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In case of discrepancies between the Spanish original and  
the English translation, the Spanish version shall prevail*

## **2019 RELATED-PARTY TRANSACTIONS REPORT**

### **AUDIT, RISKS AND COMPLIANCE COMMITTEE**

Pursuant to Recommendation 6 of the Code of Good Practices for Listed Companies, approved by the Spanish Securities Market Commission (CNMV), the Audit, Risks and Compliance Commission of PROMOTORA DE INFORMACIONES, S.A. (hereinafter, PRISA, the Company or, when mentioning its consolidated Group, GRUPO PRISA) has prepared this related-party transactions report for 2019, which will be posted on the PRISA website ([www.prisa.com](http://www.prisa.com)) when the next ordinary general shareholders' meeting is called.

In accordance with Article 529 ter of the Corporate Enterprises Act, and Article 5 of PRISA's Board of Directors Regulation, it is the responsibility of the Board of Directors, among other non-delegable powers, to approve, following a report from the Audit, Risks and Compliance Committee, related party transactions as defined by currently applicable legislation.

#### **1. Internal procedure for the authorization of related operations (article 40 of the Board of Directors Regulations of PRISA):**

Any transaction conducted by the Company with directors and shareholders who are considered major shareholders under securities market regulations applicable at any time or that have proposed the appointment of any of the Company's directors, or with related parties, defined as any of the persons described in applicable regulations, shall require the authorization of the Board of Directors – or the Delegated Committee with the subsequent confirmation of the Board of Directors if it constitutes an emergency, as long as the emergency exists – in all events following a report by Audit, Risks and Compliance Committee.

The Audit, Risks and Compliance Committee and the Board of Directors or the Delegated Committee, before disclosing or authorizing transactions conducted by the Company of this nature, shall assess the operation from a perspective of equal treatment of shareholders and considering market conditions.

Notwithstanding the provisions of the previous paragraph, authorization corresponds to the General Meeting if the transaction exceeds a value of 10% of the corporate assets.

For transactions of a recurring nature conducted during the ordinary course of the Company's business under standard market conditions for customers or suppliers, and of minor importance, defined in this case as being those transactions with information that is not necessary to provide a true picture of the assets, the financial

situation and the results of the company, the prior authorization of the Board for the generic line of transactions is sufficient.

The authorization provided for in the previous paragraphs shall not be required, however, if the related transactions involved meets all of the following conditions simultaneously:

- (i) they are conducted under contracts with standard terms and are applied en masse to a significant number of customers or suppliers;
- (ii) they are conducted at prices or rates generally established by the party acting as supplier of the product or service involved; and
- (iii) the amount of the transaction does not exceed 1% of the Company's annual income.

For the Company to be able to identify potential related transactions in advance, the directors shall keep the Board informed about direct or indirect interests or significant influenced in companies or entities that maintain commercial or business relationships with the Company.

The directors who are affected by the associated transactions or who represent or are associated with the affected shareholders, in addition to not casting or delegating their vote, shall not attend the meeting while the Board or the relevant Committee deliberate and vote on them.

The Board of Directors shall include in its annual public information a summary of the transactions conducted by the company with its directors and major shareholders.

The aim of the information shall be the total volume of the transactions and the nature of the most significant ones.

## **2. Related-party transactions in 2019**

### ***Transactions with significant shareholders:***

- i. In April 2019 the Company has increased its share capital, with preemption rights, for an amount of EUR 141,228,699.18, through the issuance and subscription of 150,243,297 new ordinary shares at a nominal value of EUR 0.94 each, of the same class and series as the shares outstanding. The issue price of the shares was EUR 1.33 each (EUR 0.94 nominal value and EUR 0.39 share premium each).

This capital increase was subscribed, among others, by some significant shareholders of PRISA as it is detailed in their statements to the CNMV

- ii. As part of this capital increase and as stated in Significant Event Disclosure 276277 of March 20, 2019, the Company authorized the signing of an underwriting and placement agreement with Banco Santander, S.A. (as Global Senior Coordinator and Joint Bookrunner), Morgan Stanley & C. International plc (as Global Coordinator and Joint Bookrunner) and Alantra Capital

Markets, S.V., S.A. (as Co-Lead Manager). Banco Santander is a significant shareholder of PRISA.

- iii. Authorisation has also been given to appoint a Banco Santander subsidiary to provide financial advice in the sale of a Grupo PRISA asset.
- iv. A generic line of commercial transactions has also been signed off involving Santillana (a Grupo PRISA subsidiary) and Telefónica, S.A. Group companies (a significant shareholder of PRISA). This involves running certain events, and creating and publishing content, all within the educational, training and literary sphere, as party of the respective Group company's ordinary operations and for transactions of little importance.

Regardless of the above-mentioned transactions, PRISA and its Group companies did not perform any transactions with their significant shareholders which, according to prevailing legislation or the provisions of the Board of Directors Regulation, require prior authorization from the Board of Directors during 2019.

According to PRISA's 2019 Consolidated Financial Statements and Annual Corporate Governance Report, PRISA and its Group companies have performed certain transactions with some of its significant shareholders that did not require authorization.

***Transactions with directors:***

In 2019, no transactions were performed with PRISA directors that required the Board of Directors' approval. Nonetheless, the following is noted:

- i. According to information published on the website of the CNMV, the capital increase carried out in April 2019 was subscribed by the following PRISA directors:

Directors' Name	Number of Direct Voting Rights subscribed	Number of Indirect Voting Rights Subscribed
Mr Francisco Javier Monzón de Cáceres	25,007	-
Mr Joseph Oughourlian (a través del también consejero Amber Capital UK LLP*)	-	45,741,645
Mr Manuel Mirat Santiago	21,131	-
Mr Manuel Polanco Moreno	9,010	-
Mr Francisco Javier Gómez Navarro- Navarrete	2,278	-
Shk. Dr. Khalid Thani Abdullah Al-Thani	-	8,266,811 (through International Media Group, S.A.R.L.)

*\*The transactions of Amber Capital UK LLP have, in turn, been performed by the following companies: Oviedo Holdings SARL, Amber Active Investors Limited and Amber Global Opportunities Limited.*

- ii. The director Shk. Dr. Khalid bin Thani bin Abdullah Al Thani is Vice-Chairman of the Dar Al-Sharq media group, which in 2017 entered into a strategic alliance with Diario As (a PRISA Group company), for the launch of AS Arabia. This transaction was already disclosed in the reports of previous years.

- iii. Authorisation was given for a transaction between PRISA and a company indirectly related to one of the Company's Board members, although this transaction was not ultimately formalised and completed.

***Other related-party transactions:***

During 2019, the PRISA Group performed transactions with other companies in which it holds a direct or indirect stake but not control. Board approval was not required in 2019 with regard of these transactions.

**3. Information on related-party transactions**

PRISA's Consolidated Annual Accounts and Annual Corporate Governance Report for 2019 provide additional disclosures on the Company's related-party transactions.

In accordance with applicable legislation in force, transactions between companies in the same consolidated group (i.e. between PRISA Group companies) eliminated during the preparation of the consolidated financial statements and which are part of the companies' normal business in terms of their purpose and conditions, have not been included herein.

Information is also provided aggregate with regard to items with similar content.

April 2020