided that they hold 2,104 Pre-emptive Subscription rights for each Convertible Note to be subscribed.

In order to exercise the Pre-emptive Subscription Rights, shareholders must contact the entity in whose registry the Subscription Rights are recorded, indicating their wish to exercise the aforementioned right.

This way, Prisa's shareholders complying with the above, will be able to exercise their right to subscribe a number of Convertible Notes at a price (Issue Price) of 370 euros per Convertible Note.

The Pre-emptive Subscription Rights are expected to be traded during the Pre-emptive Subscription Period.

Full payment of the issue price for each of the Convertible Notes subscribed during the 1st Round must be performed by investors at the same time of placing the subscription order through the corresponding participating entity.

## 2nd ROUND

### Additional Allocation Period

In the event that at the end of the 1st Round, there were any remaining Convertible Notes, an additional allocation process will be opened. The Allocation of the Additional Convertible Notes will take place on the fourth trading day following the end of the first round (scheduled to be on February 1, 2023).

These Notes will be allocated to investors who, during the Pre-emptive Subscription Period, have exercised all of their rights and have also requested the subscription without any quantitative limit of Additional Convertible Notes, as long as there are any unsubscribed Notes at the end of the 1st Round.

The full payment of the issue price for each of the Convertible Notes subscribed during the 2nd Round must be performed by investors through the corresponding participating entity through which they have placed their additional subscription orders.



# OFFERING MECHANICS (II/II)

## 3<sup>rd</sup> ROUND

### **Discretionary Allocation Period**

In the event that, at the end of the Additional Allocation Period, there were any unsubscribed Notes left, the Discretionary Allocation Period will be opened.

The 3<sup>rd</sup> Round is scheduled to begin immediately after the end of the Additional Allocation Period and end no later than 5:30 p.m. on the same day (scheduled to be on February 1, 2023).

During the 3<sup>rd</sup> Round, the global coordinators and underwriters will assist the issuer in the placement of the Convertible Notes. The global coordinators and underwriters must inform the company no later than 5:30 p.m. on the total volume of subscription proposals received from investors.

The full payment of the issue price for each of the Convertible Notes Subscribed during the 3<sup>rd</sup> Round must be performed by investors through the corresponding participating entity through which they have placed their subscription orders.

## CLOSING

### **Early Closing**

However, Prisa may terminate the offering early at any time, provided that the issuance has been fully subscribed.



[www.prisa.com](http://www.prisa.com)