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REPORT ISSUED BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES S.A. ON THE PROPOSED RESOLUTION OF THE DISPOSAL TRANSACTION INCLUDED IN ITEM TWO OF THE AGENDA OF THE EXTRAORDINARY SHAREHOLDERS' MEETING CALLED FOR JANUARY 29 AND 30, 2020, ON FIRST AND SECOND CALL, RESPECTIVELY.

I. Subject of the Report

The Board of Directors of PROMOTORA DE INFORMACIONES, S.A. ("**PRISA**", or the "**Company**") issues this report (the "**Report**") to justify the proposal that, to the effects of art. 160.f) of the Capital Companies Act ("**CCA**"), will be submitted to the approval of the General Shareholders' Meeting under item two of the Agenda, to be held on 29 January 2020 on first call, and 30 January 2020, on second call, in relation to the disposal of 100% of the share capital of Vertix, SGPS, S.A. ("**Vertix**") to the Company Cofina – SGPS, S.A. ("**Cofina**"), involving the indirect sale of 94.69% of the share capital of de Grupo Média Capital, SGPS, S.A. ("**Média Capital**") (hereinafter, the "**Transaction**").

This Report will be made available to the Company's shareholders as from the date of publication of the call notice of the General Shareholders' Meeting, which shall on the proposal to approve the Transaction.

II. Essential nature of the asset and the power of the General Shareholders' Meeting

In accordance with art. 160.f) of the CCA, the approval of the transfer of an essential asset is one of the legal powers of the general shareholders' meeting.

The Company's Board of Directors considers that its listed subsidiary Media Capital is an essential asset, given that it is the main asset within one of the four Companies' activities or business units, such as the media one; in this regard, PRISA, through Media Capital, is currently one of the main commercial television operators in Portugal with TVI, as well as a reference in the production and distribution of information and fictional TV shows in Portuguese, with projection in the Portuguese-speaking countries in Africa.

In light of the above, and the approval required for the Transaction by the General Shareholders' Meeting, the Board of Directors has approved this Report, which will be made available to all the Company's shareholders.

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III. Precedents and terms of the share purchase agreement

On September 20, 2019, the Company (as *Seller*) and Cofina (as *Purchaser*) entered into a share purchase agreement for 100% of the share into which Vertex's share capital is divided, which entails the indirect transfer of 94.69% of the share capital that PRISA holds, through Vertex, in Media Capital, a company listed on the regulated market of Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A. The share purchase agreement was modified in some aspects in order to give greater certainty of the execution to the Transaction through an Addendum subscribed on December 23, 2019 (hereinafter, the initial share purchase agreement and the Addendum will be jointly referred to as the "**Share Purchase Agreement**").

The price to be received by PRISA for the sale of 100% of Vertex shares is set in the Share Purchase Agreement, based on an "Enterprise Value" of Media Capital of Eur 205,000,000, which, subtracting the net debt considered for the Transaction, entails a price of Eur 123,289,580.00 euros for the indirect stake of PRISA in Media Capital.

The Transaction is subject to different conditions precedent which are standard in this kind of transactions. Said conditions precedent consist of the approval of the Transaction by the Portuguese Media Regulator (Entidade Reguladora para Comunicação Social –ERC-) and Antitrust Authority (*Autoridade da Concorrência*); the Company's General Shareholders' Meeting and its financial creditors; as well as the approval and execution of a capital increase by Cofina (to which Cofina obtained prior to signing the Share Purchase Agreement financing commitments from its main shareholders and investors).

In connection with the conditions precedent, the Board of Directors states that, prior to this Report, the Portuguese Antitrust Authority (*Autoridade da Concorrência*) issued a non-opposition report for the Transaction, with its final decision expected in the coming days.

Being approved by the General Shareholders' Meeting and if the rest of the conditions are fulfilled, the Transaction is expected to be closed in the first quarter of 2020.

As standard in this type of transaction, from the date of execution of the Share Purchase Agreement until closing, the Company must procure that both Vertex and its subsidiaries, including Media Capital, operate within the ordinary course of business.

The Share Purchase Agreement also includes a liability regime applicable to PRISA, as seller, which is standard in this type of transaction, based on the representations and warranties and which affects the shares and capital of the transferred companies, their assets and liabilities and the Media Capital business and their respective financial statements. In the same vein, the Share Purchase Agreement includes standard limits to PRISA's liability, such as a liability cap, threshold and *de minimis*, as well as a maximum liability period. Also, certain indemnities are established for Cofina, which are not subject to the aforementioned limits.

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IV. Implications of the Transaction for the Company and economic grounds

From a financial perspective, the Transaction enables the Company to take a further step within its process to reduce the corporate debt, which is added to all those steps taken since 2013, when the Company reached an agreement with its creditors to refinance the existing debt, which was modified on 29 June 2018 when the current financing became effective. Since December 2013, Eur 2,231,385,000 have been amortized (67.3% of the then existing corporate debt) by means of asset sales, capital increases, bond issues and debt buybacks with a discount, all of them having been opportunely notified to the market.

From an accounting perspective, and without bearing in mind the potential adjustments to the price referred to in section III, the Transaction would entail an accounting loss, additional to the one reflected in the financial statements as of 30 September 2019, of approximately EUR 54.3 million in PRISA's consolidated and individual accounts.

Without prejudice to the accounting loss generated as a result of the execution of the Share Purchase Agreement, the Board of Directors considers that, within the current economic context of the Portuguese media sector and the Company's corporate situation, the Transaction and the price to be received by PRISA are beneficial to PRISA's corporate interests, as it entails a measure which will help to improve the Company's financial situation and commitments, in addition to some others.

Taking these reasons into consideration, the Board of Directors recommends the approval of the Transaction by the Company's General Shareholders' Meeting.

V. Proposed resolution submitted to approval by the Extraordinary General Shareholders' Meeting

Based in the foregoing, the following proposed resolution is submitted to the approval of the Extraordinary General Shareholders' Meeting:

On September 20, 2019, Promotora de Informaciones, S.A. (as Seller) and Cofina-SGPS, S.A. (as Purchaser) entered into a share purchase agreement for 100% of the share into which Vertex, SGPS, S.A.'s share capital is divided (the "Share Purchase Agreement"), which entails the indirect transfer of 94.69% of the share capital of Grupo Média Capital, SGPS, S.A., a company listed on the Euronext market of Lisbon-Sociedade Gestora de Mercados Regulamentados, S.A. Said Share Purchase Agreement, which was modified in some aspects in order to give greater certainty of execution to the Transaction through an Addendum subscribed on December 23, 2019, is subject to the fulfilment of certain conditions precedent, among which is the approval thereof by the General Shareholders' Meeting of Promotora de Informaciones, S.A.

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The main terms and conditions of the transaction have been detailed in the report issued by the Board of Directors, which has been made available to the shareholders as from the date of publication of the call notice for the General Shareholders' Meeting.

To the effects of art. 160.f) of the Capital Companies Act, as well as to comply with the mentioned condition precedent and make the share purchase agreement effective once the fulfilment of other conditions precedent are verified, the disposal by Promotora de Informaciones, S.A. of 100% of the share capital of Vertix, SGPS, S.A. to Cofina –SGPS, S.A. is hereby approved, delegating to the Board of Directors, with express substitution authority to any of the Board Members deemed appropriate or to the Secretary of the Board of Directors, all those authorities required or expedient for the execution of the transaction”.

In Madrid, on December 23, 2019