LOUIS HACHETTE GROUP

INFORMATION DOCUMENT - 7TH NOVEMBER 2024

LOUIS HACHETTE GROUP

Louis Hachette Group

(a limited liability company (société anonyme) governed by the laws of France)

Admission to listing and trading of all ordinary shares on Euronext Growth (Paris)

This information document (the "**Information Document**") has been prepared in connection with the admission to listing and trading (the "**Admission**") of all issued and outstanding ordinary shares in the share capital of Louis Hachette Group, a limited liability company (*société anonyme*) governed by the laws of France ("**Louis Hachette**", the "**Company**" or the "**Issuer**"), with a nominal value of EUR 0.20 each (the "**Louis Hachette Shares**") on Euronext Growth (Paris), a multilateral trading facility operated by Euronext Paris S.A. ("**Euronext Growth (Paris)**").

The Admission is made in connection with the separation of the Publishing and Travel Retail businesses of Vivendi SE, a *Societas Europaea* governed by the laws of France ("**Vivendi**") and listed on Euronext Paris, a regulated market operated by Euronext Paris S.A. ("**Euronext Paris**"), from Vivendi's other business segments. The Publishing and Travel Retail Businesses of Vivendi, namely the business operated through (i) Lagardère SA, a limited liability company (*société anonyme*) governed by the laws of France ("**Lagardère SA**"), together with Lagardère SA's direct and indirect subsidiaries, and (ii) Prisma Group, a simplified joint-stock company (*société par actions simplifiée*) governed by the laws of France ("**Prisma S.A.S.**"), together with Prisma S.A.S.'s direct and indirect subsidiaries, will be separated from Vivendi pursuant to a partial asset contribution subject to the French legal regime applicable to demergers (*apport partiel d'actifs soumis au régime des scissions*), whereby Vivendi will contribute to the Company (i) all of the ordinary shares it holds in the share capital of Lagardère SA as at September 30, 2024, and (ii) all of the ordinary shares it holds in the share capital of Prisma S.A.S., and the Company will issue and allocate new ordinary shares directly to the shareholders of Vivendi, as further described in the Information Document (the "**Louis Hachette Group Partial Demerger**"). Approval of the Louis Hachette Group Partial Demerger by the shareholders of Vivendi will be sought at the combined general meeting of the shareholders of Vivendi to be held on or around December 9, 2024 (the "**Vivendi General Meeting**").

Prior to the Admission, there has been no public market for the Louis Hachette Shares. Application has been made to admit all of the Louis Hachette Shares to listing and trading under the ticker symbol "ALHG" with International Securities Identification Number ("**ISIN**") FR001400TL40 on Euronext Growth (Paris). Trading in the Louis Hachette Shares on Euronext Growth (Paris) will start at 9:00 a.m. (CET) on December 16, 2024 (the "**Listing Date**"), initially on an "*if-and-when-delivered*" basis. Regular trading in the Louis Hachette Shares on Euronext Growth (Paris) will start at 9:00 a.m. (CET) on December 18, 2024.

Crédit Agricole CIB is acting as listing sponsor (in such capacity, the "**Listing Sponsor**"). BNP Paribas, Crédit Agricole CIB and Goldman Sachs Bank Europe SE are acting as joint financial advisors (in such capacity, the "**Lead Financial Advisors**"). Bank of America, Banque Hottinguer, Barclays, CIC, Citi, Evercore, HSBC, Lazard, Morgan Stanley, Natixis and Société Générale are acting as financial co-advisors (in such capacity, the "**Co-Financial Advisors**"). Banco Santander, COMMERZBANK, Intesa Sanpaolo, J.P. Morgan and Mizuho are acting as other financial advisors (in such capacity, the "**Other Financial Advisors**" and, together with the Lead Financial Advisors and the Co-Financial Advisors, the "**Financial Advisors**"). The Listing Sponsor, the Financial Advisors and the Settlement and Paying Agent are acting exclusively for the Company and/or Vivendi and no one else in connection with the Admission. They will not regard any other person (whether or not a recipient of this document) as their respective client in relation to the Admission and will not be responsible to anyone other than the Company and Vivendi for providing the protections afforded to their respective clients, nor for giving advice in relation to the Admission or any transaction or arrangement referred to herein. The Financial Advisors are acting only in respect of the Admission.

Distribution of the Information Document may, in certain jurisdictions, be subject to specific regulations or restrictions. The Louis Hachette Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, or under the securities laws of any state of the United States. Persons in possession of the Information Document are urged to inform themselves of any such restrictions which may apply in their jurisdiction and to observe them. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Vivendi and Louis Hachette disclaim all responsibility for any violation of such restrictions by any person. Neither Vivendi nor Louis Hachette is taking any action to permit a public offering of Louis Hachette Shares in any jurisdiction.

The Information Document is dated November 7, 2024.

Listing Sponsor

Crédit Agricole CIB

Lead Financial Advisors

BNP Paribas	**Crédit Agricole CIB**	**Goldman Sachs Bank Europe SE**

Co-Financial Advisors

Bank of America	**Banque Hottinguer**	**Barclays**
CIC	**Citi**	**Evercore**
HSBC	**Lazard**	**Morgan Stanley**
Natixis		**Société Générale**

Other Financial Advisors

Banco Santander	**COMMERZBANK**	**Intesa Sanpaolo**
J.P. Morgan		**Mizuho**

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Introduction

This summary should be read as an introduction to the information document (the "**Information Document**") prepared in connection with the admission to listing and trading (the "**Admission**") of all issued and outstanding ordinary shares in the share capital of Louis Hachette Group, a limited liability company (*société anonyme*) governed by the laws of France, with a nominal value of EUR 0.20 each (the "**Louis Hachette Shares**") on Euronext Growth (Paris), a multilateral trading facility operated by Euronext Paris S.A. ("**Euronext Growth (Paris)**").

Identity and contact details of the Issuer, including its legal entity identifier (LEI)

Legal name: Louis Hachette Group ("**Louis Hachette**", the "**Company**" or the "**Issuer**", and together with its consolidated subsidiaries, the "**Group**").

Place of registration and registration number: Paris Trade and Companies Register, 808 946 305.

LEI: 969500CV8XQ2XKU2DO25.

Identity and contact details of the competent entity reviewing the Information Document

The Information Document was reviewed by Euronext Paris S.A., as competent reviewing entity under the Euronext Growth Markets Rule Book (*Book I: Harmonised rules*). Euronext Paris S.A.'s address is 14 place des Reflets, 92400 Courbevoie, France, with telephone number: +33 (0)1 70 48 24 00 and website: www.euronext.com.

Date of the Information Document

The Information Document is dated November 7, 2024.

Warnings to the reader

This summary should be read as an introduction to the Information Document. Any decision to invest in the securities for which admission to trading on a multilateral trading facility is sought should be based on a consideration of the Information Document as a whole by the investor. An investor could lose all or part of an investment in the Louis Hachette Shares in the event of a decline in the Company's stock price.

Section 2 – Key information on the Issuer

2.1 – Who is the Issuer of the securities?

Domicile and legal form

Legal name: Louis Hachette Group

Registered office: Paris, France.

Address: 4, rue de Presbourg, 75116 Paris, France.

Legal form: limited liability company (*société anonyme*).

Applicable law: French law.

Country of incorporation: France.

Principal activities

The Group brings together a controlling stake in Lagardère SA, a limited liability company (*société anonyme*) governed by the laws of France, with its registered office at 4, rue de Presbourg, 75116 Paris, France, registered with the Paris Trade and Companies Register under number 320 366 446 ("**Lagardère SA**"), together with its consolidated subsidiaries (the "**Lagardère Group**"), and in Prisma Group S.A.S., a simplified joint-stock company (*société par actions simplifiée*) governed by the laws of France, with its registered office at 59 bis avenue Hoche, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 829 674 381 ("**Prisma S.A.S**"), together with its subsidiaries (the "**Prisma Media Group**"), each a market leader in their respective primary business lines (Publishing, Travel Retail and Magazines and Online Media), to form a highly diversified and resilient actor.

Lagardère Publishing (also known under its trade name as "Hachette Livre") is a global leader in the consumer book publishing market (comprising the trade publishing market and K-12 education publishing market), both globally and in its core markets of France, the United Kingdom, Spain and the United States. Lagardère Publishing operates its book publishing and distribution business through its integrated and iconic publishing houses, with strong brand names and extensive IP portfolio, and its distribution platforms in each of the main countries where it operates. Lagardère Publishing renowned publishing houses support its global reputation, including Grasset, Fayard, Stock, Calmann-Lévy, JC Lattès, Hachette Pratique, Marabout, Larousse, Dunod, Orion, Quercus, Orbit, Hodder & Stoughton, Grand Central Publishing, Little, Brown and Company, and Alianza.

Lagardère Travel Retail is a global industry leader in travel retail, operating more than 5,120 stores and dining outlets (including through its joint ventures), of which 933 in France, 2,746 in EMEA (excluding France), 861 in the Americas and 582 in Asia-Pacific. Lagardère Travel Retail offers a full-service proposition through its three business lines (Travel Essentials, Duty Free & Fashion and Dining) to national and international travelers passing through transit hubs (primarily air and railway) in collaboration with its landlords.

The Prisma Media Group is France's leading magazine publisher (across print and digital) and online media company. Its magazine publishing and online media businesses leverage a portfolio of leading brands, such as *Femme Actuelle*, *Voici*, *Capital*, *GEO* and *Harper's Bazaar*, and the Prisma Media Group's digital expertise to publish magazines across both print and digital formats and deliver online media.

In addition, the Lagardère Group brings a number of additional business lines in the media and entertainment sector, including newspaper publications (*Le Journal du Dimanche* and *Le JDNews*), an iconic global brand (*Elle*), radio stations (Europe 1, Europe 2 and RFM) and live entertainment management, production and promotional activities (Lagardère Live Entertainment) as well as an athletics club (Lagardère Paris Racing).

For the year ended December 31, 2023 and the six months ended June 30, 2024, 33.5% and 30.2%, respectively, of the Group's pro forma revenues was attributable to Lagardère Publishing, 59.8% and 63.3%, respectively, to Lagardère Travel Retail, 3.7% and 3.4%, respectively, to the Prisma Media Group, 3.0% and 3.1%, respectively, to the additional business lines in the media and entertainment sector (grouping Lagardère News, Lagardère Radio, Lagardère Live Entertainment and Lagardère Paris Racing and referred to as Other Activities). In 2023, the Group also has a broad global footprint, employing more than 32,000 people in over 40 countries.

Share capital

Upon Admission, the Company's outstanding share capital will comprise 991,996,494 Louis Hachette Shares.

Main shareholders

As at the date of the Information Document, Vivendi holds all of the Louis Hachette Shares, except the single Louis Hachette Share held by Compagnie Hoche SAS, a wholly-owned subsidiary of Vivendi.

As result of the separation from Vivendi of the Publishing and Travel Retail Businesses (the "**Louis Hachette Group Partial Demerger**"), each Vivendi Shareholder will be allotted one (1) Louis Hachette Share for each issued and outstanding ordinary share with a nominal value of EUR 5.50 per share in the share capital of Vivendi (each, a "**Vivendi Share**") that such shareholder owns (the "**Allocation Ratio**") on December 13, 2024 at 11:59 p.m. (Central European Time ("**CET**")) (the "**Effective Date**").

The information below describes the beneficial ownership of Vivendi Shares immediately prior to completion of the Louis Hachette Group Partial Demerger and the expected beneficial ownership of Louis Hachette Shares immediately after completion of the Louis Hachette Group Partial Demerger, in each case, by each person or entity that the Company knows beneficially owns 5% or more of the outstanding Vivendi Shares or expects to immediately following the Louis Hachette Group Partial Demerger will (based on the assumptions described below) beneficially own 5% or more of Louis Hachette Shares and/or voting rights.

Vivendi Shareholders	Number of Vivendi Shares	% of share capital[(1)]	% of theoretical voting rights[(2)]	% of exercisable voting rights[(3)]
Bolloré Group[(4)]	307,964,110	29.90%	29.83%	30.94%
Employees of Vivendi	26,195,244	2.55%	3.66%	3.80%
Vivendi[(5)]	38,106,631	3.70%	3.59%	0.00%
Public	657,652,140	63.85%	62.92%	65.27%
Total	**1,029,918,125**	**100%**	**100%**	**100%**

(1) The calculation of the percentage of ownership of Vivendi Shares is based on 1,029,918,125 Vivendi Shares outstanding as of October 15, 2024.

(2) The calculation of the percentage of theoretical voting rights of Vivendi is based on 1,061,295,318 theoretical voting rights as of October 15, 2024. Theoretical votes represent the exercisable voting rights and the non-exercisable voting rights, including, *e.g.*, voting rights attached to treasury shares.

(3) The calculation of the percentage of exercisable voting rights of Vivendi Shares is based on 1,023,188,687 exercisable voting rights in Vivendi as of October 15, 2024.

(4) Including, pursuant to Article L. 233-10 of the French *Code de commerce*, (i) 301,869,191 Vivendi Shares held by Bolloré SE; (ii) 5,995,559 Vivendi Shares held by Compagnie de l'Odet SE; (iii) 48,000 Vivendi Shares held by Mr. Vincent Bolloré; (iv) the underlying 22,360 Vivendi Shares corresponding to the equity interests subscribed by Mr. Vincent Bolloré in Vivendi's employee funds (FCPE); (v) 24,000 Vivendi Shares held by Mr. Cyrille Bolloré; and (vi) 5,000 Vivendi Shares held by Mr. Sébastien Bolloré. Bolloré SE is controlled by Compagnie de l'Odet SE, itself controlled by Sofibol SCA, which is controlled at the highest level by Bolloré Participations SE. Bolloré Participations SE is controlled by Mr. Vincent Bolloré, who holds, directly and indirectly 93.05% of the share capital and 71.55% of the theoretical voting rights of Compagnie de l'Odet SE.

(5) Vivendi Shares held directly by Vivendi in treasury. Voting rights of treasury shares are suspended in accordance with Article L. 225-210 of the French *Code de commerce*.

Upon completion of the Louis Hachette Group Partial Demerger, Bolloré SE will be the reference shareholder of the Company. Based on Vivendi's shareholding structure as presented in the above table and in accordance with the Allocation Ratio, the table below sets forth, to the Company's knowledge, the expected ownership of the Louis Hachette Shares immediately before the Admission.

Company shareholders	Number of Louis Hachette Shares[(1)]	% of share capital	Number of voting rights	% of exercisable voting rights
Vivendi[(2)]	185,000	0.02%	185,000	0.02%
Bolloré Group[(3)]	307,941,750	31.04%	307,941,750	31.04%
Public[(4)]	683,869,744	68.94%	683,869,744	68.94%
Total	**991,996,494**	**100%**	**991,996,494**	**100%**

(1) Assuming that the Allocation Ratio remains unchanged until the Listing Date and the number of Vivendi Shares held by Vivendi or any persons acting in their own name but on behalf of Vivendi on the Effective Date (the "**Excluded Vivendi Shares**") remains equal to 38,106,631 and each Vivendi Shareholder is allotted one (1) Louis Hachette Share for each Vivendi Share it holds.

(2) The 184,999 Louis Hachette Shares held by Vivendi and the single Louis Hachette Share held by Compagnie Hoche at the date of the Information Document will be sold on the market following completion of the Louis Hachette Group Partial Demerger, on or after the Admission.

(3) Including, pursuant to Article L. 233-10 of the French Code de commerce, (i) 301,869,191 Louis Hachette Shares held by Bolloré SE; (ii) 5,995,559 Louis Hachette Shares held by Compagnie de l'Odet SE; (iii) 48,000 Louis Hachette Shares held by Mr. Vincent Bolloré; (iv) 24,000 Louis Hachette Shares held by Mr. Cyrille Bolloré; and (v) 5,000 Louis Hachette Shares held by Mr. Sébastien Bolloré.

(4) Including the underlying Louis Hachette Shares corresponding to the equity interests subscribed by Mr. Vincent Bolloré in Vivendi's employee funds (FCPE), the exact number of which cannot be determined before completion of the Vivendi Spin-Off and the reorganization transactions involving Vivendi's employee funds in this context.

Board

As at the Listing Date, the board of directors (*conseil d'administration*) of the Company (the "**Board**") will consist of Mr. Jean-Christophe Thiery, Mr. Yannick Bolloré, Mr. Arnaud de Puyfontaine, Ms. Sophie Chassat and Ms. Maud Fontenoy.

Statutory auditors of the Company

Grant Thornton, 29 rue du Pont, 92200 Neuilly-sur-Seine, France, member of the *Compagnie régionale des Commissaires aux Comptes de Versailles et du Centre*, represented by Mr. Jean-François Baloteaud.

Deloitte & Associés, Tour Majunga, 6 place de la Pyramide, 92800 Puteaux, France, member of the *Compagnie régionale des Commissaires aux Comptes de Versailles et du Centre*, represented by Mr. Frédéric Souliard.

2.2 -What is the key financial information regarding the Issuer?

The Company was incorporated by Vivendi on January 14, 2015 as a simplified joint-stock company (*société par actions simplifiée*) under the laws of France. Prior to the completion of the Louis Hachette Group Partial Demerger, the Company conducted no material operations other than the legal, tax and administrative filings, proceedings and other activities necessary for purposes of the preparation of the conversion of the Company into a limited liability company (*société anonyme*) governed by the laws of France, effective as of October 22, 2024, the Louis Hachette Group Partial Demerger and the Admission, and compliance with applicable law. Accordingly, there is no historical financial information for the Company that covers any of the operations presented in the Information Document for the years ended on December 31, 2023, December 31, 2022, and December 31, 2021.

Vivendi only began to consolidate the business operations presented in the Information Document, namely those operated through Lagardère SA and Prisma S.A.S. (the "**Publishing and Travel Retail Businesses**") as from December 1, 2023. Specifically, Vivendi has fully consolidated Lagardère SA since December 1, 2023 and Prisma S.A.S. since its incorporation on May 16, 2017. The Information Document includes (i) the audited combined financial statements of the Publishing and Travel Retail Businesses, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"), as of and for the years ended on December 31, 2023, December 31, 2022, and December 31, 2021 (the "**Combined Financial Statements**"), together with the report thereon issued by Deloitte & Associés, one of the independent statutory auditors of Vivendi; and (ii) the unaudited condensed interim combined financial statements of the Publishing and Travel Retail Businesses, prepared in accordance with IAS 34 "Interim Financial Reporting" ("**IAS 34**"), as of and for the six months ended June 30, 2024 (the "**Unaudited Interim Combined Financial Statements**"), together with the limited review report thereon issued by Deloitte & Associés, one of the independent statutory auditors of Vivendi.

The Combined Financial Statements and the Unaudited Interim Combined Financial Statements have been drawn up based on the accounting data of Lagardère SA and Prisma S.A.S. (including its subsidiaries), as approved, and compiled for the preparation of Vivendi's consolidated financial statements for the relevant fiscal years. The Combined Financial Statements and the Unaudited Interim Combined Financial Statements should be read in conjunction with the accompanying notes thereto and the reports of Vivendi's statutory auditors thereon. The statutory auditors' report on the Combined Financial Statements includes the following emphasis of matter paragraph: "[w]e draw attention to the Note 1 "*Basis of preparation of the Combined Financial Statements*" of the Combined Financial Statements, and in particular the "Accounting conventions used when preparing the Combined Financial Statements" section. Our opinion is not modified in respect of this matter." The auditors' report on the Unaudited Interim Combined Financial Statements contained an emphasis of matter paragraph substantially similar to the foregoing.

The Combined Financial Statements have been audited by Deloitte & Associés, as one of the independent statutory auditors of Vivendi. The Unaudited Interim Combined Financial Statements have been subject to a limited review by Deloitte & Associés, as one of the independent statutory auditors of Vivendi. Deloitte & Associés has not resigned, been removed or failed to be reappointed as Vivendi's statutory auditor during the years ended on December 31, 2023, December 31, 2022, and December 31, 2021.

Given that Vivendi only fully consolidated Lagardère SA from December 1, 2023, the Combined Financial Statements do not show the results of operations and cash flows of the combined Publishing and Travel Retail Businesses for any of the financial periods from January 1, 2021 to December 31, 2023. As a result, in order to illustrate the combined results of operations and cash flows of the Publishing and Travel Retail Businesses as if the Louis Hachette Group Partial Demerger had taken place as of January 1, 2021, the Information Document includes the following information:

- The unaudited pro forma financial information of the Group, presenting the combined results of operations of the Publishing and Travel Retail Businesses for the years ended December 31, 2023, 2022 and 2021, as well as for the six months ended June 30, 2024 and 2023 (the "**Unaudited Pro Forma Financial Information**") together with the attestation thereon issued by Deloitte & Associés, one of the independent statutory auditors of Vivendi. The Unaudited Pro Forma Financial Information has been prepared using: (a) the Lagardère Group's audited consolidated financial statements for the years ended December 31, 2023, 2022 and 2021, prepared in accordance with IFRS, and unaudited condensed interim financial statements for the six months ended June 30, 2024 and 2023, prepared in accordance with IAS 34; and (b) the Prisma Media Group's reported statement of earnings for the years ended December 31, 2023, 2022 and 2021 and reported condensed statements of earnings for the six months ended June 30, 2024 and 2023, as included in Vivendi's audited consolidated financial statements prepared in accordance with IFRS and unaudited condensed interim financial statements prepared in accordance with IAS 34, respectively. Given that Vivendi only fully consolidated Prisma Media S.A.S. (through Prisma S.A.S.) from June 1, 2021, the Unaudited Pro Forma Financial Information for the year ended December 31, 2021 only include seven months of activity from the Prisma Media Group.
- The illustrative unaudited financial information of the Group, presenting the combined cash flows of the Publishing and Travel Retail Businesses for the years ended December 31, 2023, 2022 and 2021, as well as for the six months ended June 30, 2024 and 2023 (the "**Illustrative Unaudited Financial Information**"). The Illustrative Unaudited Financial Information has been prepared using: (a) the Lagardère Group's audited consolidated financial statements for the years ended December 31, 2023, 2022 and 2021, prepared in accordance with IFRS, and unaudited condensed interim financial statements for the six months ended June 30, 2024 and 2023, prepared in accordance with IAS 34, and (b) the Prisma Media Group's reported statement of cash flows for the years ended December 31, 2023, 2022 and 2021 and reported condensed statement of cash flows for the six months ended June 30, 2024 and 2023, as included in Vivendi's audited consolidated financial statements prepared in accordance with IFRS and unaudited condensed interim financial statements prepared in accordance with IAS 34, respectively. Given that Vivendi only fully consolidated Prisma Media S.A.S. (through Prisma S.A.S.) from June 1, 2021, the Illustrative Unaudited Financial Information for the year ended December 31, 2021 only include seven months of activity from the Prisma Media Group. For more information, please see Section 14.3.3.4, "Basis of preparation of the illustrative unaudited financial information" in the Illustrative Unaudited Financial Information.

Selected financial information from the Combined Financial Statements and the Unaudited Interim Combined Financial Statements

	Year ended December 31,			Six months ended June 30,	
(in EUR millions, except percentages)	**2023**	**2022**	**2021**	**2024**	**2023**
Revenue	979	320	194	4,340	153
Operating income (EBIT)	155	127	38	138	42
Net income for the period (attributable to owners of the parent)	110	115	27	(35)	35
Operating income (EBIT) margin	15.8%	39.7%	19.6%	3.2%	27.5%

Selected financial information from the Unaudited Pro Forma Financial Information

(in EUR millions, except percentages)	Year ended December 31, 2023	2022	2021	Six months ended June 30, 2024	2023
Revenue	8,390	7,249	5,439	4,340	3,854
Operating income (EBIT)	346	291	27	138	66
Net income for the period (attributable to owners of the parent)	45	85	(76)	(30)	(26)
Year-on-year revenue growth	15.7%	33.3%	-	12.6%	-
Operating income (EBIT) margin	4.1%	4.0%	0.5%	3.2%	1.7%

Selected financial information from the Combined Financial Statements and the Unaudited Interim Combined Financial Statements

(in EUR millions)	December 31, 2023	2022	2021	June 30, 2024
Total assets	12,532	2,351	1,853	12,657
Total equity	2,828	1,994	1,477	2,695
Total liabilities (current plus non current liabilities)	9,704	357	376	9,962

Alternative Performance Measures

This Summary and certain sections of the Information Document also include certain measures and ratios that are not required by, nor presented in accordance with, IFRS, and are referred to herein as "**Alternative Performance Measures**". The Alternative Performance Measures presented are not measures of financial performance or liquidity under IFRS, but measures used by management to monitor the underlying performance of the Group's business and operations and, accordingly, they have not been audited or reviewed. Further, these Alternative Performance Measures may not be indicative of the Group's historical operating results, nor are they meant to be predictive of the Group's future results.

These Alternative Performance Measures are presented in the Information Document because management considers them an important supplemental measure of the Group's performance and believes that they and similar measures are widely used in the industry in which the Group operates as a means of evaluating a company's operating performance and liquidity. However, not all companies calculate Alternative Performance Measures in the same manner or on a consistent basis. As a result, these measures and ratios may not be comparable to measures or ratios used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the Alternative Performance Measures contained in the Information Document and they should not be considered in isolation or as a substitute for revenue, EBIT, net income for the year, cash flow or other financial measures computed in accordance with IFRS, nor as an alternative to cash generated from operating activities as a measure of liquidity. The Information Document contains the following Alternative Performance Measures or "non-IFRS measures": EBITA, revenues on a like-for-like basis, recurring EBIT and operating margin of the Lagardère Group and free cash flow (before and after changes in working capital) of the Lagardère Group. The key Alternative Performance Measures are set forth in the table below.

(in EUR millions, except percentages)	Year ended December 31, 2023	2022	2021	Six months ended June 30, 2024	2023
EBITA (*pro forma*)	490	454	231	210	132

2.3 - What are the key risks that are specific to the Issuer?

An investment in the Company's shares involves numerous risks related to the Group's business that may result in investors losing part or all of their investment, including the following key risks:

- The Group's travel retail business faces significant competition for concession contracts from other international travel retail store and dining operators.
- The Group's publishing, press and other media businesses face significant competition from other publishing and media businesses, as well as with other sources of entertainment, news and information delivered across a variety of formats.
- The Group is vulnerable to adverse national and international conditions, such as health crises and geopolitical or macroeconomic crises and instability.
- Economic conditions and other contributors to disposable income and public financing in the countries in which the Group operates and globally may adversely impact the Group's business.
- The development and use of generative AI poses risk to the Group's business model, and the use of generative AI by the Group's businesses also poses several risks.
- The Group may not be able to protect or maintain its intellectual property rights.
- The Group is subject to regulatory, compliance and ethical risks.
- Complying with evolving data protection laws and requirements may be difficult or costly.
- The Group is subject to liquidity risk.
- The Group's leverage and debt service obligations could materially and adversely affect its business, financial condition or results of operations.
- The Group is subject to the tax laws of numerous jurisdictions, and changes in tax laws or challenge to the Group's tax position could adversely affect the Group's results of operations and financial condition.
- The combined post-Vivendi Spin-Off value of the ordinary shares of Vivendi, Havas, Canal+ and Louis Hachette Group may not equal or exceed the aggregate pre-Vivendi Spin-Off value of the Vivendi Share.
- The Group's historical and pro forma financial information is not necessarily representative of the results the Group would have achieved as a standalone public company and may not be a reliable indicator of its future results.

Section 3 – Key information on the securities

3.1 – What are the main features of the securities?

The securities of the Company for which admission to trading on Euronext Growth (Paris) is sought are all issued and outstanding ordinary shares in the share capital of the Company.

Ticker for the Louis Hachette Shares and ISIN (international securities identification number) Code

Ticker symbol: ALHG.

ISIN Code: FR001400TL40.

Currency, denomination and number of the securities

Number of Louis Hachette Shares: 991,996,494.

Par value: twenty eurocents (EUR 0.20) per Louis Hachette Share.

Currency: Euro.

Rights attached to the Louis Hachette Shares

Based on applicable laws and on provisions of the Company's articles of association, the main rights attached to the Louis Hachette Shares will be as follows: (i) dividend rights and right to participate in the Company's profits; (ii) right to representation at the Company's shareholders' meetings; (iii) voting rights; (iv) preferential subscription rights; and (v) right to any surplus in the event of liquidation.

Seniority of the securities in the Issuer's capital structure in the event of insolvency

Not applicable.

Restrictions on the free transferability of the securities

A transfer of Louis Hachette Shares is not subject to transfer restrictions under the articles of association.

Dividend distribution policy

As the Company is a holding company without material direct business operations, it did not distribute any dividends in the years ended December 31, 2021, 2022 or 2023.

Following the completion of the Louis Hachette Group Partial Demerger, the Company's objective is to maximize value creation for its shareholders by gradually deleveraging the Lagardère Group and implementing steady dividend distributions to shareholders, while preserving the ability of the Group to pursue growth opportunities in line with its strategic objectives, in each case, subject to its liquidity needs, the decision of the Board and the approval of the Company's shareholders.

3.2 – Where will the securities be traded?

Prior to the Admission, there has been no public market for the Louis Hachette Shares. Application has been made for the admission of the Louis Hachette Shares to listing and trading on Euronext Growth (Paris), under the symbol "ALHG". Trading in the Louis Hachette Shares on Euronext Growth (Paris) is expected to commence, on an "*if-and-when-delivered*" basis, on or about December 16, 2024 (the "**Listing Date**"). As of the date of the Information Document, the Company has not applied to admit to listing and trading the Louis Hachette Shares on any other multilateral trading facility, nor any regulated market.

3.3 – Is there a guarantee attached to the securities?

Not applicable.

3.4 – What are the key risks that are specific to the securities?

An investment in the Company's securities involves numerous risks that could result in investors losing all or part of their investment, including the following key risks:

- There is no existing market for the Louis Hachette Shares and an active trading market for the Louis Hachette Shares may not develop or be sustained.
- Bolloré SE will retain a significant interest in the Company upon Admission and its interests may differ from those of the other shareholders.

Section 4 – Key information on the admission to trading on a multilateral trading facility

4.1 – Under which conditions and timetable can I invest in these securities?

Terms and conditions of the listing

The arrangements for the Admission will be laid down in notices to be published by Euronext Paris S.A. approximately 14 days prior to the anticipated completion of the Louis Hachette Group Partial Demerger, by December 13, 2024 according to the indicative timetable below. Beginning on the Listing Date, the Louis Hachette Shares will trade under the ticker symbol "ALHG".

Indicative timetable:

Event	Date and time (CET)
Approval of the Information Document by Euronext Paris S.A.	November 7, 2024
Euronext notice announcing the Louis Hachette Group Partial Demerger (including an indicative timetable)	December 2, 2024 (at the latest)
Euronext notice announcing the admission of the Louis Hachette Shares to trading on Euronext Growth (Paris)	December 2, 2024 (at the latest)
Extraordinary shareholders' meeting of Vivendi approving the Louis Hachette Group Partial Demerger	December 9, 2024 at 3 p.m. (CET)
Euronext notice relating to the technical reference price of the Louis Hachette Shares	December 13, 2024 (after market close)

Effective Date – Date on which the Louis Hachette Group Partial Demerger will be completed from a legal perspective	December 13, 2024 at 11:59 p.m. (CET)
Ex-Date (for trading purposes) for the Louis Hachette Group Partial Demerger	December 16, 2024
Listing Date – Commencement of trading of the Louis Hachette Shares on Euronext Growth (Paris) under the ticker symbol "ALHG" on an "if-and-when-delivered" (conditional upon delivery) basis	December 16, 2024 at 09:00 a.m. (CET)
Record Date for the Louis Hachette Group Partial Demerger	December 17, 2024 (after market close)
Settlement Date – Settlement and delivery of the Louis Hachette Shares to the shareholders of Vivendi entitled to receive them pursuant to the Louis Hachette Group Partial Demerger and investors who acquired Louis Hachette Shares on the market on the Listing Date	December 18, 2024

Louis Hachette and Vivendi may adjust the dates, times and periods given in the timetable and throughout the Information Document. If Louis Hachette and Vivendi decide to adjust dates, times or periods, they will issue a press release to be published on Louis Hachette's and Vivendi's websites. Any other material alterations will be published in a press release on Louis Hachette's and Vivendi's websites.

Listing Sponsor

Crédit Agricole Corporate and Investment Bank.

Financial Advisors

BNP Paribas, Crédit Agricole CIB and Goldman Sachs Bank Europe SE are acting as joint financial advisors (in such capacity, the "**Lead Financial Advisors**"). Bank of America, Banque Hottinguer, Barclays, CIC, Citi, Evercore, HSBC, Lazard, Morgan Stanley, Natixis and Société Générale are acting as financial co-advisors (in such capacity, the "**Co-Financial Advisors**"). Banco Santander, COMMERZBANK, Intesa Sanpaolo, J.P. Morgan, and Mizuho are acting as other financial advisors (in such capacity, the "**Other Financial Advisors**" and, together with the Lead Financial Advisors and the Co-Financial Advisors, the "**Financial Advisors**"). The Financial Advisors are acting only in respect of the Admission.

Amount and percentage dilution resulting from the Louis Hachette Group Partial Demerger

Not applicable.

Estimated fees and expenses charged to investors by the Company

Not applicable. No expense relating to the Admission will be charged to investors.

4.2 – Why is this information document being produced?

The Information Document is being produced in connection with the Admission following the Louis Hachette Group Partial Demerger, which is part of the spin-off of Vivendi.

Reasons for the spin-off of Vivendi

The Louis Hachette Group Partial Demerger and the Admission are part of the transactions necessary to effect the separation from Vivendi of the Havas business (including Havas S.A.), the Canal+ businesses (including Group Canal+ S.A.) and the Publishing and Travel Retail Businesses, and including the Havas Distribution, the Canal+ Partial Demerger and the Louis Hachette Group Partial Demerger (the "**Vivendi Spin-Off**"), which was initiated by Vivendi for the following reasons:

- Since the distribution by Vivendi of a 60% stake in Universal Music Group N.V. in 2021, the shares of Vivendi have been trading at a significantly high conglomerate discount, substantially reducing their valuation and thereby limiting Vivendi's ability to carry out external growth transactions for its subsidiaries, such as Groupe Canal+ S.A., Havas S.A. and Lagardère SA, which are currently experiencing strong growth in an international context marked by numerous investment opportunities.
- The Vivendi Spin-Off is designed to fully unleash the development potential of all of the activities of the Vivendi Group by separating these businesses from the remaining existing activities of the Vivendi Group. Following the Vivendi Spin-Off, Havas, Canal+ and Louis Hachette Group will have the capacity to independently allocate their capital to address their specific market dynamics, optimize their respective capital structure in an effort to drive profitable growth and pursue their strategic objectives, including through acquisitions and other growth opportunities.
- The target capital structures of Canal+ and Havas are expected to provide strategic and financial flexibility to each company to pursue investment and growth opportunities, taking advantage of their reduced financial leverage at the time of the Vivendi Spin-Off (which, for Canal+, will primarily comprise the debt incurred in connection with its ongoing takeover offer for MultiChoice Group Limited). Likewise, Louis Hachette Group will have no net debt of its own upon the Vivendi Spin-Off, while Lagardère SA's net financial debt will amount to approximately €2 billion.
- In addition, the shares of Havas and Canal+ will be listed on stock exchanges deemed to be attractive for long-term investors and best suited to match each company's business needs and geographic footprint, Louis Hachette Group's listing on Euronext Growth (Paris) is expected to provide the company with greater flexibility and to minimize the duplication of regulatory costs in light of Lagardère SA's separate listing on the regulated market of Euronext in Paris.

Use and estimated net amount of proceeds

Neither the Company, nor Vivendi will receive proceeds in connection with the Admission.

Underwriting agreement

Not applicable.

Company lock-up

None.

Shareholder lock-up

None.

Interests of natural and legal persons pertaining to the Admission

Certain of the Financial Advisors and/or their affiliates are, or have been, engaged and may in the future engage in commercial banking, investment banking and financial advisory (including in the context of the Admission) and ancillary activities in the ordinary course of their business with the Group and/or Vivendi or any parties related to or competing with any of them, in respect of which they have received, and may in the future receive, customary fees and commissions. In particular, some of the Financial Advisors and/or their affiliates have taken an active part or take an active part to Vivendi's and the Lagardère Group's financing and are long-standing partners to Vivendi. Additionally, the Financial Advisors may, in the ordinary course of their business, and in the future, effect transactions for their own account or the account of customers, and make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments on behalf of themselves or their customers. Such investments and securities activities may involve long or short positions in the Company's, Vivendi's and/or Lagardère SA's securities. As a result of acting in the capacities described above, the Financial Advisors and their affiliates may have interests that may not be aligned, or could potentially conflict, with the interests of investors in the Shares or with the interests of the Company or the Group.

RÉSUMÉ DU DOCUMENT D'INFORMATION

Section 1 – Introduction et avertissements

Introduction

Ce résumé doit être lu comme une introduction au document d'information (le « **Document d'Information** ») préparé dans le cadre de l'admission à la cotation et à la négociation (l'« **Admission** ») de toutes les actions ordinaires émises et en circulation composant le capital social de Louis Hachette Group, une société anonyme de droit français, d'une valeur nominale de 0,20 euros chacune (les « **Actions Louis Hachette** ») sur Euronext Growth (Paris), un système multilatéral de négociation exploité par Euronext Paris S.A. (« **Euronext Growth (Paris)** »).

Identité et coordonnées de l'Émetteur, y compris son identifiant d'entité juridique (LEI)

Dénomination sociale : Louis Hachette Group (« **Louis Hachette** », la « **Société** » ou l'« **Émetteur** » et, ensemble avec ses filiales, le « **Groupe** »).

Lieu et numéro d'immatriculation : Registre du Commerce et des Sociétés de Paris, 808 946 305.

LEI : 969500CV8XQ2XKU2DO25.

Identité et coordonnées de l'autorité compétente revoyant le Document d'Information

Le Document d'Information a été revu par Euronext Paris S.A., en tant qu'entité compétente conformément aux Règles des Marchés Euronext Growth (*Livre I : Règles harmonisées*). Euronext Paris S.A. a pour adresse le 14 place des Reflets, 92400 Courbevoie, France, pour numéro de téléphone le +33 (0)1 70 48 24 00 et pour site Internet : www.euronext.com.

Date du Document d'Information

Le Document d'Information est daté du 7 novembre 2024.

Avertissements

Ce résumé doit être lu comme une introduction au Document d'Information. Toute décision d'investir dans les valeurs mobilières dont l'admission à la négociation sur un système multilatéral de négociation est recherchée doit être fondée sur un examen de l'intégralité du Document d'Information par l'investisseur. L'investisseur peut perdre tout ou partie de son investissement dans les Actions Louis Hachette en cas de baisse du cours des actions de la Société.

Section 2 – Informations clés sur l'Émetteur

2.1 – Qui est l'Émetteur des valeurs mobilières ?

Domicile et forme juridique

Dénomination sociale : Louis Hachette Group

Siège social : Paris, France.

Adresse : 4 rue de Presbourg, 75116 Paris, France.

Forme juridique : Société anonyme.

Droit applicable : Droit français.

Pays d'origine : France.

Principales activités

Le Groupe rassemble une participation majoritaire dans Lagardère SA, société anonyme de droit français dont le siège social est situé 4 rue de Presbourg, 75116 Paris, France, immatriculée au Registre du Commerce et des Sociétés de Paris sous le numéro 320 366 446 (« **Lagardère SA** »), ainsi que dans ses filiales consolidées (le « **Groupe Lagardère** »), et dans Prisma Group S.A.S., société par actions simplifiée de droit français dont le siège social est situé 59 bis avenue Hoche, 75008 Paris, France, immatriculée au Registre du Commerce et des Sociétés de Paris sous le numéro 829 674 381 (« **Prisma S.A.S** »), ainsi que dans ses filiales (le « **Groupe Prisma Media** »), chacune leader dans son domaine d'activité (Édition, commerce en zone de transport et concession (Travel Retail) et Magazines et Médias en Ligne), pour former un acteur très diversifié et résilient.

Lagardère Publishing (également connue sous son nom commercial « Hachette Livre ») est un leader mondial du marché de l'édition de livres grand public (notamment le marché de l'édition grand public et le marché de l'édition d'éducation, de la maternelle au secondaire), au niveau mondial et en France, au Royaume-Uni, en Espagne et aux États-Unis, qui constituent ses principaux marchés. Lagardère Publishing opère ses activités d'édition et de distribution de livres par l'intermédiaire de maisons d'édition intégrées et emblématiques, dotées de marques fortes et d'un vaste portefeuille de droits de propriété intellectuelle, et de ses plateformes de distribution dans chaque pays où il opère principalement. Les maisons d'édition reconnues de Lagardère Publishing participent de sa réputation mondiale, notamment Grasset, Fayard, Stock, Calmann-Lévy, JC Lattès, Hachette Pratique, Marabout, Larousse, Dunod, Orion, Quercus, Orbit, Hodder & Stoughton, Grand Central Publishing, Little, Brown and Company, et Alianza.

Lagardère Travel Retail est un leader mondial du travel retail, exploitant plus de 5.120 magasins et points de restauration (y compris via des coentreprises), dont 933 en France, 2.746 dans la zone Europe, Moyen-Orient et Afrique (hors France), 861 dans les Amériques et 582 dans la zone Asie-Pacifique. Lagardère Travel Retail propose une offre complète de services à travers ses trois lignes d'activités (Travel Essentials, Duty Free & Fashion et Restauration) aux voyageurs nationaux et internationaux passant par des hubs de transit (principalement aériens et ferroviaires) en collaboration avec ses concédants.

Le Groupe Prisma Media est le premier éditeur français de magazines (formats papiers et numériques) et de médias en ligne. Ses activités d'édition de magazines et de médias en ligne s'appuient sur un portefeuille de marques de premier plan, telles que *Femme Actuelle*, *Voici*, *Capital*, *GEO* et *Harper's Bazaar*, ainsi que sur l'expertise numérique du Groupe Prisma Media pour publier des magazines aux formats papier et numérique et proposer des médias en ligne.

En outre, le Groupe Lagardère apporte un certain nombre d'activités supplémentaires dans le secteur des médias et du divertissement, notamment la publication de journaux (*Le Journal du Dimanche* et *Le JDNews*), une célèbre marque internationale (*Elle*), des stations de radio (Europe 1, Europe 2 et RFM) et des activités de gestion, de production et de promotion de spectacles vivants (Lagardère Live Entertainment), ainsi qu'un club de sports (Lagardère Paris Racing).

Pour l'exercice clos le 31 décembre 2023 et la période de six mois close le 30 juin 2024, 33,5% et 30,2%, respectivement, du chiffre d'affaires pro forma du Groupe sont attribuables à Lagardère Publishing, 59,8 % et 63,3 %, respectivement, à Lagardère Travel Retail, 3,7% et 3,4% respectivement au Groupe Prisma Media, 3,0% et 3,1% respectivement aux branches d'activités complémentaires du secteur des médias et du divertissement (regroupant Lagardère News, Lagardère Radio, Lagardère Live Entertainment et Lagardère Paris Racing, appelés Autres Activités). En 2023, le Groupe dispose également d'une large présence mondiale en employant plus de 32.000 personnes dans plus de 40 pays.

Capital social

Au moment de l'Admission, le capital social émis et en circulation de la Société sera composé de 991.996.494 Actions Louis Hachette.

Principaux actionnaires

À la date du Document d'Information, Vivendi détient l'ensemble des Actions Louis Hachette, à l'exception de l'unique Action Louis Hachette détenue par Compagnie Hoche SAS, filiale intégralement détenue par Vivendi.

Dans le cadre de la séparation des Activités d'Édition et de Travel Retail de Vivendi (la « **Scission Partielle de Louis Hachette Group** »), chaque actionnaire de Vivendi se verra attribuer une (1) Action Louis Hachette pour chaque action ordinaire émise et en circulation d'une valeur nominale de 5,50 euros par action du composant le capital social de Vivendi (chacune, une « **Action Vivendi** ») que cet actionnaire détient (le « **Ratio d'Allocation** ») le 13 décembre 2024 à 23h59 (heure de l'Europe centrale (« **CET** »)) (la « **Date de Réalisation** »).

Les informations ci-dessous présentent la détention effective des Actions Vivendi immédiatement avant la réalisation de la Scission Partielle de Louis Hachette Group et la détention effective prévue des Actions Louis Hachette immédiatement après la réalisation de la Scission Partielle de Louis Hachette Group, dans chaque cas, par chaque personne ou entité dont la Société sait qu'elle détient 5% ou plus des Actions Vivendi en circulation ou dont elle s'attend à ce qu'elle détienne, immédiatement après la Scission Partielle de Louis Hachette Group (sur la base des hypothèses décrites ci-dessous), 5% ou plus des Actions Louis Hachette et/ou des droits de vote.

Actionnaires Vivendi	Nombre d'Actions Vivendi	% du capital [(1)]	% de droits de vote théoriques[(2)]	% de droits de vote exerçables[(3)]
Groupe Bolloré [(4)]	307.964.110	29,90%	29,83%	30,94%
Salariés de Vivendi	26.195.244	2,55%	3,66%	3,80%
Vivendi[(5)]	38.106.631	3,70%	3,59%	0,00%
Autres actionnaires	657.652.140	63,85%	62,92%	65,27%
Total	**1.029.918.125**	**100%**	**100%**	**100%**

(1) Le calcul du pourcentage de détention d'Actions Vivendi est basé sur 1.029.918.125 Actions Vivendi en circulation au 15 octobre 2024.

(2) Le calcul du pourcentage de droits de vote théoriques de Vivendi est basé sur 1.061.295.318 droits de vote théoriques Vivendi au 15 octobre 2024. Les votes théoriques représentent les droits de vote exerçables et les droits de vote non-exerçables, ces derniers comprenant, par exemple, les droits de vote attachés aux actions auto-détenues.

(3) Le calcul du pourcentage des droits de vote exerçables des Actions Vivendi est basé sur 1.023.188.687 droits de vote exerçables dans Vivendi au 15 octobre 2024.

(4) Conformément à l'article L. 233-10 du Code de commerce, ce nombre comprend (i) 301.869.191 Actions Vivendi détenues par Bolloré SE, (ii) 5.995.559 Actions Vivendi détenues par Compagnie de l'Odet SE, (iii) 48.000 Actions Vivendi détenues par M. Vincent Bolloré, (iv) 22.360 Actions Vivendi sous-jacentes aux parts du fonds commun de placement d'entreprise (FCPE) Vivendi souscrites par M. Vincent Bolloré, (v) 24.000 Actions Vivendi détenues par M. Cyrille Bolloré, et (vi) 5.000 Actions Vivendi actions détenues par M. Sébastien Bolloré. Bolloré SE est contrôlée par Compagnie de l'Odet SE, elle-même contrôlée par Sofibol SCA, qui est ultimement contrôlée par Bolloré Participations SE. Bolloré Participations SE est contrôlée par M. Vincent Bolloré, qui détient directement et indirectement, 93,05% du capital social et 71,55% des droits de vote théoriques de Compagnie de l'Odet SE.

(5) Actions Vivendi directement auto-détenues par Vivendi. Les droits de vote des actions auto-détenues sont suspendus conformément à l'article L. 225-210 du Code de commerce.

Après la réalisation de la Scission Partielle de Louis Hachette Group, Bolloré SE sera l'actionnaire de référence de la Société. Sur la base de la structure de l'actionnariat de Vivendi telle que présentée dans le tableau ci-dessus et conformément au Ratio d'Allocation, le tableau ci-dessous présente la détention prévue des Actions Louis Hachette, à la connaissance de la Société, immédiatement avant l'Admission.

Actionnaires de la Société	Nombre d'Actions Louis Hachette[(1)]	% du capital	Nombre de droits de vote	% des droits de vote exerçables
Vivendi[(2)]	185.000	0,02%	185.000	0,02%
Groupe Bolloré[(3)]	307.941.750	31,04%	307.941.750	31,04%
Autres actionnaires[(4)]	683.869.744	68,94%	683.869.744	68,94%
Total	991.996.494	100%	991.996.494	100%

(1) Dans l'hypothèse où le Ratio d'Allocation reste inchangé jusqu'à la Date d'Admission et que le nombre d'Actions Vivendi détenues par Vivendi ou toute personne agissant en son nom propre mais pour le compte de Vivendi à la Date de Réalisation (les « **Actions Vivendi Exclues** ») reste égal à 38.106.631, et que chaque actionnaire de Vivendi se voit attribuer une (1) Action Louis Hachette pour chaque Action Vivendi qu'il détient.

(2) Les 184.999 Actions Louis Hachette détenues par Vivendi et l'unique Action Louis Hachette détenue par Compagnie Hoche à la date du Document d'Information seront cédées sur le marché après la réalisation de la Scission Partielle de Louis Hachette Group, au moment de l'Admission ou après celle-ci.

(3) Conformément à l'article L. 233-10 du Code de commerce, ce nombre comprend (i) 301.869.191 Actions Louis Hachette détenues par Bolloré SE, (ii) 5.995.559 Actions Louis Hachette détenues par Compagnie de l'Odet SE, (iii) 48.000 Actions Louis Hachette détenues par M. Vincent Bolloré, (iv) 24.000 Actions Louis Hachette détenues par M. Cyrille Bolloré, et (v) 5.000 Actions Louis Hachette détenues par M. Sébastien Bolloré.

(4) En ce compris les Actions Louis Hachette sous-jacentes aux parts du FCPE Vivendi SE souscrites par M. Vincent Bolloré, dont le nombre exact ne pourra être connu qu'après la réalisation de la Scission de Vivendi et des opérations de réorganisation impliquant le FCPE Vivendi dans ce contexte.

Administrateurs

À la Date d'Admission, le conseil d'administration de la Société (le « **Conseil d'Administration** ») sera composé de M. Jean-Christophe Thiery, M. Yannick Bolloré, M. Arnaud de Puyfontaine, Mme Sophie Chassat et Mme Maud Fontenoy.

Contrôleurs légaux des comptes de la Société

Grant Thornton, 29 rue du Pont, 92200 Neuilly-sur-Seine, France, membre de la Compagnie régionale des Commissaires aux Comptes de Versailles et du Centre, représenté par M. Jean-François Baloteaud.

Deloitte & Associés, Tour Majunga, 6 place de la Pyramide, 92800 Puteaux, France, membre de la Compagnie régionale des Commissaires aux Comptes de Versailles et du Centre, représenté par M. Frédéric Souliard.

2.2 - Quelles sont les informations financières clés concernant l'Émetteur ?

La Société a été constituée par Vivendi le 14 janvier 2015 sous la forme d'une société par actions simplifiée de droit français. Avant la réalisation de la Scission Partielle de Louis Hachette Group, la Société n'a effectué aucune opération en dehors des formalités et procédures juridiques, fiscales et administratives nécessaires aux fins de la transformation de la Société en société anonyme de droit français, ayant pris effet le 22 octobre 2024, de la Scission Partielle de Louis Hachette Group et de l'Admission, ainsi que de la conformité au droit applicable. Par conséquent, il n'existe pas d'informations financières historiques de la Société couvrant une quelconque activité présentée dans le Document d'Information pour les exercices clos les 31 décembre 2023, 31 décembre 2022 et 31 décembre 2021.

Vivendi n'a commencé à consolider les activités présentées dans le Document d'Information, à savoir celles exercées à travers Lagardère SA et Prisma S.A.S. (les « **Activités d'Édition et de Travel Retail** »), qu'à compter du 1er décembre 2023. Plus précisément, Vivendi a pleinement consolidé Lagardère SA à compter du 1er décembre 2023 et Prisma S.A.S. à compter de sa constitution le 16 mai 2017. Le Document d'Information comprend (i) les états financiers combinés et audités des Activités d'Édition et de Travel Retail, établis conformément aux normes internationales d'information financière telles qu'adoptées par l'Union européenne (« **IFRS** »), pour les exercices clos les 31 décembre 2023, 31 décembre 2022 et 31 décembre 2021 (les « **États Financiers Combinés** »), ainsi que le rapport de Deloitte & Associés, l'un des commissaires aux comptes indépendants de Vivendi, sur ces États Financiers Combinés ; et (ii) les états financiers combinés intermédiaires condensés non audités des Activités d'Édition et de Travel Retail, établis conformément à la norme IAS 34 « *Information financière intermédiaire* » (« **IAS 34** »), au 30 juin 2024 (les « **États Financiers Combinés Intermédiaires Non Audités** »), ainsi que le rapport y afférent établi par Deloitte & Associés en tant que commissaire aux comptes indépendant de Vivendi.

Les États Financiers Combinés et les États Financiers Combinés Intermédiaires Non Audités ont été établis sur la base des données comptables de Lagardère SA et de Prisma S.A.S. (y compris leurs filiales), telles qu'elles ont été approuvées, et compilées pour l'établissement des états financiers consolidés de Vivendi pour les exercices concernés. Les États Financiers Combinés et les États Financiers Combinés Intermédiaires Non Audités doivent être lus conjointement avec les notes qui les accompagnent et les rapports des commissaires aux comptes de Vivendi sur ces états financiers. Le rapport des commissaires aux comptes sur les États Financiers Combinés comprend l'observation suivante : « [n]ous attirons votre attention sur la Note 1, "*Base de préparation des États Financiers Combinés*" des États Financiers Combinés, et plus particulièrement sur la section "Conventions comptables utilisées aux fins de préparer les États Financiers Combinés". Notre avis n'a pas changé à ce sujet. » Le rapport des commissaires aux comptes sur les États Financiers Combinés Intermédiaires Non Audités contenait un paragraphe d'observation substantiellement similaire à ce dernier.

Les États Financiers Combinés ont été audités par Deloitte & Associés en tant que commissaire aux comptes indépendant de Vivendi. Les États Financiers Combinés Intermédiaires Non Audités ont fait l'objet d'un examen limité par Deloitte & Associés en tant que commissaire aux comptes indépendant de Vivendi. Deloitte & Associés n'a ni démissionné, ni été révoqué et son mandat de commissaire aux comptes de Vivendi a bien été renouvelé au cours des exercices clos les 31 décembre 2023, 31 décembre 2022 et 31 décembre 2021.

Dans la mesure où Vivendi n'a consolidé Lagardère SA qu'à compter du 1er décembre 2023, les États Financiers Combinés ne comportent pas les résultats opérationnels et les flux de trésorerie des Activités d'Édition et de Travel Retail pour les exercices compris entre le 1er janvier 2021 et le 31 décembre 2023. Par conséquent, afin d'illustrer les résultats d'exploitation et les flux de trésorerie combinés des Activités d'Édition et de Travel Retail dans le cas où la Scission Partielle de Louis Hachette Group avait eu lieu à compter du 1er janvier 2021, le Document d'Information inclut les informations suivantes :

- Les informations financières pro forma non auditées du Groupe présentant les résultats combinés des Activités d'Édition et de Travel Retail pour les exercices clos les 31 décembre 2023, 2022 et 2021, ainsi que pour les semestres clos les 30 juin 2024 et 2023 (les « **Informations Financières Pro Forma Non Auditées** »), ainsi que l'attestation y afférente établie par Deloitte & Associés en tant que commissaire aux comptes indépendant de Vivendi. Les Informations Financières Pro Forma Non Auditées ont été préparées en utilisant : (a) les états financiers consolidés audités du Groupe Lagardère pour les exercices clos les 31 décembre 2023, 2022 et 2021, établis conformément aux normes IFRS, et les états financiers condensés intermédiaires non audités pour les semestres clos les 30 juin 2024 et 2023, établis conformément à la norme IAS 34 ; (b) les comptes de résultat du Groupe Prisma Media pour les exercices clos les 31 décembre 2023, 2022 et 2021 et les comptes de résultat condensés pour les semestres clos les 30 juin 2024 et 2023, tels qu'ils figurent respectivement dans les états financiers consolidés audités de Vivendi établis selon les normes IFRS et dans les états financiers condensés intermédiaires non audités établis selon la norme IAS 34. Dans la mesure où Vivendi n'a consolidé Prisma Media S.A.S. (via Prisma S.A.S.) qu'à compter du 1er juin 2021, les Informations Financières Pro Forma Non Auditées de l'exercice clos le 31 décembre 2021 n'incluent que sept mois d'activité du Groupe Prisma Media.
- Les informations financières illustratives non auditées du Groupe présentant les flux de trésorerie combinés des Activités d'Édition et de Travel Retail pour les exercices clos les 31 décembre 2023, 2022 et 2021, ainsi que pour les semestres clos les 30 juin 2024 et 2023 (les « **Informations Financières Illustratives Non Auditées** »). Les Informations Financières Illustratives Non Auditées ont été préparées en utilisant : (a) les états financiers consolidés audités du Groupe Lagardère pour les exercices clos les 31 décembre 2023, 2022 et 2021, établis conformément aux normes IFRS, et les états financiers intermédiaires condensés non audités pour les semestres clos les 30 juin 2024 et 2023, établis conformément à la norme IAS 34, et (b) le tableau des flux de trésorerie publié du Groupe Prisma Media pour les exercices clos les 31 décembre, 2023, 2022 et 2021 et le tableau de flux de trésorerie condensé des semestres clos les 30 juin 2024 et 2023, tels qu'ils figurent respectivement dans les états financiers consolidés audités de Vivendi établis selon les normes IFRS et dans les états financiers condensés intermédiaires non audités établis selon la norme IAS 34. Dans la mesure où Vivendi n'a consolidé Prisma Media S.A.S. (via Prisma S.A.S.) qu'à compter du 1er juin 2021, les Informations Financières Illustratives Non Auditées de l'exercice clos le 31 décembre 2021 n'incluent que sept mois d'activité du Groupe Prisma Media. Pour plus d'informations, veuillez consulter la Section 14.3.3.4, « *Base de préparation des informations financières illustratives non auditées* » dans les Informations Financières Illustratives Non Auditées.

Informations financières sélectionnées des États Financiers Combinés et des États Financiers Combinés Intermédiaires Non Audités

	Exercice clos le 31 décembre			Semestre close le 30 juin	
(en millions d'euros, sauf les pourcentages)	**2023**	**2022**	**2021**	**2024**	**2023**
Chiffre d'affaires	979	320	194	4.340	153
Résultat d'exploitation (EBIT)	155	127	38	138	42
Résultat net sur la période (attribuable aux actionnaires de la société mère)	110	115	27	(35)	35
Marge de résultat d'exploitation (EBIT)	15,8%	39,7%	19,6%	3,2%	27,5%

Informations financières sélectionnées des Informations Financières Pro Forma Non Auditées

	Exercice clos le 31 décembre			Semestre close le 30 juin	
(en millions d'euros, sauf les pourcentages)	**2023**	**2022**	**2021**	**2024**	**2023**
Chiffre d'affaires	8.390	7.249	5.439	4.340	3.854
Résultat d'exploitation (EBIT)	346	291	27	138	66
Résultat net sur la période (distribuable aux actionnaires de la société mère)	45	85	(76)	(30)	(26)
Croissance annuelle du chiffre d'affaires	15,7%	33,3%	-	12,6%	-
Marge de résultat d'exploitation (EBIT)	4,1%	4,0%	0,5%	3,2%	1,7%

Informations financières sélectionnées des États Financiers Combinés et des États Financiers Combinés Intermédiaires Non Audités

	31 décembre			30 juin
(en millions d'euros)	**2023**	**2022**	**2021**	**2024**
Total des actifs	12.532	2.351	1.853	12.657
Total des capitaux propres	2.828	1.994	1.477	2.695
Total des passifs (passifs à court terme et à long terme)	9.704	357	376	9.962

Indicateurs Alternatifs de Performance

Le présent résumé et certaines sections du Document d'Information comprennent également certaines mesures et certains ratios qui ne sont pas exigés par les normes IFRS, ni présentés conformément à celles-ci, et qui sont désignés dans le présent document comme des « **Indicateurs Alternatifs de Performance** ». Les Indicateurs Alternatifs de Performance ne sont pas des mesures de performance financière ou de liquidité selon les normes IFRS, mais des mesures utilisées par la direction pour contrôler la performance sous-jacente des activités et des opérations du Groupe. Par conséquent, elles n'ont pas été auditées ou examinées. En outre, ces Indicateurs Alternatifs de Performance peuvent ne pas être révélateurs des résultats d'exploitation historiques du Groupe et ne sont pas censées préjuger des résultats futurs du Groupe.

Ces Indicateurs Alternatifs de Performance sont présentés dans ce Document d'Information car la direction les considère comme des mesures supplémentaires importantes de la performance du Groupe et estime que ces mesures et d'autres mesures similaires sont largement utilisées dans l'industrie dans laquelle le Groupe opère comme moyen d'évaluer la performance opérationnelle d'une société et la liquidité de ses titres. Cependant, toutes les sociétés ne calculent pas les Indicateurs Alternatifs de Performance de la même manière ou sur une base équivalente. Ainsi, ces mesures et ratios peuvent ne pas être comparables aux mesures ou ratios utilisés par d'autres sociétés sous des noms identiques ou similaires. Par conséquent, il convient de ne pas se fier indûment aux Indicateurs Alternatifs de Performance contenus dans le présent Document d'Information et de ne pas les considérer isolément ou comme une alternative au chiffre d'affaires, au résultat d'exploitation, au résultat net de l'exercice, aux flux de trésorerie ou à d'autres mesures financières calculées conformément aux normes IFRS, ni comme une alternative aux flux de trésorerie générés par les activités d'exploitation en tant que mesure de liquidité. Le Document d'Information contient les Indicateurs Alternatifs de Performance suivants ou « mesures non-IFRS » : l'EBITA, le chiffre d'affaires à données comparables, le résultat opérationnel courant (Résop) et marge opérationnelle du Groupe Lagardère et les flux de trésorerie disponibles (avant et après variation du besoin en fonds de roulement). Les principaux Indicateurs Alternatifs de Performance sont présentés dans le tableau ci-dessous.

	Exercice clos le 31 décembre			Semestre clos le 30 juin	
(en millions d'euros, sauf les pourcentages)	**2023**	**2022**	**2021**	**2024**	**2023**
EBITA (*pro forma*)	490	454	231	210	132

2.3 - Quels sont les risques spécifiques à l'Émetteur ?

Un investissement dans les titres de la Société comprend de nombreux risques liés aux activités du Groupe pouvant résulter en une perte partielle ou totale de leur investissement pour les investisseurs, notamment les principaux risques suivants :

- L'activité de travel retail du Groupe est confrontée à une concurrence importante pour les contrats de concession de la part d'autres exploitants internationaux de magasins de travel retail et de restaurants.
- Les activités d'édition, de presse et d'autres médias du Groupe sont confrontées à une concurrence importante de la part d'autres entreprises d'édition et de médias, ainsi que d'autres sources de divertissement, d'actualités et d'informations diffusées sous divers formats.
- Le Groupe est vulnérable aux évolutions défavorables du contexte national et international, comme les crises sanitaires et les crises et instabilités géopolitiques ou macroéconomiques.
- Les conditions économiques et d'autres facteurs contribuant au revenu disponible et au financement public dans les pays où le Groupe opère et dans le monde entier peuvent avoir un impact négatif sur les activités du Groupe.
- Le développement et l'utilisation de l'IA générative présentent un risque pour le modèle d'entreprise du Groupe, et l'utilisation de l'IA générative par les entreprises du Groupe pourrait exposer le Groupe à des risques.
- Le Groupe pourrait ne pas être en mesure de protéger ou de maintenir ses droits de propriété intellectuelle.
- Le Groupe est exposé à des risques réglementaires, éthiques et de conformité.

- Il peut s’avérer difficile ou coûteux de se conformer à l’évolution des lois et des réglementations en matière de protection des données.
- Le Groupe est exposé à des risques de liquidité.
- L’endettement du Groupe et ses obligations en matière de service de la dette pourraient avoir un effet négatif important sur ses activités, sa situation financière ou son résultat d’exploitation.
- Le Groupe est soumis aux lois fiscales de nombreux États, et des changements dans les lois fiscales ou une remise en question de la position fiscale du Groupe pourraient avoir un effet négatif sur son résultat d’exploitation et sa situation financière.
- La valeur combinée des actions ordinaires de Vivendi, Havas, Canal+ et du Groupe Louis Hachette après la scission de Vivendi peut ne pas être égale ou supérieure à la valeur totale de l’Action Vivendi avant la scission de Vivendi.
- Les informations financières historiques et pro forma du Groupe ne sont pas nécessairement représentatives des résultats que le Groupe aurait obtenus en tant que société cotée autonome et peuvent ne pas constituer un indicateur fiable de ses résultats futurs.

Section 3 – Informations clés sur les valeurs mobilières

3.1 – Quelles sont les principales caractéristiques des valeurs mobilières ?

Les titres de la Société pour lesquels l’admission à la négociation sur Euronext Growth (Paris) est demandée sont toutes des actions ordinaires composant le capital social de la Société, émises et en circulation.

Libellé pour les Actions Louis Hachette et code ISIN (*international securities identification number*)

Symbole boursier : ALHG.

Code ISIN : FR001400TL40.

Devise, dénomination et nombre de valeurs mobilières émises

Nombre d’Actions Louis Hachette : 991.996.494.

Valeur nominale : vingt centimes d’euro (0,20€) par Action Louis Hachette.

Devise : Euro.

Droits attachés aux Actions Louis Hachette

En application des lois applicables et des dispositions des statuts de la Société, les principaux droits attachés aux Actions Louis Hachette seront les suivants : (i) droit à dividendes et droit de participation aux bénéfices de la Société, (ii) droit de participer aux assemblées générales d’actionnaires, (iii) droit de vote, (iv) droits préférentiels de souscription, et (v) droit de participation à tout excédent en cas de liquidation.

Rang relatif des valeurs mobilières dans la structure du capital de l’Émetteur en cas d’insolvabilité

Non applicable.

Restrictions à la libre négociabilité des valeurs mobilières

Un transfert d’Actions Louis Hachette n’est pas soumis à des restrictions de transfert statutaires.

Politiques en matière de dividendes

La Société étant une société holding sans activité opérationnelle directe significative, elle n’a pas versé de dividendes sur ses actions au titre des exercices clos les 31 décembre 2021, 2022 et 2023.

Après la réalisation de la Scission Partielle de Louis Hachette Group, l’objectif de la Société est de maximiser la création de valeur pour ses actionnaires en réduisant progressivement l’endettement du Groupe Lagardère et en mettant en place des distributions régulières de dividendes aux actionnaires, tout en préservant la capacité du Groupe à poursuivre des opportunités de croissance en accord avec ses objectifs stratégiques, sous réserve, dans tous les cas, de ses besoins de liquidité, de la décision du Conseil d’Administration et de l’approbation des actionnaires de la Société.

3.2 – Où les valeurs mobilières seront-elles négociées ?

Avant l’Admission, les Actions Louis Hachette n’étaient pas négociables sur un marché. Une demande d’admission des Actions Louis Hachette à la cotation et à la négociation sur Euronext Growth (Paris), sous le symbole « ALHG », a été déposée. La négociation des Actions Louis Hachette sur Euronext Growth (Paris) devrait commencer sur une base conditionnelle à la livraison le 16 décembre 2024 ou aux alentours de cette date (la « **Date d’Admission** »). À la date du Document d’Information, la Société n’a pas demandé l’admission à la cotation et à la négociation des Actions Louis Hachette sur un autre système multilatéral de négociation, ni sur un marché réglementé.

3.3 – Les valeurs mobilières feront-elles l’objet d’une garantie ?

Non applicable.

3.4 – Quels sont les principaux risques spécifiques aux valeurs mobilières ?

Un investissement dans les titres de la Société comporte de nombreux risques qui pourraient conduire les investisseurs à perdre tout ou partie de leur investissement, et notamment les principaux risques suivants :

- Il n’y a pas de marché existant pour les Actions Louis Hachette, et un marché actif pour les Actions Louis Hachette pourrait ne pas se développer ou se maintenir.
- Bolloré SE détiendra une participation significative dans la Société lors de l’Admission et ses intérêts pourrait diverger de ceux d’autres actionnaires.

Section 4 – Informations clés sur l'admission à la négociation sur un système multilatéral de négociation

4.1 – À quelles conditions et selon quel calendrier puis-je investir dans ces valeurs mobilières ?

Modalités de l'admission à la négociation

Les modalités de l'Admission seront définies dans des avis qui seront publiés par Euronext Paris S.A. environ 14 jours avant la réalisation anticipée de Scission Partielle de Louis Hachette Group, au plus tard le 13 décembre 2024, selon le calendrier indicatif ci-dessous. À compter de la Date d'Admission, les Actions Louis Hachette seront négociées sous le symbole « ALHG ».

Calendrier indicatif :

Événement	**Date et heure (CET)**
Approbation du Document d'Information par Euronext Paris S.A.	7 novembre 2024
Avis Euronext annonçant la Scission Partielle de Louis Hachette Group (comprenant un calendrier indicatif)	2 décembre 2024 (au plus tard)
Avis Euronext annonçant l'admission des Actions Louis Hachette à la négociation sur Euronext Growth (Paris)	2 décembre 2024 (au plus tard)
Assemblées générales extraordinaires des actionnaires de Vivendi approuvant la Scission Partielle de Louis Hachette Group	9 décembre 2024 à 15h (CET)
Avis Euronext relatif au prix de référence des Actions Louis Hachette	13 décembre 2024 (après clôture du marché)
Date de Réalisation – Date à laquelle la Scission Partielle de Louis Hachette Group sera réalisée juridiquement	13 décembre 2024 à 23h59 (CET)
Date de détachement (à des fins de négociation) dans le cadre de la Scission Partielle de Louis Hachette Group	16 décembre 2024
Date d'Admission – Début de la négociation des Actions Louis Hachette sur Euronext Growth (Paris) sous le symbole boursier « ALHG » sur une base conditionnelle à la livraison	16 décembre 2024 à 9h (CET)
Date d'inscription en compte dans le cadre de la Scission Partielle de Louis Hachette Group	17 décembre 2024 (après clôture du marché)
Date de règlement – Règlement-livraison des Actions Louis Hachette aux actionnaires de Vivendi habilités à les recevoir dans le cadre de la Scission Partielle de Louis Hachette Group et aux investisseurs ayant acquis des Actions Louis Hachette sur le marché à la Date d'Admission.	18 décembre 2024

Louis Hachette et Vivendi peuvent ajuster les dates, heures et périodes indiqués dans le calendrier et dans l'ensemble du Document d'Information. Si Louis Hachette et Vivendi décident d'ajuster des dates, heures ou périodes, ils publieront un communiqué de presse qui sera publié sur les sites Internet de Louis Hachette et de Vivendi. Toute autre modification importante fera l'objet d'un communiqué de presse publié sur les sites Internet de Louis Hachette et de Vivendi.

Listing Sponsor

Crédit Agricole Corporate and Investment Bank.

Conseils Financiers

BNP Paribas, Crédit Agricole CIB et Goldman Sachs Bank Europe SE agissent en tant que conseils financiers (à ce titre et à tout autre titre, les « **Conseils Financiers Principaux** »). Bank of America, Banque Hottinguer, Barclays, CIC, Citi, Evercore, HSBC, Lazard, Morgan Stanley, Natixis et Société Générale agissent en tant que co-conseils financier (à ce titre et à tout autre titre, les « **Co-Conseils Financiers** »). Banco Santander, COMMERZBANK, Intesa Sanpaolo, J.P. Morgan et Mizuho agissent en tant qu'autres conseils financiers (à ce titre et à tout autre titre, les « **Autres Conseils Financiers** » et, avec les Conseils Financiers Principaux et les Co-Conseils financiers, les « **Conseils Financiers** »).

Montant et pourcentage de dilution résultant de la Scission Partielle de Louis Hachette Group

Non applicable.

Estimation des frais et dépenses facturés aux investisseurs par la Société

Non applicable. Aucune dépense liée à l'Admission ne sera supportée par les investisseurs.

4.2 – Pourquoi ce document d'information est-il établi ?

Le Document d'Information est établi dans le cadre de l'Admission, suite à la Scission Partielle de Louis Hachette Group, qui s'inscrit dans le cadre de la Scission de Vivendi.

Raisons de la Scission de Vivendi

La Scission partielle de Louis Hachette Group et l'Admission font partie des opérations nécessaires à la séparation depuis Vivendi des activités Havas (y compris Havas S.A.), des activités Canal+ (y compris Group Canal+ S.A.), des Activités d'Édition et de Travel Retail, comprenant la Distribution Havas, la Scission Partielle Canal+ et la Scission Partielle Louis Hachette Group (la « **Scission de Vivendi** »), qui a été initiée par Vivendi pour les raisons suivantes :

- Depuis la cession par Vivendi d'une participation de 60% dans Universal Music Group N.V. en 2021, les actions de Vivendi se négocient avec une décote de conglomérat significativement élevée, réduisant substantiellement leur valorisation et limitant ainsi la capacité de Vivendi à réaliser des opérations de croissance externe pour ses filiales, telles que Groupe Canal+ S.A., Havas S.A. et Lagardère SA, qui connaissent actuellement une forte croissance dans un contexte international marqué par de nombreuses opportunités d'investissement.
- La Scission de Vivendi vise à libérer pleinement le potentiel de développement de l'ensemble des activités du groupe Vivendi, en séparant ces activités du reste des activités existantes du Groupe Vivendi. À l'issue de la Scission de Vivendi, Havas, Canal+ et Louis Hachette Group pourront allouer leur capital de manière indépendante pour répondre à leurs propres dynamiques de marché, optimiser la structure de leur capital respective dans un effort de croissance et de poursuite de leurs objectifs stratégiques, y compris par le biais d'acquisitions et d'autres opportunités de croissance.

- Les structures de capital visées par Canal+ et Havas devraient offrir à chaque société une flexibilité stratégique et financière leur permettant de saisir des opportunités d'investissement et de croissance, en bénéficiant de leur levier financier réduit au moment de la Scission de Vivendi (qui, pour Canal+, comprendra principalement la dette contractée dans le cadre de son offre publique d'achat en cours sur MultiChoice Group Limited). De même, Louis Hachette Group n'aura pas de dette nette propre au moment de la Scission de Vivendi, tandis que la dette financière nette de Lagardère SA s'élèvera à environ deux milliards d'euros.
- En outre, les actions de Havas et de Canal+ seront admises à la négociation sur des bourses jugées attrayantes pour les investisseurs de long terme et les mieux adaptées aux besoins commerciaux et à l'empreinte géographique de chaque société. L'admission à la négociation de Louis Hachette sur Euronext Growth (Paris) devrait offrir à la Société une plus grande flexibilité et minimiser la duplication des coûts réglementaires à la lumière de la cotation séparée de Lagardère SA sur le marché réglementé Euronext à Paris.

Utilisation et montant net estimé du produit de l'opération

Ni la Société, ni Vivendi ne recevront de produits de l'opération dans le cadre de l'Admission.

Contrat de garantie

Non applicable.

Engagement d'abstention de la Société

Aucun.

Engagement de conservation des actionnaires

Aucun.

Intérêts des personnes morales ou physiques participant à l'Admission

Certains Conseils Financiers et/ou leurs affiliés sont, ou ont été, engagés et pourraient à l'avenir s'engager dans des activités de banque commerciale, de banque d'investissement et de conseil financier (y compris dans le cadre de l'Admission) et dans des activités auxiliaires dans le cours normal de leurs affaires avec le Groupe et/ou Vivendi ou toute partie liée ou concurrente à l'un d'entre eux, au titre desquelles ils ont reçu, et pourraient à l'avenir recevoir, des honoraires et commissions habituels. En particulier, certains Conseils Financiers et/ou leurs affiliés ont participé activement ou participent activement au financement de Vivendi et du Groupe et sont des partenaires de longue date de Vivendi. En outre, les Conseils Financiers peuvent, dans le cadre normal de leurs activités et à l'avenir, effectuer des transactions pour leur propre compte ou pour le compte de leurs clients, réaliser ou détenir une large gamme d'investissements et négocier activement des titres de créance et de participation (ou des titres dérivés) et des instruments financiers pour leur propre compte ou pour le compte de leurs clients. Ces investissements et opérations sur titres peuvent impliquer des positions longues ou courtes sur les titres de la Société et/ou de Vivendi. En agissant conformément aux modalités décrites ci-dessus, les Conseils Financiers et leurs affiliés pourraient avoir des intérêts qui ne seraient pas alignés, ou qui pourraient potentiellement rentrer en conflit avec les intérêts des investisseurs dans les actions ou avec les intérêts de la Société ou du Groupe.

PART A GENERAL INFORMATION

THE PRESENT INFORMATION DOCUMENT DOES NOT CONSTITUTE A PROSPECTUS WITHIN THE MEANING OF REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF JUNE 14, 2017 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET, AND REPEALING DIRECTIVE 2003/71, AS AMENDED (THE "PROSPECTUS REGULATION").

THE PRESENT INFORMATION DOCUMENT HAS BEEN DRAWN UP UNDER THE RESPONSIBILITY OF THE COMPANY. IT HAS BEEN REVIEWED BY THE LISTING SPONSOR AND HAS BEEN SUBJECT TO AN APPROPRIATE REVIEW OF ITS COMPLETENESS, CONSISTENCY AND COMPREHENSIBILITY BY EURONEXT.

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THIS DOCUMENT IS NOT PUBLISHED IN CONNECTION WITH AND DOES NOT CONSTITUTE AN OFFER OF SECURITIES BY OR ON BEHALF OF LOUIS HACHETTE WITHIN THE MEANING OF THE PROSPECTUS REGULATION.

INVESTING IN THE LOUIS HACHETTE SHARES INVOLVES RISKS. PROSPECTIVE INVESTORS SHOULD READ THE ENTIRE INFORMATION DOCUMENT AND, IN PARTICULAR, PART B, SECTION 3, "*RISK FACTORS*" BEGINNING ON PAGE 28 OF THE INFORMATION DOCUMENT FOR A DESCRIPTION OF THE MATERIAL RISKS THAT SHOULD BE CAREFULLY CONSIDERED BEFORE INVESTING IN ANY OF THE LOUIS HACHETTE SHARES.

Prospective investors are expressly advised that an investment in Louis Hachette Shares contains certain risks and that they should therefore, prior to making any decision whether to invest in the Louis Hachette Shares, carefully read the entire contents of the Information Document, including all information incorporated by reference herein, as well as any supplement document thereto. Investors should ensure that they read the whole of the Information Document and do not just rely on key information or information summarized within it. Prospective investors should, in particular, read Part B, Section 3, "*Risk Factors*" when considering an investment in Louis Hachette Shares.

A prospective investor should not invest in Louis Hachette Shares unless it has the expertise (either alone or with a financial advisor) to evaluate how the Louis Hachette Shares will perform under changing conditions, the resulting effects on the value of the Louis Hachette Shares and the impact this investment will have on the prospective investor's overall investment portfolio. Each prospective investor should consult his or her own stockbroker, bank manager, lawyer, auditor or other financial, legal or tax advisers before making any investment decision with regard to the Louis Hachette Shares, among other things, to consider such investment decision in light of his or her personal circumstances and in order to determine whether or not such prospective investor is eligible to receive Louis Hachette Shares pursuant to the Louis Hachette Group Partial Demerger (and possible tax consequences that may apply as a result thereof) or to subscribe for or purchase the Louis Hachette Shares. In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Company and the Louis Hachette Shares, including the merits and risks involved, and the risk factors described in Part B, Section 3, "*Risk Factors*" of the Information Document. For the avoidance of doubt, prospective investors may not rely on any other registration documents, prospectuses, annual reports or other documents or materials published by Vivendi or Lagardère SA when assessing the Company or the Louis Hachette Shares.

The content of the Information Document is not to be considered or interpreted as legal, financial or tax advice. It is not intended to provide a recommendation by any of the Company, Vivendi, the Listing Sponsor, the Financial Advisors, any of their respective representatives or any other person that any recipient of the Information Document should invest in the Louis Hachette Shares. None of the Company, Vivendi, the Listing Sponsor, the Financial Advisors, any of their respective representatives or any other person is making any representation to any prospective investor in the Louis Hachette Shares regarding the legality of an investment in the Louis Hachette Shares by such investor under the laws applicable to such investor.

There will not be any offering of Louis Hachette Shares in relation to the Admission.

Prospective investors should rely only on the information contained in the Information Document and any supplement thereto. The Company does not undertake to update the Information Document, unless required pursuant applicable laws and regulations, and therefore potential investors should not assume that the information in the Information Document is accurate as of any date other than the date of the Information Document. No person is or has been authorized to give any information or to make any representation in connection with the Admission, other than as contained in the Information Document, and, if given or made, any other such information or representations must not be relied upon as having been authorized by the Company, Vivendi, the members of the Board, the Listing Sponsor, the Financial Advisors, any of their respective affiliates or representatives or any other person. The delivery of the Information Document or any sale made at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in the Group's business or affairs since the date hereof or that the information set forth in the Information Document is correct as of any time since its date.

The Listing Sponsor and the Financial Advisors are acting exclusively for the Company and for no one else in connection with the Admission. The Listing Sponsor and the Financial Advisors will not regard any other person (whether or not a recipient of the Information Document) as their client in relation to the Admission and will not be responsible to anyone other than to the Company for providing the protections afforded to their clients or giving advice in relation to the Admission or any other transaction or arrangement referred to in the Information Document.

Certain of the Financial Advisors and/or their affiliates are, or have been, engaged and may in the future engage in commercial banking, investment banking and financial advisory (including in the context of the Admission) and ancillary activities in the ordinary course of their business with the Group and/or Vivendi or any parties related to or competing with any of them, in respect of which they have received, and may in the future receive, customary fees and commissions. In particular, some of the Financial Advisors and/or their affiliates have taken an active part or take an active part to Vivendi's and the Lagardère Group's financing and are long-standing partners to Vivendi. Additionally, the Financial Advisors may, in the ordinary course of their business, and in the future, effect transactions for their own account or the account of customers, and make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments on behalf of themselves or their customers. Such investments and securities activities may involve long or short positions in the Company's, Vivendi's and/or Lagardère SA's securities. As a result of acting in the capacities described above, the Financial Advisors and their affiliates may have interests that may not be aligned, or could potentially conflict, with the interests of investors in the Shares or with the interests of the Company or the Group.

A reference to the "**Group**" refers to the Company, together with its consolidated subsidiaries following the completion of the Louis Hachette Group Partial Demerger, and, when referring to the historical activities prior to the completion of the Louis Hachette Group Partial Demerger, the activities of the Lagardère Group and the Prisma Media Group that will form part of the Group after the completion of the Louis Hachette Group Partial Demerger, as described in Part B, Section 18.1.3, "*The Louis Hachette Group Partial Demerger*".

IMPORTANT INFORMATION

1. Presentation of financial and other information

1.1 Financial information

The Company was incorporated by Vivendi on January 14, 2015 as a simplified joint-stock company (*société par actions simplifiée*) under the laws of France. Prior to the completion of the Louis Hachette Group Partial Demerger, the Company conducted no material operations other than the legal, tax and administrative filings, proceedings and other activities necessary for purposes of the preparation of the Conversion, the Louis Hachette Group Partial Demerger and the Admission, and compliance with applicable law. Accordingly, there is no historical financial information for the Company that covers any of the operations presented in the Information Document for the years ended on December 31, 2023, December 31, 2022, and December 31, 2021.

Vivendi only began to consolidate the business operations presented in the Information Document, namely those operated through Lagardère SA and Prisma S.A.S. (the "**Publishing and Travel Retail Businesses**") as from December 1, 2023. Specifically, Vivendi has fully consolidated Lagardère SA since December 1, 2023 and Prisma S.A.S. since its incorporation on May 16, 2017. The Information Document includes: (i) the audited combined financial statements of the Publishing and Travel Retail Businesses, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"), as of and for the years ended on December 31, 2023, December 31, 2022, and December 31, 2021 (the "**Combined Financial Statements**"), together with the report thereon issued by Deloitte & Associés, one of the independent statutory auditors of Vivendi; and (ii) the unaudited condensed interim combined financial statements of the Publishing and Travel Retail Businesses, prepared in accordance with IAS 34 "*Interim Financial Reporting*" ("**IAS 34**"), as of and for the six months ended June 30, 2024 (the "**Unaudited Interim Combined Financial Statements**"), together with the limited review report thereon issued by Deloitte & Associés, one of the independent statutory auditors of Vivendi. The Combined Financial Statements and the statutory auditors' report thereon are included in Part B, Section 14.1, "*Historical Financial Information*" of the Information Document. The Unaudited Interim Combined Financial Statements and the statutory auditors' limited review report thereon are included in Part B, Section 14.3.1, "*Unaudited condensed interim combined financial statements of the Publishing and Travel Retail Businesses*" of the Information Document.

The Combined Financial Statements and the Unaudited Interim Combined Financial Statements have been drawn up based on the accounting data of Lagardère SA and Prisma S.A.S. (including its subsidiaries), as approved, and compiled for the preparation of Vivendi's consolidated financial statements for the relevant fiscal years. For additional information, see Note 1, "*Basis of preparation of the Combined Financial Statements*" to the Combined Financial Statements. The Combined Financial Statements and the Unaudited Interim Combined Financial Statements should be read in conjunction with the accompanying notes thereto and the reports of Vivendi's statutory auditors thereon. The statutory auditors' report on the Combined Financial Statements includes the following emphasis of matter paragraph: "[w]e draw attention to the Note 1 "*Basis of preparation of the Combined Financial Statements*" of the Combined Financial Statements, and in particular the "Accounting conventions used when preparing the Combined Financial Statements" section. Our opinion is not modified in respect of this matter." The auditors' report on the Unaudited Interim Combined Financial Statements contained an emphasis of matter paragraph substantially similar to the foregoing.

The Combined Financial Statements have been audited by Deloitte & Associés, as one of the independent statutory auditors of Vivendi. The Unaudited Interim Combined Financial Statements have been subject to a limited review by Deloitte & Associés, as one of the independent statutory auditors of Vivendi. Deloitte & Associés has not resigned, been removed or failed to be reappointed as Vivendi's statutory auditor during the years ended on December 31, 2023, December 31, 2022, and December 31, 2021.

Given that Vivendi only fully consolidated Lagardère SA from December 1, 2023, the Combined Financial Statements do not show the results of operations and cash flows of the combined Publishing and Travel Retail Businesses for any of the financial periods from January 1, 2021 to December 31, 2023. As a result, in order to illustrate the combined results of operations and cash flows of the Publishing and Travel Retail Businesses as if the Louis Hachette Group Partial Demerger had taken place as of January 1, 2021, the Information Document includes the following information:

- The unaudited pro forma financial information of the Group, presenting the combined results of operations of the Publishing and Travel Retail Businesses for the years ended December 31, 2023, 2022 and 2021, as well as for the six months ended June 30, 2024 and 2023 (the "**Unaudited Pro Forma Financial Information**"), together with the attestation thereon issued by Deloitte & Associés, one of the independent statutory auditors of Vivendi, which are included in Part B, Section 14.3.2, "*Pro forma unaudited financial information of Louis Hachette Group*". The Unaudited Pro Forma Financial Information has been prepared using: (a) the Lagardère Group's audited consolidated financial statements for the years ended December 31, 2023, 2022 and 2021, prepared in accordance with IFRS, and unaudited condensed interim financial statements for the six months ended June 30, 2024 and 2023, prepared in accordance with IAS 34; and (b) the Prisma Media Group's reported statement of earnings for the years ended December 31, 2023, 2022 and 2021 and reported condensed statements of earnings for the six months ended June 30, 2024 and 2023, as included in Vivendi's audited consolidated financial statements prepared in accordance with IFRS and unaudited condensed interim financial statements prepared in accordance with IAS 34, respectively. Given that Vivendi only fully consolidated Prisma Media S.A.S. (through Prisma S.A.S.) from June 1, 2021, the Unaudited Pro Forma Financial Information for the year ended December 31, 2021 only include seven months of activity from the Prisma Media Group. For more information, please see Section 14.3.2.5, "*Basis of preparation of the pro forma unaudited financial information*" in the Unaudited Pro Forma Financial Information.

- The illustrative unaudited financial information of the Group, presenting the combined cash flows of the Publishing and Travel Retail Businesses for the years ended December 31, 2023, 2022 and 2021, as well as for the six months ended June 30, 2024 and 2023 (the "**Illustrative Unaudited Financial Information**"), and is included in Part B, Section 14.3.3, "*Illustrative unaudited financial information of Louis Hachette Group*". The Illustrative Unaudited Financial Information has been prepared using: (a) the Lagardère Group's audited consolidated financial statements for the years ended December 31, 2023, 2022 and 2021, prepared in accordance with IFRS, and unaudited condensed interim financial statements for the six months ended June 30, 2024 and 2023, prepared in accordance with IAS 34, and (b) the Prisma Media Group's reported statement of cash flows for the years ended December 31, 2023, 2022 and 2021 and reported condensed statement of cash flows for the six months ended June 30, 2024 and 2023, as included in Vivendi's audited consolidated financial statements prepared in accordance with IFRS and unaudited condensed interim financial statements prepared in accordance with IAS 34, respectively. Given that Vivendi only fully consolidated Prisma Media S.A.S. (through Prisma S.A.S.) from June 1, 2021, the Illustrative Unaudited Financial Information for the year ended December 31, 2021 only include seven months of activity from the Prisma Media Group. For more information, please see Section 14.3.3.4, "*Basis of preparation of the illustrative unaudited financial information*" in the Illustrative Unaudited Financial Information.

The Information Document also contains a trading update of activities of the Lagardère Group and the Prisma Media Group for the third quarter of the year ending December 31, 2024. This trading updated is unaudited and unreviewed.

1.2 Alternative Performance Measures

The Information Document also includes certain measures of the Group's performance that are not required by, nor presented in accordance with, IFRS, including (as defined in Part B, Section 7.3, "*Alternative performance measures*") EBITA, revenues on a like-for-like basis, recurring EBIT and operating margin of the Lagardère Group and free cash flow (before and after changes in working capital) of the Lagardère Group (the "**Alternative Performance Measures**"). The Alternative Performance Measures presented are not measures of financial performance or liquidity under IFRS, but measures used by management to monitor the underlying performance of the Group's business and operations and, accordingly, they have not been audited or reviewed. Further, they may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results.

These Alternative Performance Measures are presented in the Information Document because management considers them an important supplemental measure of the Group's performance and believes that they and similar measures are widely used in the industry in which the Group operates as a means of evaluating a company's operating performance and liquidity. However, not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures and ratios may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the Alternative Performance Measures contained in the Information Document and they should not be considered to be an alternative to EBIT, net income, net cash provided by operating activities or any other measure recognized by and determined in accordance with IFRS.

Further explanation of the relevance of each Alternative Performance Measure, a reconciliation of the Alternative Performance Measures to the most directly comparable measures calculated and presented in accordance with IFRS and a discussion of their limitations are set out in Part B, Section 7.3, "*Alternative performance measures*" of the Information Document. Although certain of these Alternative Performance Measures have been extracted or derived from the historical financial information, this data has not been audited or reviewed by the Company's statutory auditors or the statutory auditors of Vivendi.

1.3 Rounding and negative amounts

Certain figures in the Information Document, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

As a result of this rounding, certain numerical figures presented herein may vary slightly from the corresponding numerical figures presented in the Combined Financial Statements, the Unaudited Interim Combined Financial Statements, the Unaudited Pro Forma Financial Information and the Illustrative Unaudited Financial Information. The percentages (as a percentage of revenues or costs and period-on-period percentage changes) presented in the textual financial disclosure in the Information Document are derived directly from the financial information contained in the Combined Financial Statements, the Unaudited Interim Combined Financial Statements, the Unaudited Pro Forma Financial Information or the Illustrative Unaudited Financial Information.

In the tables included in the Information Document, negative amounts are shown between parentheses. Otherwise, negative amounts may also be shown by "negative" before the amount.

1.4 Currency

All references in the Information Document to "euro", "EUR" or "€" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Union, as amended from time to time.

2. Market and industry information

All references to market share, market data, industry statistics and industry forecasts in the Information Document consist of estimates compiled by industry professionals, competitors, organizations or analysts, of publicly available information or of the Group's own assessment of its sales and markets. Statements based on the Company's own proprietary information, insights, opinions or estimates contain words such as 'the Group believes', 'the Group expects', 'the Group sees', 'the Group considers', 'the Group aims', 'the Group estimates' and as such do not purport to cite, refer to or summarize any third-party or independent source and should not be so read.

Industry publications and other market reports generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Where third-party information has been sourced in the Information Document, the source of such information has been identified.

The information in the Information Document that has been sourced from third parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as the Group is aware and able to ascertain from the information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. The Group has not independently verified and cannot give any assurance as to the accuracy or completeness of this information. It is possible that this information is incorrect or is no longer up to date. The Group makes no commitment to publish updates of this information, except to the extent required by applicable law.

In the Information Document, the Group makes certain statements regarding the characteristics of the communication and advertising services industry as well as its competitive and market position. The Group believes these statements to be true, based on market data and industry statistics, but the Group has not independently verified the information. The Group cannot guarantee that a third party using different methods to assemble, analyze or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, the Group's competitors may define their markets and their own relative positions in these markets differently than the Group does and may also define various components of their business and operating results in a manner which makes such figures non-comparable with the Group's.

Prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in the Information Document and estimates and assumptions based on that information are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Part B, Section 3, "*Risk Factors*" and elsewhere in the Information Document.

3. Notice to investors

The Information Document has been prepared solely for purposes of the Admission. The Information Document may not be used for, or in connection with, and does not constitute, or form part of, an offer to sell, or an invitation to subscribe for or to purchase, any of the Louis Hachette Shares in any jurisdiction. There will not be any offering of Louis Hachette Shares in relation to the Admission.

The release, publication or distribution of the Information Document or any related materials may be restricted by law in certain jurisdictions, such as Australia, Canada, Hong Kong, Japan, Singapore, South Africa and the Unites States. No action has been taken by the Company or by Vivendi that would permit possession or release, publication or distribution of the Information Document or any other publicity material in any jurisdiction where action for that purpose is required. Accordingly, neither the Information Document, nor any advertisement may be released, published or distributed in any other jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations of such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

It is the responsibility of each person into whose possession the Information Document comes to inform themselves about, and to satisfy themselves as to the full observance of, the laws and regulations of the relevant jurisdiction in connection with the distribution of the Information Document. To the fullest extent permitted by applicable law, the Company, the members of the Board, Vivendi and all other persons involved in the Admission disclaim any responsibility or liability for the failure to satisfy any such laws, regulations or requirements by any person. Moreover, none of the Company, the members of the Board, Vivendi or any of their respective affiliates or representatives, is making any representation to any investors who are allotted Louis Hachette Shares regarding the legality of an investment in the Louis Hachette Shares by such investor under the laws applicable to such investor. The contents of this document are not to be construed as legal, business or tax advice. Each investor should consult their own legal adviser, business adviser, financial adviser or tax adviser.

Investors who are allotted Louis Hachette Shares will be deemed to have acknowledged that: (i) they have not relied on the Listing Sponsor, the Financial Advisors or any person affiliated with them in connection with any investigation of the accuracy of any information contained in the Information Document; and (ii) they have relied only on the information contained in the Information Document, and that no person has been authorized to give any information or to make any representation concerning the Company or its subsidiaries or the Louis Hachette Shares (other than as contained in the Information Document) and that, if given or made, any such other information or representation has not been relied upon as having been authorized by the Company, the Listing Sponsor, the Financial Advisors or any other person.

4. Notice to investors in the European Economic Area

In relation to each member state of the European Economic Area (each a "**Member State**"), no Louis Hachette Shares have been offered or will be offered to the public or otherwise in that Member State. No arrangement has been made with the competent authority in any Member State for the use of the Information Document as an approved prospectus in such jurisdiction.

Accordingly, any person making or intending to make an offer in a Member State of the Louis Hachette Shares may only do so in circumstances in which no obligation arises on the Company or Vivendi to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Company nor Vivendi has authorized, nor does it authorize, the making of any offer of the Louis Hachette Shares in circumstances in which an obligation arises for the Company or Vivendi to publish or supplement a prospectus for such offer in accordance with the Prospectus Regulation.

5. Notice to investors in the United Kingdom

In respect of the United Kingdom, no Louis Hachette Shares have been offered or will be offered to the public or otherwise in the United Kingdom. The Information Document has not been approved by the Financial Conduct Authority and should not be treated as if it has been approved by the Financial Conduct Authority in accordance with the transitional provisions in Regulation 74 of the Prospectus (Amendment etc.) (EU exit) Regulations 2019.

Accordingly, any person making or intending to make an offer in the United Kingdom may only do so in circumstances in which no obligation arises on the Company or Vivendi to publish a prospectus pursuant to Section 85 of the Financial Services and Markets Act 2000 (as amended). Neither the Company nor Vivendi has authorized, nor does it authorize, the making of any offer of the Louis Hachette Shares in circumstances in which an obligation arises for the Company or Vivendi to publish or supplement a prospectus for such offer.

6. Notice to investors in the United States

THE LOUIS HACHETTE SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED. THE INFORMATION DOCUMENT DOES NOT CONSTITUTE AN OFFER FOR VALUE OF ANY LOUIS HACHETTE SHARES.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES, HAS APPROVED OR DISAPPROVED OF THE LOUIS HACHETTE SHARES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THE DISCLOSURE IN THE INFORMATION DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

The Louis Hachette Shares will not be listed on any U.S. national securities exchange or interdealer quotation system in connection with the Louis Hachette Group Partial Demerger. Since the Louis Hachette Shares will not be listed on any U.S. securities exchange or quoted on any interdealer quotation system in the United States, it is unlikely that an active trading market will develop in the United States for the Louis Hachette Shares. Furthermore, the Company will not issue any ADSs in the United States in connection with the Louis Hachette Group Partial Demerger and does not intend to consent to the creation of any unsponsored ADS program in connection with the Louis Hachette Group Partial Demerger.

The Company intends to comply with the provisions of Rule 12g3-2(b) under the U.S. Exchange Act. As a result, the Louis Hachette Shares will also be exempt from registration under the U.S. Exchange Act, and the Company will not be required to file periodic or current reports with the SEC. Pursuant to Rule 12g3-2(b), an English translation of certain financial and business information that the Company publicly files or that it makes available to its shareholders in France will be published by the Company on its website.

For further information regarding participation and voting in the Vivendi General Meeting, Vivendi Shareholders should consult the Notice of Meeting posted on Vivendi's website: (www.vivendi.com/en/shareholders-investors/shareholders-meeting/).

7. Time specifications

References to "**CET**" in the Information Document refer to Central European Time or Central European Summer Time, as the case may be. References to time in the Information Document refer to CET, unless stated otherwise.

8. Forward-looking statements

The Information Document contains forward-looking statements that reflect the Group's intentions, beliefs or current expectations and projections about the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Group operates. Forward-looking statements involve all matters that are not historical facts. The Group has tried to identify forward-looking statements by using words as "may", "will", "would", "should", "expects", "intends", "estimates", "anticipates", "projects", "believes", "could", "hopes", "seeks", "plans", "aims", "aspires", "objective", "potential", "goal", "strategy", "target", "continue", "annualized" and similar expressions or negatives thereof or other variations thereof or comparable terminology, or by discussions of strategy that involve risks and uncertainties. Forward-looking statements may be found principally in Part B, Section 3, "*Risk Factors*", Section 5, "*Business Overview*", Section 7, "*Operating and Financial Review*", Section 14.5, "*Dividend Policy*", and also elsewhere.

The forward-looking statements are based on the Group's beliefs, assumptions and expectations regarding future events and trends that affect the Group's future performance, taking into account all information currently available to the Group, and are not guarantees of future performance. These beliefs, assumptions and expectations can change as a result of possible events or factors, not all of which are known to the Group or are within the Group's control. If a change occurs, the Group's business, financial condition, liquidity, results of operations, anticipated growth, strategies or opportunities may vary materially from those expressed in, or suggested by, these forward-looking statements. In addition, the forward-looking estimates and forecasts reproduced in the Information Document from third-party reports could prove to be inaccurate. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing the Group. Such risks, uncertainties and other important factors include, but are not limited to those listed in Part B, Section 3, "*Risk Factors*". Other factors could also adversely affect the Group's results or accuracy of forward-looking statements in the Information Document, and while Part B, Section 3, "*Risk Factors*" contains all known material risk factors, you should not consider the factors discussed under the Part B, Section 3, "*Risk Factors*" to be a complete set of all potential risks and uncertainties.

Investors or potential investors should not place undue reliance on the forward-looking statements in the Information Document. The Group urges investors to read Part B, Section 3, "*Risk Factors*", Section 5, "*Business Overview*", and Section 7, "*Operating and Financial Review*" for a more complete discussion of the factors that could affect the Group's future performance and the markets in which the Group operates. In light of the possible changes to the Group's beliefs, assumptions and expectations, the forward-looking events described in the Information Document may not occur. Additional risks currently not known to the Group or that the Group has not considered material as of the date of the Information Document could also cause the forward-looking events discussed in the Information Document not to occur. Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. The Group undertakes no duty to and will not necessarily update any of the forward-looking statements or the assumptions on which they were based in light of new information or future events, except to the extent required by applicable law.

9. Language and definitions

The Information Document is published in English only, with a free translation of the summary also being provided in French. Certain terms used in the Information Document, including all capitalized terms and certain technical and other terms, are defined and explained in Part B, Section 19, "*Glossary*" of the Information Document.

10. Documents incorporated by reference

The Articles of Association as in effect on the date of the Information Document are incorporated in the Information Document by reference and, as such, form part of the Information Document. The Articles of Association (or copies thereof) may be obtained in electronic form free of charge from the Company's website (www.louishachettegroup.com). Any documents themselves incorporated by reference in the documents incorporated by reference in the Information Document shall not form part of the Information Document.

11. No incorporation of website

Prospective investors should only rely on the information that is provided in the Information Document or expressly incorporated by reference in the Information Document. Other documents or information, including contents of the Company's website, including any websites accessible from hyperlinks on such website or in documents or information incorporated by reference in the Information Document, do not form part of, and are not incorporated by reference into, the Information Document and have not been scrutinized or approved by Euronext.

PART B INFORMATION ABOUT THE ISSUER

1. PERSON RESPONSIBLE

1.1 Identification of responsible persons

Jean-Christophe Thiery, Chairman and Chief Executive Officer (*Président-Directeur Général*) of the Company.

1.2 Statement by responsible persons of exactitude and absence of omission

"I declare that, to the best of my knowledge, the information contained in the Information Document is fair and accurate and that, to the best of my knowledge, the Information Document is not subject to any material omissions, and that all relevant information is included in the Information Document."

November 5, 2024
Jean-Christophe Thiery
Chairman and Chief Executive Officer (*Président-Directeur Général*) of the Company

1.3 Identification of experts whose statement or reports are included in the Information document

Not applicable.

1.4 Confirmation of accuracy of third-party sourced information

The Information Document, and Part B, Sections 5.1 and 5.2 in particular, contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets. Unless otherwise indicated, such information is based on the Company's analysis of multiple sources, including from market reports and other sources indicated in the Information Document.

Such information has been accurately reproduced and, as far as the Company is aware and able to ascertain, no facts have been omitted which would render the reproduced information provided inaccurate or misleading; however, the Company cannot guarantee that a third party using different methods to collect, analyze or calculate data on these markets would obtain the same results.

2. STATUTORY AUDITORS

2.1 Statutory auditors

Grant Thornton, having its registered office at 29 rue du Pont, 92200 Neuilly-sur-Seine, France, represented by Mr. Jean-François Baloteaud, has been appointed as statutory auditor of the Company on May 30, 2024 for the remainder of the term of the previous statutory auditor of the Company (Ernst & Young Audit), *i.e.*, three years ending at the Company's annual shareholders' meeting of 2027 to be convened to approve the Group's financial statements for the year ended December 31, 2026. Grant Thornton is a member of the *Compagnie régionale des Commissaires aux Comptes de Versailles et du Centre*.

Deloitte & Associés, having its registered office at Tour Majunga, 6 place de la Pyramide, 92800 Puteaux, France, represented by Mr. Frédéric Souliard, has been appointed as statutory auditor of the Company on July 22, 2024 for an initial term of six years ending at the Company's annual shareholders' meeting of 2030 to be convened to approve the Group's financial statements for the year ended December 31, 2029. Deloitte & Associés is a member of the *Compagnie régionale des Commissaires aux Comptes de Versailles et du Centre*.

2.2 Additional auditors

The Combined Financial Statements, prepared in accordance with IFRS, have been audited by Deloitte & Associés, as one of the independent statutory auditors of Vivendi. Deloitte & Associés issued an independent auditor's report on the Combined Financial Statements and the report on the Combined Financial Statements includes the following emphasis of matter paragraph: "[w]e draw attention to the Note 1 "*Basis of preparation of the Combined Financial Statements*" of the Combined Financial Statements, and in particular the "Accounting conventions used when preparing the Combined Financial Statements" section. Our opinion is not modified in respect of this matter." The auditors' report on the Unaudited Interim Combined Financial Statements contained an emphasis of matter paragraph substantially similar to the foregoing.

The Unaudited Interim Combined Financial Statements, prepared in accordance with IAS 34, have been subject to a limited review by Deloitte & Associés, as one of the independent statutory auditors of Vivendi. Deloitte & Associés issued an independent auditors' limited review report on the Unaudited Interim Combined Financial Statements.

Deloitte & Associés has its address at Tour Majunga, 6 place de la Pyramide, 92800 Puteaux, France and, as one of the independent statutory auditors of Vivendi, is represented by Mr. Frédéric Souliard. Deloitte & Associés is a member of the *Compagnie régionale des Commissaires aux Comptes de Versailles et du Centre*.

3. RISK FACTORS

Any investment in the Louis Hachette Shares is associated with risks. Prior to any investment decision, it is important to carefully analyze the risk factors included below, the Group's business and the industry in which it operates, together with all other information contained in the Information Document in light of the Admission before deciding whether to acquire any Louis Hachette Shares.

The below is what the Group believes are the material risks and uncertainties concerning the Group's business and industry and the Louis Hachette Shares that, alone or in combination with other events or circumstances, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

All of these risk factors and events are contingencies that may or may not occur. The Group may face a number of these risks described below simultaneously and some risks described below may be interdependent where indicated with a cross-reference. The risk factors within each of the risk categories mentioned below considered to be the most significant at the date of the Information Document are presented first within each such category, in accordance with an assessment that takes into account its level of impact and likelihood of occurrence as well as the risk management actions and measures implemented by the Group.

Although the Group believes that the risks and uncertainties described below are the material risks and uncertainties concerning the Group's business and industry and the Louis Hachette Shares, they are not the only risks and uncertainties relating to the Group and the Louis Hachette Shares. Other risks, events, facts or circumstances not presently known to the Group or that the Group currently deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the Group's business, financial condition, results of operations and prospects and the price of the Louis Hachette Shares may decline and investors could lose all or part of their investment.

As used herein, a reference to the "Group" refers to the Company, together with its consolidated subsidiaries following the completion of the Louis Hachette Group Partial Demerger, and including the Lagardère Group and the Prisma Media Group.

3.1 Risks relating to the Group's business and industry

3.1.1 <u>The Group's travel retail business faces significant competition for concession contracts from other international travel retail store and dining operators</u>.

Lagardère Travel Retail's major competitors include Avolta, DFS, China Duty Free Group (CDFG), Gebr. Heinemann, Valora, Areas, Lotte Duty Free, WH Smith and SSP.

Maintenance and growth of the Group's travel retail market share depends on the Group's ability to retain existing concession contracts and win new contracts with new or existing customers. Competitive activity is particularly acute in respect of competitive tender processes for concession contracts. Key competitive factors among travel retail store and dining operators include the operator's ability to partner with international and local brands and to offer a broad range of products, its ability to develop bespoke retail store or restaurant concepts, its willingness to make capital investment into the store or restaurant space, its ability to offer different types of retail stores and dining options and whether the operator has a successful track record of operating stores within the landlord's airport, railway station or other premise.

Actions taken by the Group's competitors, as well as actions taken by the Group, to retain concessions could place, and have in the past placed, pressure on the Group's margins and profitability, as well as the availability and attractiveness of key concessions. Some of the Group's competitors may have greater financial resources, greater purchasing economies of scale and lower cost bases than the Group, any of which could give these competitors a competitive advantage. In addition, these competitors may have bidding policies in place which allow for a lower level of return on their investment for the sake of winning or maintaining concession contracts.

Moreover, landlords and operators of airports and railway stations in regions where travel retail and dining units historically have been operated by one concession provider are seeking increasingly to award concessions to two or more providers or to brand partners directly. The Group may therefore be unsuccessful in its ability to renew its concessions, irrespective of whether it submits the most attractive offer. The Group may also continue to face increased competition from actors that have diversified the breadth of their offerings. For example, Avolta's acquisition of Autogrill in 2023 resulted in additional dining offerings to complement its existing duty-free and travel retail offerings.

Changes in consumer preferences could benefit the Group's competitors to the Group's detriment. For instance, if consumers seek to reduce their carbon footprint by reducing their travel, particularly air travel, the Group may not be able to rebalance its portfolio of travel retail stores or dining to alternative travel hubs as quickly or as effectively as its competitors, or at all.

Any of these factors could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.1.2 The Group's publishing, press and other media businesses face significant competition from other publishing and media businesses, as well as with other sources of entertainment, news and information delivered across a variety of formats.

The Group's major competitors in the trade publishing market include Penguin Random House, HarperCollins and Simon & Schuster in the United States and the UK, Editis, Madrigall and Media-Participations in France, and Penguin Random House Grupo Editorial, Planeta and Grupo SM in Spain. In the K-12 education publishing market[1], the Group's major competitors include Pearson, Oxford University Press and Collins in the UK, Editis and Albin Michel in France, and Planeta and Grupo SM in Spain. In the press and other media markets, including the markets in which the Prisma Media Group operates, the Group's major competitors include Reworld Media, CMI, Groupe Figaro and LVMH.

Lagardère Publishing competes with other publishers for established authors, particularly in the trade publishing market, and must maintain good relationships with its authors in order to prevent them from moving to other publishing houses. In the education publishing market, Lagardère Publishing must anticipate the needs of teachers and education providers, maintain stable financing in order to meet upfront production costs, and develop products that meet increased demands for digitizing curricula. Any of Lagardère Publishing's competitors could better succeed in recruiting and retaining established authors, offer books and digital learning products that better meet the needs of education providers or be better financed than Lagardère Publishing. The Prisma Media Group competes with other French media companies to develop exclusive and high-quality print and digital brands. The Prisma Media Group's ability to generate revenues from its brands depends on its ability to position them as leaders within their respective segments. Failure to do so by, for example, not developing appealing content for its reader base, would not only negatively affect the Prisma Media Group's ability to generate revenues from sales and subscriptions, but would also negatively impact the attractiveness of its brands to advertisers. Any of these could negatively affect the Group's revenues and thereby materially adversely affect the Group's business, results of operations, financial condition and prospects.

The Group operates in highly competitive markets that are subject to rapid change, including, in particular, changes in customer preferences and changes and advances in relevant technologies. The Group's publishing, press and other media businesses compete with each other and all other sources of

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[1] K-12 education publishing market refers to instructional content for educators and students in kindergarten (*maternelle*) through Grade 12 (*terminale*), and excludes the academic and professional publishing market.

entertainment, news and information, including broadcast television, movies, live events, radio broadcasts, home video products, print media and the internet, some of which provide content free of charge. Technological advancements, such as video on demand, new video formats and streaming capabilities and downloading via the internet, have increased the number of media and entertainment choices available to consumers and intensified the challenges posed by audience fragmentation. The increase in choices available to consumers for content consumption has adversely impacted the demand for, and the price consumers are willing to pay for, Lagardère Publishing and Prisma Media Group's publishing, press and other media offerings. Moreover, consumer preferences change frequently and are difficult to predict. The Group's competitors may better anticipate such changes more effectively and/or rapidly than the Group can, which would cause the Group to lose market share. These trends and developments have adversely affected, and may continue to adversely affect, the Group's revenues, including from the sale of its print and digital books and press and advertising revenue. They may also significantly increase the Group's investment expenditures in its effort to compete with alternative forms of news, information and entertainment, including, for example, with respect to any efforts to develop alternative formats in which to deliver its books and magazines or to improve its online media offering. The Group's business prospects, financial condition and results of operation may be materially adversely affected if consumers or customers migrate to other alternatives.

Technological developments, including artificial intelligence ("**AI**"), have also increased competition by lowering barriers to entry in publishing and media. Other digital platforms and technologies, such as user-generated content platforms and self-publishing tools, have reduced the effort and expense of producing and distributing certain types of content on a wide scale, allowing digital-only content providers, customers, suppliers and other third parties to compete with us, often at a lower cost. Additional digital distribution channels, such as audiobooks and digital marketplaces, have presented, and may continue to present, challenges as well as opportunities to the Group's business models, which could adversely affect sales volume and pricing and which in turn could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

3.1.3 The Group is vulnerable to adverse national and international conditions, such as health crises and geopolitical or macroeconomic crises and instability.

The Group's operations are vulnerable to natural disasters, outbreaks of international hostilities, terrorist activities, political unrest, contagious disease outbreaks, severe weather conditions, customer behavioral change or other events of a similar magnitude. Any of these risks, should they crystallize, could materially adversely affect the Group's business, financial condition, results of operations and prospects.

Lagardère Travel Retail's operations are particularly sensitive to the occurrence of these external events in light of its significant dependence on the rate of international and domestic travel. For instance, the Covid-19 pandemic resulted in a global travel disruption, with air traffic for all of 2020 falling by 63.7% compared with 2019. Commensurate with this, Lagardère Travel Retail's revenues decreased by 59.7% in 2020 compared to 2019. If a similar or new global or regional health crisis were to occur in the future, Lagardère Travel Retail's operations may be materially adversely affected, and there is no guarantee that Lagardère Travel Retail's efforts to respond to such a crisis, whether by cutting costs or otherwise, would be successful, nor that the Group may be able to rely upon its other businesses to make up for lost revenues or increased costs. Other external events could also negatively affect international and domestic travel. For example, strikes by airlines and/or airport ground staff or railway station or train staff could also temporarily reduce passenger volumes in airports and railway stations in which the Group has operations. Additionally, the outbreak of hostilities or war may result in significant restrictions on travel to and from the transportation hubs in the affected regions.

Passenger volumes may also be affected by changes in consumer preferences due to a number of external events outside of the Group's control. For example, international and domestic travel can be negatively affected by air traffic accidents or threats of terrorism. In addition, public concern over climate change may also negatively impact air travel, either by affecting consumer preferences or through government policies, which may have the effect of limiting air traffic and may in turn suppress demand in the travel retail and dining markets and have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Cultural and technological changes, including an increased and continued reliance on remote working capabilities (such as videoconferencing) in lieu of traditional business travel, could also affect passenger volumes.

Lagardère Publishing and the Group's press and other media businesses are also vulnerable to national and international crises and instability. Certain events, such as the Covid-19 crisis and the so-called Red Sea crisis (involving attacks by Houthi rebels on commercial ships in the Red Sea), have in recent years dislocated supply chains and raised shipping prices, increasing the cost of crucial inputs for the Group such as paper. Other national and international crises may damage or destroy key infrastructure that the Group relies upon, raise its costs, suppress demand for its products or have other material adverse effects on the Group's business, financial condition, results of operation and prospects.

3.1.4 Economic conditions and other contributors to disposable income and public financing in the countries in which the Group operates and globally may adversely impact the Group's business.

The Group's business is influenced by general economic trends. Levels of discretionary travel, whether for business or leisure, discretionary consumer spending and public financing have been and could be adversely affected by global economic conditions.

Passenger volumes at the airports and railway stations at which Lagardère Travel Retail operates, and the amount that customers spend on retail and dining when they travel, could decrease if disposable income decreases, inflation erodes the purchasing power of earnings, sales taxes or value-added taxes increase, unemployment increases, oil prices increase leading to more expensive travel fares or the spending habits of customers change to reflect increased uncertainty or apprehension regarding current economic conditions. Similarly, a decrease in growth in the markets where Lagardère Travel Retail operates could also adversely impact the Group's operations and limit potential growth in those markets by reducing consumer spending or otherwise. Additionally, if economic conditions worsen in any of the markets in which Lagardère Travel Retail operates, airport and railway station owners and operators may reduce investments in infrastructure, which could in turn reduce the attractiveness to travelers of travel hubs in which Lagardère Travel Retail's concessions are located. There can be no assurance that any of these factors, should they materialize, will not have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's publishing, press and other media businesses are also influenced by general economic conditions. For Lagardère Publishing, an economic crisis may cause declining consumer spending, which may depress demand for books, e-books, audiobooks and partworks the Group sells. In the education publishing market, curriculum update cycles have been getting longer and have benefitted from lower levels of public financing, decreasing the demand for Lagardère Publishing's products. Additionally, due to an ongoing shift towards online orders and e-books, there is an increased risk of losing major customers in a crisis, especially brick-and-mortar bookstore retailers as a result of insolvencies. The Prisma Media Group and the Group's other press and media businesses depend upon subscription revenues and advertising revenues, both of which are correlated with consumer demand and in turn with general economic conditions such as GDP growth and unemployment. Advertising revenues in the markets in which the Prisma Media Group and the Group's other press and media businesses operate can be, and have been in the past, negatively affected by general economic conditions, which can in turn have a materially negative effect on the Group's revenues. Any of these effects, should they materialize, could have material adverse consequences on the Group's business, financial condition, results of operations and prospects.

3.1.5 The Group's financial results are subject to risks associated with its international operations.

The Group's financial results include significant exposure to international developments outside of France, particularly in the United States, the United Kingdom, Spain and Latin America. Revenues from operations outside of France comprised 74.6% of the Group's pro forma revenues for the six months ended June 30, 2024 and 73.8% for the year ended December 31, 2023 (all of which are generated by the Lagardère Group, representing 77.2% and 76.6% of its revenues for the six months ended June 30, 2024 and for the year ended December 31, 2023, respectively). The Group therefore faces risks associated with significant international operations, including:

- challenges or uncertainties arising from unexpected legal, political, economic or systemic events;
- difficulties or delays in developing a network of clients in international markets;
- restrictions on the ability of European companies to do business in certain foreign countries, for example as a result of economic sanctions;
- compliance with legal or regulatory requirements, including with respect to censorship, dining, internet services, privacy and data protection, banking and money transfers, and sale transactions, which may limit or prevent the offering of the Group's products in some jurisdictions or otherwise harm its business;
- lack of well-established, reliable and/or impartial legal systems in certain countries where the Group operates;
- international intellectual property laws that may be insufficient to protect the Group's intellectual property or permit the Group to successfully defend its intellectual property in international lawsuits;
- difficulties in staffing and managing foreign operations, as well as the existence of workers' councils and labor unions, which could make it more difficult to terminate underperforming employees;
- risking geopolitical trade tensions within the Group's key markets and suppliers, such as between the United States, China and Western Europe;
- currency fluctuations and price controls or other restrictions on foreign currency; and
- potential adverse tax and legislation consequences, including difficulties in repatriating earnings generated abroad.

For example, the Group is exposed to events concerning China through its direct operations in the country and business relationships with Chinese companies and customers. Lagardère Publishing uses Chinese service providers, particularly for printing, and Lagardère Travel Retail operates in over 20 Chinese airports in China's duty paid luxury fashion segment. As a result, the Group's operations could be adversely affected if, for example, printing operations in China were disrupted or if there was a reduction in Chinese air traffic. This could result from strained or interrupted trade relations between China and its international partners as a result of heightened geopolitical tensions (including an international embargo). Adverse economic developments, including an economic crisis within China, may also negatively impact the Group's operations in the region and more globally.

Any of the foregoing factors could materially and adversely impact the Group's international operations, which could harm its overall business, operating results, and financial condition.

3.1.6 <u>The Group may not recoup investments made into concessions, which may result in losses</u>.

When deciding whether to enter into a new concession contract with airport or railway authorities or landlords, Lagardère Travel Retail must consider the costs associated with the concession, including initial and ongoing capital investments, and risks associated with the concession, including working with new clients and/or brand partners. Competition for concessions can be significant, and Lagardère Travel Retail must consider whether any prospective concession offers strategic benefits that could be worth a diminution in financial returns, which could lead Lagardère Travel Retail to bid more aggressively than it might otherwise. Lagardère Travel Retail may not correctly identify the costs or risks of undertaking new concessions and, as a result, it may not experience the financial returns or strategic benefits it had expected, if any, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

In particular, concession contracts can also require a range of terms, including the payment of guaranteed minimum amounts to the landlord, generating financial commitments for the Group amounting to several hundred million euros over several years. The profitability of these contracts may be impacted over a prolonged period, for example, if the level or quality of passenger traffic or spend per passenger are insufficient to satisfactorily fund the guaranteed minimum amounts due to the landlord. Although Lagardère Travel Retail's concession contracts typically provide that these guaranteed minimum amounts may be altered on the basis of market conditions or regulatory changes, there is no guarantee these clauses will effectively alleviate pressures on profitability caused by the guaranteed minimums. The terms of the concession contracts may also include up-front payments and penalty clauses for failure to perform to stipulated operating standards. Failure to comply with such terms in existing concessions could give rise to financial penalties or a right of termination. These terms, or non-compliance with such terms, could have a material adverse effect on the Group's business, results of operations and financial condition. If the Group's consolidated balance sheet is weak or if the Group is unable to comply with terms in existing concessions, the Group may be required to pay large up-front payments or penalties that would have a material adverse effect on the Group's results of operations, financial condition and prospects.

3.1.7 The development and use of generative AI poses risk to the Group's business model, and the use of generative AI by the Group's businesses also poses several risks.

The considerable growth and widespread availability of generative AI tools poses several challenges to the Group's businesses, in particular for its publishing, press and other media businesses. For instance, content generated quickly and in large volumes competes with Lagardère Publishing's editorial offering. Generative AI also facilitates plagiarism of Lagardère Publishing's intellectual property, including by students with respect to publications in the education market. Moreover, the use of generative AI to write content raises questions about the ownership of the copyright in such content, thereby creating a risk of legal complications or challenges. In respect of the Group's press and other media businesses in particular, models may be trained using content owned by these businesses without their agreement or compensation, resulting in a loss of revenue opportunity. The Group's intellectual property may also become harder to protect as a result of increased content generation through AI, which could prove increasingly more costly for the Group in the future. See Part B, Section 3.2.1, "*The Group may not be able to protect or maintain its intellectual property rights*". The materialization of any of these risks could lead to decreases in sales and/or losses of opportunity for the Group which, in turn, could have an adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group has also incorporated and may continue to incorporate AI solutions and other new technologies into its platforms, offerings, services and features. The Group may leverage AI in its operations more slowly or less effectively than its competitors, or it may exploit AI in conjunction with its customers' data less effectively than its competitors, which may place it at a competitive disadvantage. The development and integration of AI technology into the Group's platforms, offerings, services or features could require substantial capital expenditures. In particular, even if the Group continues to invest in AI technology, it may be insufficient or less effective compared to the investments and capabilities of its competitors, competitors may have more capital resources to devote to AI technologies, and the Group's investments in AI may not result in expected returns. At the same time, the exploitation of AI brings legal, reputational, ethical, compliance, data protection and privacy issues, as AI is a new and quickly developing field, the regulatory and legal contours of which are still unclear.

For instance, the first comprehensive attempt at regulating AI, the EU AI Act, became law in the European Union in May 2024. The legal framework for the use of AI in the countries in which the Group operates may change rapidly, which exposes the Group to legal liability and reputational harm. The use of AI applications may result in cybersecurity incidents that implicate the personal data of end users of such applications or other confidential data. Any such cybersecurity incidents related to the Group's use of AI applications could adversely affect the Group's reputation and results of operations and expose it to civil litigation and/or regulatory actions, which in turn could have an adverse effect on the Group's business, financial condition, results of operations and prospects.

3.1.8 The Group may not be successful in implementing its overall strategies, and it may not be able to successfully manage any future growth.

From time to time, the Group may communicate to the public its strategic vision and certain plans for the Group's future that are intended to provide a roadmap for the Group's trajectory in years to come. For example, the Group's objectives, among others, include generating sustainable operating margins and cash generation, deleveraging and executing an opportunistic acquisition strategy that will be accretive to its margins and offer synergy opportunities.

The Group's ability to implement its strategy depends on many factors, some of which are outside of its control. Some factors which may impede the Group's strategy include:

- any failure to achieve targeted results associated with the implementation of operational programs or initiatives, or the lack of availability of sufficient funds for strategic expansion or deleveraging;

- delays or failures at Lagardère Travel Retail in procuring concession contracts and opening new units, lower than expected sales in new or existing units or higher than anticipated operating costs;

- a failure of Lagardère Publishing's publishing houses to identify or fully exploit author talent;

- delays or cancellations of anticipated curriculum updates that might have led to significant orders;

- an inability to continue publishing best-selling titles in Lagardère Publishing's trade publishing activities or to profitably market its backlist titles through ongoing secondary publishing and development of their IP;

- a failure by the Prisma Media Group to successfully implement additional business models, such as content-to-commerce, paid services and social media, to complement its digital advertising revenues stream;

- an implementation of the Group's digitalization strategy for its news and other media businesses may be too slow or not as popular as its competitors', and may not offset revenue declines from its print media businesses. See also Part B, Section 3.1.9, "*Failure to keep up to date with changes in technology, particularly with respect to its publishing, press and other media businesses, could threaten the Group's revenues and/or competitive position*";

any or all of which could affect the Group's growth and/or profitability materially and adversely.

Moreover, any acquisition by the Group may not be successful for a number of potential reasons, some of which are not in the Group's control, such as the seller or target failing to divulge specific risks, changes in applicable laws and regulations, and local practices. Furthermore, the Group may be unable to identify attractive opportunities and suitable targets, conclude deals on terms that are less favorable than anticipated or may fail to generate the synergies or other benefits that were expected by the Group and may fail to smoothly integrate any new businesses into its portfolio. Such outcomes, if they occur, may have a negative impact on the return on investment and ultimately on the Group's net worth, which, in turn, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

3.1.9 Failure to keep up to date with changes in technology, particularly with respect to its publishing, press and other media businesses, could threaten the Group's revenues and/or competitive position.

Advances in technologies or alternative methods of content or product delivery could have a negative effect on the Group's business and/or competitive position if the Group is not able to respond adequately to these technological changes. There can be no assurance that the Group will be able to maintain its competitive position by responding successfully to any such developments, nor that the Group may be able to anticipate such changes.

The need to keep pace with developing technology is particularly acute with respect to the Group's publishing, press and other media businesses. For example, print magazine paid circulation in France fell 63% between 2013 and 2023, according to the *Alliance pour les Chiffres de la Presse et des Médias* ("**ACPM**"), and yet print magazine sales represented 83% of the Prisma Media Group's net profit margin in 2023. Although the Group is pursuing a digital media strategy, success in such a strategy is not guaranteed as the Group will also face competition for readers' screen attention time from other digital content providers, some of whom provide content for free. Online traffic and product and service purchases are also driven by internet search results, referrals from social media and other platforms and visibility on digital marketplace platforms and in mobile app stores. Search engine results and digital marketplace and mobile app store rankings are based on algorithms that are changed frequently, and social media and other platforms may also vary their emphasis on what content to highlight for users. The Prisma Media Group's digital media strategy depends upon such third-party search algorithms and in particular upon Google, as approximately 60% of the web traffic on the Prisma Media Group's web sites in 2023 derived from Google searches. Updates to Google's search algorithms have caused, and could in the future cause, significant fluctuations in traffic to the Group's websites. Use of AI in search engines could also result in decreased viewership and engagement with the Group's online content. Additionally, Lagardère Publishing faces the need to keep pace with e-book technology and distribution systems, particularly for its education segment, as many aspects of the digital education market which could develop for schools, such as the nature of the relevant software and devices or hardware, the size of the market, relevant methods of delivery and relevant content, as well as pricing models, are still evolving and will, most likely, be subject to change on a recurring basis until a pattern develops and becomes more defined. Any failure to successfully manage and adapt to these changes across the Group's businesses, including those affecting how its content, apps, products, and services are discovered, prioritized, displayed, and monetized, could impede its ability to compete effectively by significantly decreasing traffic to its offerings, lowering advertiser interest in those offerings, increasing costs if free traffic is replaced with paid traffic and lowering revenues. A loss in the expected popularity or discoverability of the Group's content or other products and services could have a material adverse effect on its business, financial condition or results of operations.

The Group expects to continue to pursue new strategic initiatives and develop new and enhanced products and services in order to remain competitive. The Group has incurred, and expects to continue to incur, significant costs in order to implement its strategies and develop new products and services, as well as other costs to acquire, develop, adopt, upgrade and exploit new and existing technologies and attract and retain employees with the necessary knowledge and skills to support our priorities. Additionally, some of the Group's current and potential competitors may have fewer regulatory burdens, better competitive positions in certain areas, greater access to sources of content, data, technology or other services or strategic relationships or easier access to financing, which may allow them to respond more effectively to changes in technology, consumer and customer needs, preferences and behavior and market conditions. Continued consolidation among competitors in certain industries in which the Group operates may increase these advantages. Accordingly, there can be no assurance any of the Group's strategic initiatives, products or services will be successful in the manner or time period or at the cost it expects, or that the Group will realize the anticipated benefits it expects to achieve. The failure to realize those benefits could have a material adverse effect on the Group's business, results of operations and financial condition.

Failure to respond to these challenges successfully could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.1.10 The Group's businesses depend upon the proper functioning of its strategic IT and distribution systems and sites, which may become disrupted.

Isolated or persistent events may disrupt the effective operation of the Group's businesses by rendering certain strategic systems and sites temporarily unavailable.

Information technology ("**IT**") systems are of major importance to all of the Group's activities, and the increase in remote working in recent years has only increased this reliance and the Group and its customers come to rely more upon them. However, these systems, most of which are provided by third parties, are increasingly complex and interdependent and become obsolete much more quickly. As a result, the Group's operations are increasingly exposed to the risk of a major malfunction affecting its systems and networks and/or those of its partners. Such IT systems and infrastructure are also used to collect, transfer, store, use and process a variety of data, such as business, personal and financial data. For instance, in the Group's Travel Retail division, these dependencies include electronic point-of-sale technology and supply chain planning and management services, particularly in light of its international operations. Digital technology makes it possible for the Group to develop and market e-books, downloadable audiobooks and the podcast and digital platforms used by the Prisma Media Group, Lagardère News and Lagardère Radio. Certain subscriptions and billing and payment systems are also managed digitally, some of which are provided by third parties. Failure of one more IT systems or infrastructure used by the Group for any reason, including power failures, malware, hacking, faulty computer programs, natural disasters or sabotage, may lead to operating inefficiencies or disruptions which, in turn, could have a negative impact on the Group's business, reputation, financial condition, results of operations and prospects.

The Group may also face a destruction or unavailability of any of its major sites due to events outside of the Group's control, such as fire, floods, sabotage, terrorist attacks and strikes, any of which may make unavailable physical infrastructure and operations such as Lagardère Publishing or Lagardère Travel Retail warehouses, of cash registers in a number of shops, or of radio studios. Disruptions at the Group's sites may destroy inventory, disrupt its distribution and logistics networks, prevent sales, force the Group to cancel concerts it has promoted and/or suspend the publication or broadcasting of books, magazines, radio programs and podcasts, any of which alone or together could materially adversely affect the Group's business, financial condition, results of operations and prospects.

3.1.11 Lagardère Travel Retail's shops operate under concession contracts that are subject to early termination, revocation or modification, and loss of concessions could negatively affect the Group's revenues and business.

Lagardère Travel Retail's activities are mainly operated pursuant to concessions granted by airport or railway authorities or landlords. The duration of Lagardère Travel Retail's concession contracts varies across regions and by sector and in some cases can be subject to early termination by either party subject to varying notice periods. Lagardère Travel Retail's concession contracts may also be terminated early by the landlord on payment of compensation for redevelopment, and there is no guarantee that the redeveloped space will be granted Lagardère Travel Retail on the same terms as were agreed prior to redevelopment, with the same number of units or at all. Redevelopment of a site, even in circumstances where the concession was not terminated, could result in temporary or permanent closure in whole or in part of the Lagardère Travel Retail's unit at that site as the redevelopment could cause the location of some or all of the Group's units to be less accessible to customers, and therefore less profitable.

The concessions may also be unilaterally terminated or modified prior to the end of the original expiration date upon expropriation or annulment by the respective authorities or forfeiture by Lagardère Travel Retail. Forfeiture may be declared by the authorities if the concessionaire fails to fulfill the terms and conditions set forth in the concession contract as well as applicable legal and regulatory obligations. Annulment may be declared by the authorities or by courts in case the act granting the concession, or its terms do not comply with the appropriate legal requirements, such as procurement, antitrust or similar regulations.

The concessions may also be terminated early by airport or railway authorities or landlords in certain circumstances including, among others:

- assignment, transfer or sub-lease by the Group to third parties, in whole or in part, of the rights or obligations provided for in the relevant agreement;
- a change of control in the Group;
- failure by the Group to comply with any of the provisions of the concession contract;
- use by the Group of the concession area for any purpose other than the object of the agreement;
- entry by the Group into an agreement with a third party with respect to the concession area or services to be explored without applicable authorities' prior approval, particularly in the case of airports;
- making of any modification to the facilities without applicable authorities' prior approval;
- default by the Group on the payment of the fees for a period provided for in the relevant agreement;
- the Group's not providing the services with an adequate quality level or the failure to obtain the necessary equipment for the satisfactory rendering of such services; or
- reasons of public interest.

Early termination of any concessions under these or other circumstances may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

3.1.12 Loss of operating licenses for Lagardère Travel Retail could have a material adverse effect on the Group's business.

Lagardère Travel Retail is required, among other things, to obtain and maintain licenses and/or registrations to operate, including in relation to the sale of duty-free products and food and beverages, in all jurisdictions in which it operates. Potential licensees are often required to meet certain financial requirements and sometimes to provide security. In addition, licensees are generally subject to certain reporting requirements and audits and may be required to maintain a minimum level of infrastructure and local management, which imposes additional costs. The loss of any operating license as a result of failure to comply with applicable requirements could result in the Group's inability to continue operating at a site, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, any material increase in the costs associated with obtaining and maintaining licenses or remaining in compliance with applicable laws and regulations or penalties for failure to comply, as a result of a change in law or otherwise, could force the Group to leave the relevant jurisdiction or lead to the payment of fines, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

3.1.13 Certain products delivered by Lagardère Travel Retail are subject to strict safety standards.

The preparation of food and the maintenance of the Group's dining supply chain for Lagardère Travel Retail require the maintenance of high levels of hygiene, traceability and temperature control and expose the Group to possible food safety liability claims and issues, such as the risk of food poisoning. Dining is taking an increasing role in the Lagardère Group's business, including its travel retail business, reaching 16.6% and 26.8% of the Lagardère Group's and Lagardère Travel Retail's revenues, respectively, in 2023 (compared to 12.9% and 22.8%, respectively, in 2022). Non-compliance with food safety laws may expose the Group to significant reputational damage, along with the possibility of claims and financial penalties. The Group's existing food safety controls and procedures may prove inadequate, for example, in cases of tampering with or contaminating food or failing to prepare food in accordance with relevant requirements (such as for halal, kosher, allergies or other dietary requirements). The occurrence of, or allegations of, any such event or any related negative press could harm the Group's relationship with its clients, customers, landlords or its reputation and result in a loss of customers, even if the Group is not responsible for the event or if its liability is limited. This could limit the Group's ability to renew contracts with landlords on acceptable terms or at all and/or to obtain new business. Furthermore, food safety regulations continue to evolve. There also exists the risk that the Group's suppliers may fail to comply or adhere to applicable food or product safety regulations, which may expose the Group to the aforementioned risks, such as food safety liability claims.

Failures may also lead to food safety or other liability claims or sanctions orders under national and local food controls and regulations, which may include loss of license and closure of some of the Group's operations. In addition, such claims and incidents may cause the Group to incur significant legal and other costs and could divert the attention of management and key personnel from the business, any of which could have a material adverse effect on the Group's business, reputation, financial condition, results of operations and prospects.

3.1.14 Rising input costs caused by inflation have in the past, and can in the future, pose a risk to the Group's business.

The Group's input and operating costs, such as commodity (in particular paper), energy, labor and transportation costs, can be impacted by a variety of factors outside the Group's control, including, among others, changes in trade laws, tariffs, macroeconomic conditions and global political events. A number of countries in which the Group operates or from which it sources supplies have in recent years experienced increased rates of inflation. For instance, inflation in France peaked at 7.0% in the first quarter of 2023 before declining to 4.2% in the fourth quarter of 2023, driven mainly by declining energy and commodity prices. Commensurate with this, Lagardère Publishing in France experienced higher costs associated with logistics and IT transformation in 2023. The Prisma Media Group has also experienced higher paper, printing, electricity and postal costs and Lagardère Travel Retail has experienced a general increase in costs, including in costs of goods sold, wages and utilities, in recent periods. Additionally, the market for paper is concentrated, which limits the Group's bargaining power and renders it more vulnerable to increases in the cost of paper. Although the Group works to address material cost increases by pass-through and by taking measures to improve efficiency, there is no assurance that any past success in mitigating the impact of inflation will be repeated in the future. Accordingly, inflationary pressures could in the future have a material adverse effect on the Group's results of business, financial condition, results of operations and prospects.

3.1.15 The Group may lose or fail to retain or attract key internal and external talent.

As the Group operates in services and creative industries, the ability to identify and retain internal and external talent, such as publishers, editorial staff, managers, journalists and other specialists, is a key success factor for the Group. The Group's current and future success is highly dependent on the Group's ability to recruit, retain and motivate people with the necessary skills across all segments. For instance, the Group's trade publishing and media businesses are highly dependent on maintaining strong relationships with the authors, publishers, illustrators and other creative talent who produce its products and services. Any overall weakening of these relationships, or the failure to develop successful new relationships, could raise the Group's costs of acquiring talent or otherwise have an adverse impact on the Company's business, financial condition, results of operations and prospects.

The Group operates in an environment that is particularly sensitive to mobility and competition and new professional aspirations. The skills developed in the Group's business are highly attractive to other companies, which regularly target the Group's staff for recruitment. Inability to recruit or retain individuals with the necessary skills and experience, such as key executives and managers for shops in the Travel Retail sector or key journalists in the news sector, could negatively affect its sales performance, increase its labor costs, or otherwise materially adversely affect the Group's business, financial condition, results of operations and prospects.

3.1.16 Advertising revenues are critically dependent on the sale of commercial advertising time or space at competitive prices, and the competition for audiences' attention has intensified in recent years.

The Group's press and media businesses, particularly the Prisma Media Group, are strongly dependent on advertising revenues, especially with respect to its digital media offerings. In 2023, 84% of Prisma Media Group's digital revenues was derived from advertising sold on their platforms. The digital advertising market is increasingly competitive and the Group may not be able to effectively generate advertising revenues in the future. For instance, advertisers are increasingly more interested in targeting specific consumers with advertisements in order to gain access to the data that the Group collects about its customers than in simply supporting content that would attract consumers' attention. Other media platforms, including social media and retailers, may be able to offer advertisers better consumer targeting or better consumer data at better prices than the Group can, which may materially adversely affect the Group's business, financial condition, results of operations and prospects. See also "*—The Group faces significant competition in each of the businesses in which it operates and competitive pressures and shifting customer preferences could have a material adverse impact on its businesses*".

3.1.17 Any required changes in targeting, such as potential restrictions on the use of third-party cookies or other privacy-related changes to digital advertising, could materially and adversely impact the Group's advertising revenues and business results, and impair its ability to acquire consumers efficiently.

The Group uses certain practices and techniques, such as deploying third-party cookies, to enhance its customers' online experience by allowing the customization and display of relevant content and advertising. As a response to growing concern over data privacy, third parties, including major browsers, have announced diverse and evolving policies with respect to the use of third-party cookies. Safari and Firefox already block third-party cookies as a default setting and Google has also announced changes to the use of third-party cookies on its Chrome browser which may accelerate the phase-out of third-party cookies, although the extent of and timeline for any such potential phase-out remain unclear. A potential inability to deploy third-party cookies on Google software is an important risk for the Group, as two-thirds of internet traffic in France passes through Google's Chrome browser. A potential phase-out of third-party cookies could significantly restrict the volume of usable information available to the advertising market and directly impact the attractiveness of websites for advertisers. Without third-party cookies, advertisers would not be able to target or retarget users or measure the impact of ads on websites where users are not logged in. A phase-out of third-party cookies would also render targeted cross-marketing campaigns more difficult and could make customer acquisition strategies less efficient, and the restrictions that browsers place on the use of cookies has already, and may continue to in the future, have a negative effect on advertising inventory valuations.

The Group is developing strategies to respond to uncertainties regarding a potential phase-out of third-party cookies. For example, the Prisma Media Group utilizes a first-party cookie solution through First-id that allows it to track consenting users across websites as well as contextual targeting, which displays ads based on website content. However, these and other solutions which the Group may rely upon in the future, if third-party cookies are phased out, may not offer the same volume of usable data for advertisers as third-party cookies. Conversely, if third-party cookies persist, the Group's investments in alternative tracking strategies and technologies may become obsolete or unnecessary. Additionally, other modifications to privacy settings on computers and mobile devices could limit or restrict the Group's ability to collect and analyze data. For example, certain search engines, such as Google, provide an encrypted search function which prevents advertisers from seeing the keywords generating website traffic, potentially compromising the Group's ability to provide certain types of advertising. Some Internet users also download free or paid ad-blocking software that not only prevents third-party cookies from being stored on a user's computer, but also blocks all interaction with a third-party ad server. In addition, Google has introduced ad-blocking software in its Chrome web browser that will block certain ads based on quality standards established under a multi-stakeholder coalition. If such a feature inadvertently or mistakenly blocks ads that are not within the established blocking standards, or if such capabilities become widely adopted and alternative technologies are not developed to replace it, the Group's business could be harmed.

If the Group is unable to find alternative strategies to address these and other potential data privacy changes, its ability to provide certain types of advertising may be compromised or may result in lower rates and revenues, and its business results could be materially and adversely affected. See Part B, Section 3.1.18, "*Advertising revenues are critically dependent on the sale of commercial advertising time or space at competitive prices, and the competition for audiences' attention has intensified in recent years*".

3.1.18 Privacy breaches and other cyber security risks related to the Group's business may negatively affect its business, reputation and credibility.

The Group's operations are increasingly linked with digital tools and platforms, such as digital distribution for the Prisma Media Group and Lagardère News, digital publishing for Lagardère Publishing and electronic point-of-sale technology and central supply chain planning and management services for Lagardère Travel Retail. The Group's information systems contain sensitive, confidential data related to its customers, third parties and how its businesses are run, notably details of major contracts, and personal data on its employees and third parties, including, for example, magazine and partworks subscribers, customers of the Group's duty-free retail stores and website visitors in media and education businesses.

Cybersecurity is an important issue for the Group, particularly with regard to the possibility of unauthorized access via cyberattacks to its information systems through third-party suppliers and existing platforms and systems. Cyberattacks have been increasing in number and severity in recent years and may take various forms, including worms and other malicious software programs that could attack the Group's systems, cause disruptions to services and cause shutdowns or denials of service. The Group's information systems may also be accessed or modified by third parties as a result of malfeasance by people having regular access to them. Cyberattacks, data loss, and/or information discontinuity could significantly disrupt the Group's activities, including by causing a breach of data confidentiality or theft of intellectual property.

While the Group takes precautions to guard against cybersecurity incidents, those precautions might prove ineffective and, in the event of threats to the confidentiality, integrity or availability of the Group's information system and stored data, the Group may be exposed to various risks in terms of image, service interruption, data theft, fraud, loss of revenues, third-party disputes and fines. Additionally, the costs associated with a security breach, including replacing systems, paying fines and/or ransoms, have been increasing in recent years and may be substantial. And such risks, if they crystallize, could have a material, adverse impact on the Group's business, reputation, financial situation, results of operations and prospects.

3.1.19 If Lagardère Travel Retail fails to identify, develop and maintain relationships with a number of reputable brand partners, its business, results of operations, financial condition and prospects could be adversely affected.

Lagardère Travel Retail's ability to attract new and profitable licensing or franchise agreements or win tenders for new concessions and to attract customers depends in part on the diversity and quality of its brand offerings, particularly its partner brand offerings, including for example, ranging from dining options such as Burger King, Paul and Costa Coffee to high-end luxury brands such as Hermès, as well as other international, national and local brands. Maintenance of good relationships with brand partners is becoming more important for Lagardère Travel Retail as the proportion of partner-branded concessions to proprietary-branded concessions in its business is increasing.

The decision of a brand partner to terminate its arrangements with the Group or to not extend following the expiration of existing terms could limit the Group's ability to compete effectively for concessions or future partnerships. In addition, it could give rise to rebranding obligations on the expiry of term, forcing Lagardère Travel Retail to find new partners or develop its own brand and find new suppliers, thereby increasing costs and diverting management time. Terms for renewal of agreements or replacement agreements could be less favorable, for example, a brand partner may require higher license fees and/or royalty payments on renewal. Additionally, there is a risk that the Group's action or inaction may jeopardize the reputation of a partner brand and result in litigation, compensation or an impairment or an end to the relationship. The loss of any significant partner brands, the inability to obtain rights to new brands over time or the diminution in the appeal of existing partner brands or Lagardère Travel Retail's proprietary brands could impair the Group's ability to compete effectively in tender processes and could ultimately have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.1.20 A disruption or malfunction in, increased costs associated with or failure to make improvements to, the Group's supply chain or any interruption or loss of supplies from key suppliers or key counterparties could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group has supply relationships with printers, food and goods manufacturers, distributors, and logistics providers, which it uses for the sourcing and delivery of products and supplies. The failure of key counterparties of the Group could also result in significant disruption to the Group's business activities, impacting its ability to supply products and services to its customers, resulting in lower levels of business and revenues. For example, the Lagardère Publishing's ability to meet customer demand for books depends on supplies from its printing partners, which could be affected by the availability of raw materials such as pulp, and disruptions at key local wholesalers for Lagardère Travel Retail stores, or at its central duty-free warehouse, could negatively affect sales and/or costs. A breakdown in key commercial relationships could have an impact on the Group's future publishing opportunities. Third-party service providers are also a key part of the Group's activities in the digital sector, such as data center and cloud service providers for the Prisma Media Group. A failure of one of the Group's main suppliers or key counterparties could disrupt the Group's business activities, negatively affecting its ability to provide products and services and meet customer needs and/or damaging its reputation.

The Group relies on these suppliers to provide high quality products and to comply with applicable laws. The Group's ability to find qualified suppliers that meet its standards, as well as the standards of its brand partners, and supply products in a timely and efficient manner is a significant challenge. A supplier's failure to meet the Group's standards, provide products in a timely and efficient manner or comply with applicable laws, the loss of such a supplier or a change in supply requirements of any brand partner could have a material adverse effect on the Group's business, results of operations and financial condition.

3.1.21 The Group's activities may be impacted by climate change.

The Group's activities, supply chains and customers may be impacted by risks associated with climate change and environmental laws and regulations. Increased and changing expectations from various stakeholders, including governments, regulators, investors, customers and employees, have developed over the last few years in relation to actions taken by companies to fight climate change.

Any actions taken by the Group or by others to comply with laws or regulations or to meet expectations to reduce greenhouse gas emissions could impact the Group's business, particularly with respect to Lagardère Travel Retail but also with respect to Lagardère Publishing. These measures could take various forms, such as national or local political decisions, pressure from the financial markets to redirect investor choices towards less carbon-intensive sectors or higher energy prices, among others, any of which may reduce air traffic and consequently have a negative effect on the Group's revenues from travel retail operations. Actions taken by the Group or others in respect of reducing greenhouse gas emissions may also increase the price of paper or restrict Lagardère Publishing's use of paper, which may adversely affect print sales. The negative effects of climate change may also include physical risks linked to weather or climate conditions that may have a negative effect on the Group's business or on the effective operations of airports, railway stations and other means of transport which are a source of demand for Lagardère Travel Retail and form key logistics systems for the Group as a whole. Disruption of airport operations over several consecutive days due to flooding or storms may lead to flight cancellations over a number of days, or even airport closures and reduced traffic, any of which may cause the Group to forgo revenues and/or incur increased costs.

Furthermore, the availability and price of certain raw materials used in the products sold by the Group could also be affected by climatic change. For example, growing competition over the use of wood and/or increasing scarcity over wood could raise the price of paper for the Group. This is the case, for example, with paper for books and magazines facing an increase in its price due to the pressure exerted by forest fires on timber and pulp production, and food products for Travel Retail. Climate change may also cause physical damage to buildings, personnel, or customers due to flooding, high winds, excessive heat or other effects, any of which could materially adversely affect the Group's business, financial condition, results of operations and prospects.

The Group may also fall short of stakeholder expectations relating to environmental considerations. Responding to these considerations involves risks and uncertainties and require ongoing investments. The Group's inability to meet growing expectations on companies to take steps to reduce the environmental impact of their activities, could damage the Group's reputation and prevent it from developing, attracting or retaining talent.

3.2 Risks related to legal, regulatory and taxation matters

3.2.1 The Group may not be able to protect or maintain its intellectual property rights.

The Group relies on trademark, copyright, and other intellectual property laws to establish and protect its proprietary rights in its brands, products and services. See Part B, Section 5.4, "*Patents, licenses, trademarks and domain names*". The Group has a substantial portfolio of intellectual property rights consisting of trademarks relating to its proprietary brands such as Elle, Relay, Discover, Aelia Duty Free, Vino Volo Marché, Natoo, Europe 1, Astérix and Hachette, and the Group's publishing, media and entertainment products and services largely comprise intellectual property content delivered through a variety of media, including television, journals, newspapers, books, e-books, the internet and live performances. Particularly with respect to Lagardère Publishing and the Group's press and other media businesses, the ability to achieve anticipated results depends in part on the Group's ability to defend its intellectual property, including copyrights, trademarks and know-how, against infringement, as well as the breadth of rights obtained.

The Group's proprietary rights may be challenged, limited, invalidated or circumvented. Despite trademark and copyright protection and similar intellectual property protection laws, third parties may be able to copy, infringe or otherwise profit from its proprietary rights without authorization. Policing unauthorized use of the Group's brands, products and services and related intellectual property is often difficult and expensive, and the steps taken by the Group may not in every case prevent the infringement by unauthorized third parties. Developments in technology, including generative AI, digital copying, file compressing and the growing penetration of broad-band internet connections, increase the threat of content piracy by making it easier to duplicate and widely distribute pirated material. See Part B, Section 3.1.7, "*The development and use of generative AI poses risk to the Group's business model, and the use of generative AI by the Group's businesses also poses several risks*". There can be no assurance that the Group's efforts to enforce its rights and protect its intellectual property will be successful in preventing intellectual property theft and the loss of revenues it may cause, and attempts by the Group to defend its intellectual property rights may fail and cause the Group to incur additional costs. Violations of the Group's intellectual property rights, individually or in aggregate, may therefore have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Additionally, the Prisma Media Group has licensing agreements with the owners of well-known brands such as National Geographic, the Harvard Business Review and Harper's Bazaar, through which it offers such brands in France. Such licensing agreements could in the future be terminated under certain circumstances, could fail to be renewed, or could only be renewed on terms that would be uneconomical for the Group. The early termination of such agreements or their failure to renew, on terms that would be favorable to the Group or at all, would result in the loss of recognized brands and their subscription revenues, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

3.2.2 The Group is subject to regulatory, compliance and ethical risks.

The Group is subject to applicable laws and regulations in the jurisdictions and sectors in which it operates globally, including territories where ethical standards may be lower than in France. Regulations include those related to export and trade, the environment, health and safety, security, anti-bribery and anti-corruption, product safety, tax, intellectual property rights, competition, money laundering, employment and labor, data protection and other business practices. Failure to comply with applicable laws and regulations could expose the Group to fines, penalties, damage to reputation or suspension or debarment from government contracting. Legal or regulatory proceedings can be protracted and costly.

In addition, regulatory authorities could adopt new or more stringent regulations, or heighten regulatory oversight and, as a result, the Group could incur unforeseen expenses to comply with these requirements, all of which may have a material adverse effect on its results of operations, business and financial condition.

The Group's activities are subject to anti-bribery and anti-corruption laws, rules or regulations, such as the French "Sapin II" law, the U.S. Foreign Corrupt Practices Act and the UK Bribery Act 2010, as well as regulations in terms of international economic sanctions and anti-competitive behavior of countries in which the Group operates. There is growing pressure from the relevant supervisory authorities as to how these regulations are applied, and heavy sanctions have been imposed on businesses. As a result, compliance with new or amended laws or regulations, or upcoming regulations, may be complex and costly for the Group. Additionally, some of the Group's activities operate in sectors and with a higher exposure to the risk of corruption, as is the case with respect to Lagardère Travel Retail or the Education business of Lagardère Publishing, due to their involvement in contracts signed by public officials or calls for tenders.

Despite the Group's efforts to comply with these regulations and with high ethical standards, inappropriate or illegal behavior by its employees, officers and/or external third parties acting in the name and on behalf of the Group could occur and violations of anti-bribery or anti-corruption laws and regulations, as well as regulations in terms of international economic sanctions and anti-competitive behavior. These behaviors could result in substantial penalties, fines and criminal sanctions against the Group, its officers, employees, disgorgement, and other sanctions and remedial measures, prohibitions on the conduct of the Group's business, a deterioration in the Group's image or a deterioration in the Group's relationships with its banking partners, any of which could have a material adverse effect on the Group's business, reputation, financial condition, results of operations or prospects.

3.2.3 Complying with evolving data protection laws and requirements may be difficult or costly.

Many jurisdictions have enacted or are considering enacting privacy or data protection laws and regulations that apply to the processing or protection of personal information. These laws and regulations may impose additional security breach notification requirements, notice and consent requirements and specific data security obligations, and may also provide for a private right of action or statutory damages. The compliance costs and operational burdens imposed by these laws and regulations could be significant.

Failure to protect confidential data, provide individuals with adequate notice of the Group's privacy policies or obtain required valid consent could subject the Group to liabilities imposed by the jurisdictions where the Group operates. For instance, the Group is subject to the General Data Protection Regulation (EU) 2016/679 ("**GDPR**") notably in relation to processing the personal data of customers, employees and other persons who may visit the Group's offices and locations. Although the Group has put in place procedures to ensure compliance with the provisions of the GDPR applicable to it, it cannot be certain that its procedures will be fully effective, with the result that it may inadvertently breach certain of these regulations. Potential monetary penalties for violations of the GDPR are significant, up to the higher of 4% of the annual worldwide turnover of company groups or €20 million, and if applied to the Group could have a significant impact on its financial condition. In addition, the loss or disclosure of personal data could result in significant damage to the individuals concerned and render the Group liable and any actual or alleged breach of data protection or privacy regulations is Further, because a significant proportion of the Group's products and services are available on the internet, the Group may be subject to laws or regulations exposing it to liability or compliance obligations even in jurisdictions where it does not have a substantial presence.

Existing privacy-related laws and regulations are evolving and are subject to potentially differing interpretations. Various national and local legislative and regulatory bodies may expand current laws or enact new laws regarding privacy and data protection. For example, in addition to the GDPR, the Data Protection Act of 2018 in the UK impose stringent data protection requirements and significant penalties for noncompliance; California's Consumer Privacy Act created data privacy rights, which other U.S. states have implemented as well; and the EU's proposed ePrivacy Regulation could impose, with respect to electronic communications and website cookies, additional data protection and data processing requirements beyond those of the current EU ePrivacy Directive.

Any failure or perceived failure by the Group, or third parties on which the Group depends, to comply with data privacy laws, rules, regulations, industry standards and other requirements could result for the Group in legal claims or proceedings (such as class actions), regulatory investigations and enforcement actions, fines and penalties, negative reputational impacts and future compliance costs, which could materially and adversely affect the Group's business, results of operations and financial condition. The Group also cannot guarantee that any such costs or losses will be covered by the Group's existing insurance policies or that applicable insurance will be available to the Group in the future on economically reasonable terms or at all. Any of the foregoing could affect the Group's business and reduce demand for certain of the Group's services which, in turn, may adversely affect the Group's business, financial condition, results of operations and prospects.

3.2.4 The Group is subject to varied and evolving laws and regulations.

The laws and regulations to which the Group's activities are subject are rapidly evolving, multiple and complex. Changes in these laws and regulations, and in their interpretation by the relevant authorities or courts, give rise to increasing constraints that may require major investments or expose the Group to significant litigation risks.

For example, Lagardère Publishing's book publishing and distribution activities are subject to specific local regulations concerning intellectual property, legal deposit of publications, book pricing, VAT, the content of books for children and in the young adult segment and with respect to broadening access to out-of-print books. In addition, Lagardère Travel Retail's activities are governed by specific local regulations relating to the negotiation and formalization of relationships with licensors and suppliers, the marketing of press, food, tobacco and alcohol products, the sale of tax-free products (which may, where applicable, be the subject of agreements signed with the relevant national customs authorities) or transport activities. The Prisma Media Group and Lagardère News are also subject to a variety of laws and regulations such as the French press law of July 29, 1881, on the freedom of press, as well as the law of October 18, 2019, on the modernization of press distribution, which requires press publishers to form a cooperative if they pool distribution and use approved press distribution companies.

Changes in laws, regulations and enforcement measures in the main markets in which the Group operates may also restrict the Group's ability to conduct its business or execute its strategic plans. The Group's inability to comply with or adapt to the diverse and changing legal and regulatory landscapes of its international markets may adversely affect its business, financial condition, results of operations and prospects. For example, in France, Lagardère Publishing's books are subject to French Law No 2021-1901 of December 30, 2021 on strengthening the book market and reinforcing fairness and trust among its participants (the "**Darcos Law**"), which provides for minimum delivery fees for the delivery of books, thereby increasing the cost to some consumers of its products. Additionally, the regulatory and legal framework governing generative AI is evolving rapidly. As a result, the Group faces uncertainties regarding these evolving laws and regulations, and may also have to incur new or additional costs to ensure compliance. See Part B, Section 3.1.7, "*The development and use of generative AI poses risk to the Group's business model, and the use of generative AI by the Group's businesses also poses several risks*".

The costs incurred by the Group in complying with these diverse and sometimes contradictory laws and regulations, and in dealing with the associated risks, can be significant. The Group cannot guarantee that the policies and procedures it has implemented to ensure compliance with these laws and regulations will be effective or produce the expected results.

3.2.5 The Group is or may become involved in litigation in the ordinary course of business that may have a material adverse effect on the Group.

In the ordinary course of its business, the Group is or may become involved in litigation in the various jurisdictions in which it operates. See Part B, Section 14.6, "*Legal and arbitration proceedings*". The Group is or may become involved in patent, copyright, commercial, consumer protection, employment, product liability, class action, whistleblower and other litigation, in addition to governmental and other tax or regulatory investigations and proceedings. The Group has also received and may in the future receive claims asserting it is or may be infringing, misappropriating, or otherwise violating third-party intellectual property rights. The Group may become involved, and has in the past been involved, in disputes with taxation authorities in jurisdictions in which it operates regarding, for instance, the classification of sales of investments, the deductibility of notional interest or other reassessments of tax liability. Additionally, customer claims relating to food quality, food allergies, food poisoning, kitchen hygiene, accidents and unit cleanliness are common in the dining industry, and the Group may face products liability claims, for example, from harm caused by partworks, accessories and toys sold by Lagardère Publishing. The Group could also face the risk of claims of illness, injury or death relating to public liability, including those relating to health and safety incidents, as it operates commercial establishments and promotes events that are open to the public. There may be a risk of employment claims based on, among other things, discrimination, harassment, wrongful termination and issues such as rest breaks, meal breaks, overtime compensation, allocation of gratuities among staff and holiday pay. Any such claims, if they crystallize, individually or in the aggregate, could adversely impact the Group's business, financial situation, results, prospects and on its reputation and that of its products and services.

Lawsuits or investigations may notably be initiated by shareholders, current or former employees, consumers, business partners, competitors, artists and third parties, or by regulatory and tax authorities. The Group may also be involved in class actions. In some cases, if the Group fails to negotiate an amicable settlement, it may be ordered to pay damages or financial penalties. Such matters can be time-consuming, divert management's attention and resources, cause the Group to incur significant expenses, fees or liability or require the Group to change its business practices, regardless of whether the suit is successful. While the Group takes steps to prevent any such litigation or address its consequences, such as taking insurance coverage for some kinds of claims the Group may face, the Group cannot ensure that these actions will be efficient or deliver the expected results, in which case any litigation may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

3.3 Financial risks

3.3.1 <u>The Group is subject to liquidity risk</u>.

Liquidity risk is the risk that the Group will not be able to efficiently meet both expected and unexpected current and future cash flows without affecting either its daily operations or financial condition.

To ensure adequate liquidity and flexibility in support of the Group's operating needs, the Group maintains several sources of financing, including Lagardère Group's revolving credit facility and its short- and medium-term financing programs, such as its negotiable European commercial paper and medium-term notes programs, as well as shareholder loans from Vivendi. If any of these sources were unavailable or insufficient, the Group's liquidity and ability to adequately fund its operations could be adversely affected, and the Group could be required to refinance, restructure or otherwise amend some or all of its obligations, sell assets or raise additional cash in the capital markets. A contraction or disruption in the credit markets may also make it more difficult for the Group to meet its working capital requirements. It may also negatively impact the Group's clients' liquidity, which could cause them to delay payment or take other actions that would negatively affect the Group's working capital. The Group will also need to refinance some of its existing debt as it matures. The Group may not be able to access any new sources of liquidity, including in the capital markets, on commercially reasonable terms or at all (especially in a higher interest rate environment), or raise sufficient funds to meet its needs. Any of the foregoing could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. See Part B, Section 7.8, "*Financial debt*" and Section 7.12 "*Principal financings*", as well as Note 11.1, "*Liquidity risk*" of the Unaudited Interim Combined Financial Statements for a description of the Group's liquidity profile and outlook.

3.3.2 <u>The Group's leverage and debt service obligations could materially and adversely affect its business, financial condition or results of operations</u>.

As of June 30, 2024, the Group's total financial debt was €2,917 million (and net financial debt was €2,528 million), including €1,300 million in aggregate principal amount of term loans outstanding (under the Facilities) and €650 million in aggregate principal amount of shareholder loans and excluding €700 million available for drawing under the revolving credit facility (as part of the Facilities). See Part B, Section 7.8, "*Financial debt*", Section 7.12 "*Principal financings*" and Note 15, "*Borrowings and Other Financial Liabilities and Financial Risk Management*" of the Unaudited Interim Combined Financial Statements.

The Group may incur additional debt in the future. If new debt is added to its existing debt levels, the related risks that the Group now faces would increase. The Group's current or future leverage could prevent it from generating sufficient cash to pay the principal, interest or any other amounts that become due and payable under its indebtedness, as well as prevent it from executing on its strategic initiatives, such as opportunistic acquisitions.

The Group's leverage could have important consequences for its business and operations including, but not limited to:

- result in the Group's inability to maintain one or more of the financial ratios under its debt agreements, which could trigger the early maturity of part or all of its debt;

- place the Group at a competitive disadvantage compared to competitors with lower leverage and better access to third-party financing sources;

- increase the costs of current and future loans;

- limit the Group's capacity to access new debt and promote necessary investment, or its ability to withstand adverse market conditions or an economic downturn; or

- force the Group to increase its capital stock or to divest specific strategic assets to service its debts or comply with the commitments under such debts.

3.3.3 The Lagardère Group is subject to restrictive covenants that limit its operating and financial flexibility.

The Facilities Agreement contains covenants which impose operating and financial restrictions on the Lagardère Group. For example, the Facilities Agreement limits the Lagardère Group's ability to, among other things, grant security interests over its assets or allow its material subsidiaries to grant security interests over their assets, make a substantial change to the nature of the Lagardère Group's business, make certain disposals, acquisitions, minority investments, mergers or capital expenditures or to incur financial indebtedness, subject to customary exceptions and qualifications for financing of this type. The Facilities Agreement also requires the Lagardère Group to comply with a maximum leverage ratio, which decreases over time. Moreover, a change of control over Lagardère SA (as defined under the Facilities Agreement and which will not be triggered by the Partial Demerger) would trigger mandatory prepayments under the Facilities Agreement, and all of its outstanding debt under its credit facilities and shareholder loans from Vivendi could become due and payable. See Part B, Section 7.12 "*Principal financings*". These covenants could limit the Lagardère Group's ability to operate its businesses, to finance its future operations and capital needs and to pursue business opportunities and activities that may be in its interest, including opportunities and activities in furtherance of its and the Group's strategy.

Additionally, a breach of any of the covenants or restrictions under the Facilities Agreement could, subject to the applicable cure period, result in an event of default under the Facilities Agreement. Upon the occurrence of an event of default that is continuing under the Facilities Agreement, a majority of lenders under the Facilities Agreement are entitled to cancel the availability of their commitments and/or elect to declare all amounts outstanding under the Facilities, together with accrued interest and other amounts, immediately due and payable. In addition, certain defaults, events of default and/or acceleration actions under the Facilities Agreement could lead to an event of default and/or acceleration under other debt instruments that contain cross default and/or cross acceleration provisions, including Lagardère SA's shareholder loans from Vivendi (subject to certain conditions and a cure period). If the Group's creditors, including the creditors under the Facilities Agreement, accelerate the payment of those amounts, or if mandatory prepayments become due under the change of control provisions of the Facilities Agreement, it cannot be assured that the Group's assets would be sufficient to repay in full those amounts or to satisfy all of the Group's other liabilities that would be due and payable, and it also cannot be assured that the Group would be able to refinance its debt on reasonable terms or at all.

3.3.4 The Group's business is subject to fluctuations in currency exchange rates.

The Group is exposed to risks associated with foreign currency fluctuations, which may adversely affect the Group's business, financial condition, results of operations and prospects. The Group's financial statements are presented in euros and, on a pro forma basis, 41.4% of its revenues for 2023 were generated in euros, 22.2% in U.S. dollars and 8.7% in pounds sterling.

The Group is subject to currency exchange risk including translation, economic and transaction risk. The Group is exposed to translation risk because its reporting currency is the euro and hence fluctuations in foreign exchange rates impact the consolidation into euro of foreign currency denominated assets, liabilities and earnings. See Note 22.6, "*Foreign currency risk management*" of the Combined Financial Statements. In particular, the Group is exposed to unfavorable and potentially volatile fluctuations of the euro (the Group's reporting currency) against the currencies of its non-euro functional currency operating subsidiaries when their respective financial statements are translated into euros for inclusion in the Group's consolidated financial statements. Any increase (decrease) in the value of the euro against any foreign currency that is the functional currency of one of the Group's operating subsidiaries will cause the Group to experience unrealized foreign currency translation losses (gains) with respect to amounts already invested in such foreign currencies. Accordingly, the Group may experience a negative impact on its comprehensive income (loss) and equity with respect to its holdings solely as a result of foreign currency translation. The Group generally does not hedge against the risk that it may incur non-cash losses upon the translation of the financial statements of its non-euro functional currency operating subsidiaries and affiliates into euros. The Group is also exposed to economic risk because it expects fluctuations in foreign exchange rates to impact the overall cash flow generated by its business and ultimately its likely market valuation. The Group is further exposed to transaction risk, as in the course of its travel retail operations, the Group's entities may purchase products in one currency and sell them in another, giving rise to an exchange rate risk on commercial transactions.

3.3.5 The Group is subject to interest rate risk.

Interest rate risk is the risk of financial loss due to adverse changes in the value of assets and liabilities arising from movements in interest rates, including as a result of changes in the level, shape and term structure or volatility of interest rates. The Group has exposure to interest rates arising from its fixed maturity securities and interest sensitive liabilities and fluctuations in interest rates could adversely affect the Group's revenues or cause its debt service obligations to increase significantly. The Group is particularly exposed to interest rate fluctuations under the Facilities Agreement and the shareholder loans from Vivendi, as borrowings under the Facilities and shareholder loans bear interest at a floating rate. See Part B, Section 7.8, "*Financial debt*", Section 7.12 "*Principal financings*" and Note 15, "*Borrowings and Other Financial Liabilities and Financial Risk Management*" of the Unaudited Interim Combined Financial Statements. Additionally, a significant rise in interest rates could in the future cause, and has in the past caused, the Group to refinance some of its debt at higher interest rates.

See Part B, Section 7, "*Operating and financial review*" for a description of the Group's interest rate profile and outlook.

3.3.6 The Group may face credit and counterparty risks.

Credit and counterparty risk represents the risk of financial loss for the Group in the event of default by a customer or debtor on its contractual obligations. The Group is exposed to this risk mainly as a result of customer receivables and commitments received in connection with commercial contracts, investments made to deposit surplus cash and/or to cover pension and other post-employment benefit obligations, and hedging contracts in which the counterparties are financial institutions. Although it manages this risk through diversification, as the counterparties to these contracts are leading lenders, banks and bond investors, the Group's risk management strategy may not be successful in limiting its exposure to credit and counterparty risk, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

3.4 Tax risks

3.4.1 The Group is subject to the tax laws of numerous jurisdictions, and changes in tax laws or challenge to the Group's tax position could adversely affect the Group's results of operations and financial condition.

The Group conducts business and financing activities between its entities in various jurisdictions and it determines the amount of taxes it is required to pay based on its interpretation of applicable treaties, laws and regulations in the jurisdictions in which it operates. The tax and social security regimes applied to its business activities and past or future reorganizations involving Group companies, shareholders, employees and/or managers are or may be interpreted by relevant French or foreign authorities in a manner that is different from the assumptions used by the Group in structuring such activities and transactions. Based on its international activity and its expansion, the Group is subject to evolving tax legislation which may be subject to different interpretations in the various countries in which it operates. The Group is exposed to the risk that the relevant tax authorities will not always agree with the Group's interpretation of the applicable legislation in their jurisdictions.

The Group is subject to transfer pricing regulations in the countries in which it operates. Although uniform transfer pricing standards are emerging in many of the countries in which it operates, there is still a relatively high degree of uncertainty and inherent subjectivity in complying with these rules.

Further, the Group's future effective tax rates could be affected by changes in tax laws or their interpretation in any of those jurisdictions. Tax laws, including tax rates, in the jurisdictions in which the Group operates, may change as a result of macroeconomic or other factors outside the Group's control. Changes in tax laws, treaties, or regulations or their interpretation or enforcement are unpredictable. Any of these occurrences could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group may be subject to examination of its income tax returns in numerous jurisdictions. It regularly assesses the likelihood of outcomes resulting from possible examinations to determine the adequacy of its provision for income taxes. In making such assessments, it exercises judgment in estimating provision for income taxes. While the Group believes its estimates are reasonable, the final determinations from any examinations could be materially different to those reflected in its historical income tax provisions and accruals. Any adverse outcome from any examinations may have an adverse effect on its business, results of operations, financial condition and/or prospects.

3.4.2 The Group's eligible French entities will exit the Vivendi French tax consolidation group in connection with Admission.

Vivendi is the parent company of a French tax consolidation group which includes (i) French entities of the Prisma Media Group that are eligible for consolidation under French tax consolidation rules, and (ii) the Company. The Partial Demerger will trigger the exit of such entities from Vivendi's French tax consolidation group, with retroactive effect as of January 1, 2024. Vivendi will retain the benefit of the tax loss carry forwards and other tax attributes transferred to it as parent company of the tax group, without any indemnity being paid to the exiting entities.

3.4.3 The Group is involved in tax reassessments proceedings in connection with Lagardère Duty Free and LS Travel Retail Italia.

Lagardère Duty Free and LS Travel Retail Italia jointly received a tax reassessment notice in December 2015 relating to registration duties for an amount of €7.7 million, excluding late-payment interest, relating to the reclassification of the sale of an investment between the two parties as a sale of business assets (*fonds de commerce*). This amount had to be paid since there was no possibility of delaying payment without incurring a fine. The reclassification does not appear to have any legal basis. It was appealed before the courts, which handed down contradictory decisions in the first instance. All appeal decisions were handed down in favor of the Company in 2017 and 2018, and in March 2020 LS Travel Retail Italia obtained a refund of the €7.7 million paid. The tax authorities have filed an appeal with the Supreme Court against these decisions. On March 22, 2022, August 10, 2023 and August 11, 2023, the Supreme Court handed down three decisions upholding all of the appeal decisions in favor of Lagardère Travel Retail, thereby terminating these disputes in 2023.

In December 2019, LS Travel Retail Italia received a "Report of Verification" (tax reassessment notice) relating to fiscal year 2016. The notice disputes the tax deductibility of notional interest on equity at the time of the €230 million capital increase carried out upon the acquisition of the company. The tax inspection has been extended to cover fiscal years 2014 to 2018. The total amount in dispute for the five years for the five years (2014 to 2018) and subsequent fiscal years (2019–2023), in the event of an extension of the tax inspection to these five additional years, is estimated at EUR 24.24 million, including taxes and penalties. LS Travel Retail Italia is contesting the tax reassessment, considering the arguments put forward by the Italian tax authorities to be legally unfounded. Three first instance decisions were handed down in favor of LS Travel Retail Italia on March 28, 2023, April 30, 2024, and September 20, 2024, in respect of the 2016,2017 and 2014 fiscal years, respectively. An appeal has been lodged by the Italian tax authorities against the decision relating to the 2016 fiscal year. No appeal has yet been lodged against the decision relating to the 2017 and 2014 fiscal years.

3.4.4 The Group is involved in tax proceedings in connection with WSG India and WSG Mauritius/Indian Premier League contracts.

In 2007, the Board of Control for Cricket in India (BCCI) launched a call for tenders for the worldwide rights to its new cricket competition, the Indian Premier League (IPL), until 2017. WSG India – which became a subsidiary of Lagardère Sports and Entertainment in May 2008 – was awarded most of these rights in early 2008, with the remainder awarded to an unrelated operator, MSM.

A global reorganization of the distribution of these rights took place in March 2009 at the initiative of the BCCI. In the context of the negotiations, the BCCI granted to WSG India the IPL rights worldwide, excluding the Indian subcontinent, for the period from 2009 to 2017.

In June 2010, the BCCI terminated the 2009/2017 contract to market IPL rights worldwide, excluding the Indian subcontinent, and WSG India immediately began proceedings in order to preserve its rights.

In spring 2011, the Indian Supreme Court took a series of interim measures that – without calling into question the marketing already carried out by WSG India and without prejudging the substance of the case – temporarily granted the BCCI, under the supervision of the Court and pending the final ruling, media rights to the IPL outside the Indian subcontinent that are not already marketed by WSG India, as well as recovery of the amounts owed by the broadcasters and held in escrow. An arbitration award was handed down on July 13, 2020 in respect of the proceedings on the merits of the case, dismissing WSG India's compensation claim. Based on this award, the BCCI recovered the amounts held in escrow. WSG India has filed an appeal for annulment of the award on the grounds that it has no legal basis, and has applied to the competent Indian courts to have the sums concerned taken back into escrow. On March 16, 2022, the Bombay High Court issued a ruling granting WSG India's application to set aside the arbitration award handed down on July 13, 2020. BCCI has appealed these awards and the proceedings are still ongoing.

On October 13, 2010, the BCCI filed a criminal complaint with the Chennai police authorities in India against seven individuals, including the former President of the IPL and four former managers of WSG India, alleging breaches of the Indian criminal code in connection with the attribution to WSG India in

March 2009 of certain IPL media rights for the 2009-2017 seasons. WSG India is not aware of any progress in this investigation since 2010.

After the Indian tax authorities' inspection of WSG India's operations, a tax reassessment notice was brought before the courts. WSG India was ordered to make a deposit for part of the theoretical amount of the adjustment. Following appeal decisions in favor of WSG India in 2023 and the subsequent refunds obtained amounting to almost €2.6 million, the Indian tax authorities lodged an appeal with the Supreme Court. The financial risk represents approximately €13.5 million (euro amounts calculated using the INR exchange rate as at December 31, 2023).

Lastly, as part of an investigation by the Indian authorities into money-laundering allegations concerning the former managers of the BCCI and its commercial partners in the IPL, on May 24, 2016, WSG Mauritius received a notification from Mauritius' Attorney General requesting it to provide certain documents. The hearings before the Attorney General took place in July 2016. WSG India's managers have since received requests for information and documentation, to which WSG India has responded. WSG India and WSG Mauritius are subsidiaries of Lagardère Participation. They are not part of the scope sold to H.I.G. Capital.

3.4.5 The Louis Hachette Group Partial Demerger is expected to be treated as a taxable transaction for U.S Holders.

As described in greater detail under Section 18.6.1, "*U.S. federal income taxation of the Louis Hachette Group Partial Demerger*", the Louis Hachette Group Partial Demerger is expected to be taxable to U.S. Holders (as defined in Part B, Section 18.6, "*Certain U.S. federal income tax consequences*") for U.S. federal income tax purposes, and, assuming such treatment is respected, an amount equal to the fair market value of the Louis Hachette Shares received by a U.S. Holder (determined at the time of the Louis Hachette Group Partial Demerger) will be treated as a taxable dividend to the extent of Vivendi's current and accumulated earnings and profits. Vivendi does not maintain calculations of its earnings and profits for U.S. federal income tax purposes, and, accordingly, U.S. Holders should expect that the Louis Hachette Group Partial Demerger will be treated as a dividend in its entirety. A U.S. Holder's holding period for Louis Hachette Shares acquired in the Louis Hachette Group Partial Demerger will begin the day following the Louis Hachette Group Partial Demerger, and such U.S. Holder's basis in Louis Hachette Shares will equal the fair market value of the Louis Hachette Shares received by such U.S. Holder (determined at the time of the Louis Hachette Group Partial Demerger).

U.S. law does not prescribe any particular methodology for determining fair market value for tax purposes, and any methodology chosen by a taxpayer is not binding on the U.S. Internal Revenue Service ("**IRS**") or any other taxing authority. All holders should consult their tax advisors as to the particular tax consequences of the Louis Hachette Group Partial Demerger to them. See Section 18.6.1, "*U.S. federal income taxation of the Louis Hachette Group Partial Demerger*" for a further discussion of certain U.S. federal income tax consequences of the Louis Hachette Group Partial Demerger to U.S. Holders.

3.5 Risks relating to the Vivendi Spin-Off

3.5.1 The combined post-Vivendi Spin-Off value of the ordinary shares of Vivendi, Havas, Canal+ and Louis Hachette Group may not equal or exceed the aggregate pre-Vivendi Spin-Off value of the Vivendi Share.

After the Vivendi Spin-Off, Vivendi Shares will continue to be traded on Euronext Paris. The Louis Hachette Shares will be traded under the symbol "ALHG" on Euronext Growth (Paris). The Company has no current plans to apply for listing on any additional stock exchange.

As a result of the Vivendi Spin-Off, Vivendi expects the trading price of the Vivendi Share at market open on December 16, 2024 to be lower than the trading price at market close on December 13, 2024, because the trading price will no longer reflect the respective values of the ordinary shares of Havas, Canal+ and Louis Hachette Group which will commence trading on different stock exchanges as of such date. There can be no assurance that the aggregate market value of the ordinary shares of Vivendi, Havas, Canal+ and Louis Hachette Group following the Vivendi Spin-Off will be higher than, equal to, or lower than the market value of Vivendi Shares if the Vivendi Spin-Off had not occurred. This means, for example, that the combined trading prices of one Vivendi Share, one ordinary share of Havas, one ordinary share of Canal+ and one Louis Hachette Share after the relevant stock exchanges on which such shares are admitted to trading open on the Listing Date may be higher than, equal to or less than the trading price of one Vivendi Share on December 13, 2024.

In addition, following the close of business on December 13, 2024, but before the commencement of trading on December 16, 2024, Vivendi Shares will reflect an ownership interest solely in Vivendi and will not include the right to receive any ordinary share of Havas in the Havas Distribution, nor any ordinary share of Canal+ or Louis Hachette Group in the Partial Demerger, but may not yet accurately reflect the value of such Vivendi Shares excluding the ordinary shares of Havas, Canal+ and Louis Hachette Group.

3.5.2 The Group's historical and pro forma financial information is not necessarily representative of the results the Group would have achieved as a standalone public company and may not be a reliable indicator of its future results.

The Combined Financial Statements and the Unaudited Interim Combined Financial Statements have been prepared in accordance with IFRS from the consolidated financial statements of Vivendi using historical results of operations, assets and liabilities attributable to Lagardère SA and Prisma Media Group for the relevant fiscal years and the six-month period ended June 30, 2024, including allocations of income and expenses for the periods presented, and they exclude activities that will remain with Vivendi, Canal+ and Havas after the Partial Demerger. The basis of presentation is described in introductory Note 1, "*Basis of preparation of the Combined Financial Statements*" to the Combined Financial Statements.

The Combined Financial Statements and the Unaudited Interim Combined Financial Statements may not be indicative of future performance of the Group and do not necessarily reflect what its net assets, financial position, results of operations, capital structure and cash flows would have been had the Group operated as an independent stand-alone company during the periods presented. Furthermore, the Combined Financial Statements or the Unaudited Interim Combined Financial Statements do not reflect the financial impact of the standalone costs as well as the one-time costs related to the separation of the Group from Vivendi.

The Information Document also includes certain Unaudited Pro Forma Financial Information and Illustrative Unaudited Financial Information, which are respectively intended to present combined Lagardère SA and Prisma Media Group statement of earnings and statement of cash flows for the years ended December 31, 2023, December 31, 2022, and December 31, 2021, as if the Louis Hachette Group Partial Demerger had occurred as from January 1, 2021. Adjustments and assumptions have been made after giving effect to the Louis Hachette Group Partial Demerger that the Group believes are reasonable. However, this Unaudited Pro Forma Financial Information and Illustrative Unaudited Financial Information have been presented solely for purposes of illustration, and are not necessarily indicative of the results that would have actually been achieved or the financial position that would actually have resulted if the Louis Hachette Group Partial Demerger had been completed on the respective dates set forth above, or indicative of the results that may be achieved in the future.

As a result, the Group's results of operations and financial condition after the Louis Hachette Group Partial Demerger may materially differ from those described in the Unaudited Pro Forma Financial Information and the Illustrative Unaudited Financial Information. Investors should not place undue reliance on them, as they are provided for informational purposes only and are hypothetical in nature.

3.5.3 The Group may not achieve some or all of the expected benefits of the Vivendi Spin-Off, and the Vivendi Spin-Off may adversely affect its business.

The Group may not be able to achieve the full strategic and financial benefits that Vivendi expected to result from the Vivendi Spin-Off, as described in Part B, Section 18.1.2.1, "*Reasons for the Vivendi Spin-Off*", or such benefits may be delayed or not occur at all. The Group may not achieve these and other anticipated benefits for a variety of reasons, including, among others:

- the implementation of the Vivendi Spin-Off and the process of integrating the Group's businesses under a new-reporting entity may distract the Group's management from focusing on its business and strategic priorities;

- following the Vivendi Spin-Off, the Group will be less diversified than the Vivendi Group before the Vivendi Spin-Off, and thus may be more susceptible to market fluctuations and other adverse events than if it had remained a part of the Vivendi Group;

- the costs associated with being an independent publicly listed company;

- the other actions required to separate the Group and the other businesses from the Vivendi Group could disrupt operations.

If the Group is unable to achieve some or all of the benefits expected to result from the Vivendi Spin-Off, or if Vivendi Spin-Off has adverse consequences on the Group's business, its prospects, financial condition and results of operations could be adversely affected.

3.5.4 As an independent, publicly traded company, the Group may not enjoy the same benefits that the Group did as a part of the Vivendi Group.

Upon completion of the Vivendi Spin-Off, the Group will be a smaller and less diversified group than the Vivendi Group, and there is a possibility it may not have access to financial and other resources comparable to those available to the Vivendi Group prior to the Vivendi Spin-Off.

For instance, as part of Vivendi, the Group was able to take advantage of Vivendi's reputation, creditworthiness, size and purchasing power in procuring goods, services and technology, and in seizing business opportunities. The Group cannot predict the effect that the Vivendi Spin-Off will have on its relationship with clients, suppliers, employees or other stakeholders.

The Group may incur higher costs due to a decline in purchasing scale if it is unable to continue to obtain the same or similar terms as prior to the Vivendi Spin-Off, or to obtain goods, services and technologies at prices or on terms as favorable as those obtained prior to the Vivendi Spin-Off.

Furthermore, as a less diversified group, the Group may be more likely to be negatively impacted by changes in global market conditions, regulatory reforms and other industry factors, which could have a material adverse effect on its business, prospects, financial condition and results of operations.

3.5.5 The Group's accounting and other management systems and resources may not be adequately prepared to meet the financial reporting and other requirements to which the Group will be subject following the Admission.

As a French company with ordinary shares listed on Euronext Growth (Paris), a market of the European Union, the Group will be required to comply with certain reporting requirements, as well as ongoing disclosure requirements under the Market Abuse Regulation. Prior to the Admission, only the Lagardère Group's reporting and control systems were appropriate for those of a French company with publicly listed equity, as Lagardère SA's ordinary shares were already, prior to the Louis Hachette Group Partial

Demerger, listed on Euronext Paris (and will remain listed thereon). Upon Admission, these requirements will apply at the level of the Company as well.

To comply with these requirements, the Group anticipates that it will need to upgrade its systems to cover the entire Group (and integrate the Lagardère Group's systems), including computer hardware infrastructure, data protection systems and third-party management systems; and implement additional financial and management controls and reporting systems and procedures. Although not currently the expectation, the Group may need to hire additional accounting, finance and IT staff. If the Group is unable to upgrade and integrate its financial and management controls, reporting systems, IT and procedures in a timely and effective fashion, the Group's ability to comply with its financial reporting requirements and other rules that apply to reporting companies could be impaired. Any failure to achieve and maintain effective internal controls could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

3.5.6 <u>The transitional services Vivendi has agreed to provide the Group may not be sufficient for its needs. In addition, the Group may fail to have necessary systems and services in place when the TSAs expire</u>.

In connection with the Vivendi Spin-Off, the Company and Prisma S.A.S. intend to enter into transition services agreements (the "**TSAs**") with Vivendi. See Part B, Section 13, "*Presentation of any related party transactions*". The TSAs will provide for the performance of key business services by Vivendi for the Company's and Prisma S.A.S.'s benefit for a period of time after the completion of the Vivendi Spin-Off, including in relation to certain finance, treasury, accounting, taxation, legal, sustainability, compliance services and applications as well as limited information technology related applications and cybersecurity related services.

The Group will rely on the Vivendi Group to satisfy its obligations under the TSAs. If the Vivendi Group is unable to satisfy its obligations under the TSAs, the Group could incur operational difficulties or losses. If the Group does not have in place its own systems and services, or if the Group does not have agreements with other providers of these services once the TSAs expire or are terminated, it may not be able to operate its business effectively and this may have an adverse effect on its business, financial condition, and results of operations. In addition, after the TSAs expire, the Group may not be able to obtain these services at as favorable prices or on as favorable terms as they were obtained under the TSAs. There is a risk that the actual costs of the standalone arrangements the Group will need to enter into could be higher than expected, that there could be unanticipated dis-synergies and/or that the Group will need to further invest in new services and functions. These risks, individually or together, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

3.5.7 <u>Holders of unsponsored ADSs will need to convert their ADSs to ordinary shares in order to vote on the Vivendi Spin-Off</u>.

Vivendi does not have a sponsored American Depositary Receipt ("**ADR**") program. Vivendi has no contractual relationships with the depositary banks and has not taken any steps to facilitate the issuance of American Depositary Shares ("**ADSs**") in any such programs. Vivendi will not implement any measures to allow holders of ADSs to participate or vote at the shareholders meeting relating to the Vivendi Spin-Off. Holders of ADSs may need to convert their ADSs to ordinary shares (and pay any fees charged by the depositary bank) in order to participate and vote. Holders of ADSs who wish to vote will need to contact the depositary bank in order to determine the procedures for converting their ADSs to ordinary shares and voting.

4. INFORMATION ABOUT THE ISSUER

4.1 History and development of the Issuer

4.1.1 Legal and commercial names

The Company was incorporated under the laws of France as a simplified joint-stock company (*société par actions simplifiée*) on January 14, 2015 under the legal and commercial name "*Société d'Investissements et de Gestion 116 – SIG 116*". The legal and commercial name of the Company was changed into "Louis Hachette Group" on October 8, 2024.

4.1.2 Place of registration, registration number and legal entity identifier

The Company is registered in the Paris Trade and Companies Register (*Registre du commerce et des sociétés de Paris*) under number 808 946 305 and its LEI is 969500CV8XQ2XKU2DO25.

4.1.3 Date of incorporation and term

The Company was incorporated on January 14, 2015 for a term of 99 years. That term will end on January 14, 2114, and may be extended in accordance with applicable laws.

4.2 Details of the Issuer

On October 22, 2024, Vivendi (which holds all of the Louis Hachette Shares, except the single Louis Hachette Share held by Compagnie Hoche, a wholly-owned subsidiary of Vivendi) and Compagnie Hoche approved the conversion of the Company from a simplified joint-stock company (*société par actions simplifiée*) into a limited liability company (*société anonyme*) incorporated in, and governed by, the laws of France, effective on the same date (the "**Conversion**").

The registered office of the Company is at 4, rue de Presbourg, 75116 Paris, France. The Company's telephone number is +33 1 40 69 16 00 and its website is www.louishachettegroup.com.

4.3 Important events and dates in the development of the Issuer's business

The Group will be formed upon completion of the Louis Hachette Group Partial Demerger, resulting in a combination of the Lagardère Group and the Prisma Media Group (for more details, see Part B, Section 18.1.2.2(c), "*The Louis Hachette Group Partial Demerger*").

Lagardère SA was created in 1992, as the holding company for the entity created from the merger of Hachette (founded in 1826) with Matra (founded in 1945). In 2020, the Lagardère Group completed its strategic initiatives, refocusing its efforts around two main divisions – Lagardère Publishing and Lagardère Travel Retail – along with an "other activities" segment grouping Lagardère News, Lagardère Radio, Lagardère Live Entertainment and Lagardère Paris Racing. In November 2023, Vivendi completed its combination with Lagardère SA, following the fulfillment by Vivendi of the proposed commitments that conditioned the European Commission's approval of the combination received in June 2023. As of September 30, 2024, Vivendi held 66.53% of the share capital and 64.2% of the voting rights of Lagardère SA.

The Prisma Presse group was founded in 1978 by Axel Ganz, sent to Paris by the German publisher Gruner + Jahr to launch a French version of GEO. Prisma Presse changed its name to Prisma Media in 2012. In 2021, Vivendi acquired 100% of Prisma Media S.A.S.'s share capital. Almost half a century after its creation, the Prisma Media Group is France's leading magazine publisher (across print and digital) and online media company.

The following are key dates of the Group:

1826	Louis Hachette (1800-1864) buys Brédif, a Paris bookstore and lays the foundation for what is today one of the Group's main areas of activity in the media sector: book publishing, the press and distribution.
1852	Thanks to a concession agreement with seven rail companies, Louis Hachette built and began operating station bookstalls.
1855	Louis Hachette is one of the first publishers in France to bring out a magazine designed to entertain the general public (*Le Journal pour Tous*).
1945	At the end of World War II, Marcel Chassagny founds Matra (Mécanique Aviation TRAction), a company focused on the defense industry.
1978	Creation of Prisma Presse.
1980	Matra, headed by Jean-Luc Lagardère since 1963, acquires the Hachette group, specializing in book publishing (Grasset, Fayard, Stock), magazines and newspapers (*Elle*, *Le Journal du Dimanche*) and distribution.
1992	Hachette is merged into Matra to form Matra-Hachette, and Lagardère Groupe is created as the parent company for the group.
1996	Matra-Hachette is absorbed into Lagardère Groupe, which changes its name to "Lagardère SCA".
1999	Creation of Aerospatiale Matra following the merger of the activities of Aerospatiale and Matra Hautes Technologies.
2000	Creation of the EADS consortium following the merger of Aerospatiale Matra, CASA and DaimlerChrysler Aerospace.
2004	Acquisition by Lagardère Group of a portion of Vivendi Universal Publishing's French and Spanish assets.
2011	Lagardère Group sells its international magazine operations.
2013	Lagardère Group divests its remaining interest in EADS.
2015-2024	Lagardère Group continues to expand its publishing and travel retail businesses in France and internationally.
2020	Lagardère Group completes its strategic initiative, commenced in 2018, refocusing its efforts around two priority divisions – Lagardère Publishing and Lagardère Travel Retail – as well as other activities (news, radio, live entertainment and Lagardère Paris Racing). Vivendi acquires a stake in the share capital of Lagardère SCA.
2021	Acquisition by Vivendi of 100% of Prisma Media S.A.S.'s share capital. Lagardère SCA is converted into a French limited liability company (*société anonyme*) and a new governance structure is implemented with the agreement of its main shareholders, including Vivendi, which held around 27% of Lagardère SA's share capital.

2022	A friendly public tender offer is filed and successfully completed by Vivendi for Lagardère SA, leading to Vivendi holding 57.35% of the share capital.
2023	Acquisition by Vivendi of the control of Lagardère SA upon fulfillment by Vivendi of the proposed commitments that conditioned the European Commission's approval of the transaction (received in June 2023), allowing Vivendi to exercise the entirety of the voting rights (slightly over 50%) attached to the shares of Lagardère SA it holds (approximately 60%).
	Lagardère Group's radio unit (Europe 1, Europe 2 and RFM) becomes autonomous vis-à-vis the Lagardère Group following approval by ARCOM.
December 2024	Formation of the Group, combining the controlling stake in the Lagardère Group and the Prisma Media Group.

5. BUSINESS OVERVIEW

Investors should read this section in conjunction with the more detailed information contained in the Information Document, including the financial and other information appearing in Part B, Section 7, "Operating and Financial Review" of the Information Document. Where stated, financial information in this section has been extracted from Part B, Section 14, "Financial Information Concerning the Issuer's Assets and Liabilities, Financial Position and Profit and Losses" of the Information Document.

Unless otherwise indicated, statements included in this section relating to the Group's market positions are based on analyses conducted by the Group using a combination of different sources, including (i) primary research, such as consulting internal sales staff or external experts whose analyses are based on information published by competitors or public reports and (ii) secondary research, such as third-party reports on specific markets.

5.1 Principal activities

The Group brings together a controlling stake in the Lagardère Group and the Prisma Media Group, each a market leader in their respective primary business lines (Publishing, Travel Retail and Magazines and Online Media), to form a highly diversified and resilient actor.

Lagardère Publishing (also known under its trade name as "Hachette Livre") is a global leader in the consumer book publishing market (comprising the trade publishing market and K-12 education[2] publishing market), both globally and in its core markets of France, the United Kingdom, Spain and the United States. Lagardère Publishing operates its book publishing and distribution business through its integrated and iconic publishing houses, with strong brand names and extensive IP portfolio, and its distribution platforms in each of the main countries where it operates. Lagardère Publishing renowned publishing houses support its global reputation, including Grasset, Fayard, Stock, Calmann-Lévy, JC Lattès, Hachette Pratique, Marabout, Larousse, Dunod, Orion, Quercus, Orbit, Hodder & Stoughton, Grand Central Publishing, Little, Brown and Company, and Alianza.

Lagardère Travel Retail is a global industry leader in travel retail, operating more than 5,120 stores and dining outlets (including through its joint ventures), of which 933 in France, 2,746 in EMEA (excluding France), 861 in the Americas and 582 in Asia-Pacific. Lagardère Travel Retail offers a full-service proposition through its three business lines (Travel Essentials, Duty Free & Fashion and Dining) to national and international travelers passing through transit hubs (primarily air and railway) in collaboration with its landlords.

The Prisma Media Group is France's leading magazine publisher (across print and digital) and online media company. Its magazine publishing and online media businesses leverage a portfolio of leading brands, such as *Femme Actuelle*, *Voici*, *Capital*, *GEO* and *Harper's Bazaar*, and the Prisma Media Group's digital expertise to publish magazines across both print and digital formats and deliver online media.

In addition, the Lagardère Group brings a number of additional business lines in the media and entertainment sector, including newspaper publications (*Le Journal du Dimanche* and *Le JDNews*), an iconic global brand (*Elle*), radio stations (Europe 1, Europe 2 and RFM) and live entertainment management, production and promotional activities (Lagardère Live Entertainment) as well as an athletics club (Lagardère Paris Racing).

For the year ended December 31, 2023 and the six months ended June 30, 2024, 33.5% and 30.2%, respectively, of the Group's pro forma revenues was attributable to Lagardère Publishing, 59.8% and 63.3%, respectively, to Lagardère Travel Retail, 3.7% and 3.4%, respectively, to the Prisma Media

[2] K-12 education publishing market refers to instructional content for educators and students in kindergarten (*maternelle*) through Grade 12 (*terminale*), and excludes the academic and professional publishing market.

Group, 3.0% and 3.1%, respectively, to the additional business lines in the media and entertainment sector (grouping Lagardère News, Lagardère Radio, Lagardère Live Entertainment and Lagardère Paris Racing and referred to as Other Activities). In 2023, the Group also has a broad global footprint, employing more than 32,000 people in over 40 countries.

5.1.1 Description of the main operations and activities

The Group's business is organized around three main activities: Lagardère Publishing, Lagardère Travel Retail and the Prisma Media Group.

- Lagardère Publishing is the Lagardère Group's book publishing and distribution business through its integrated and iconic publishing houses with strong brand names and extensive IP portfolio across the consumer book publishing market (comprising the trade and K-12 education publishing markets), with a focus on three main languages (French, English and Spanish).

- Lagardère Travel Retail is the Lagardère Group's travel retail business, comprising the Travel Essentials, Duty Free & Fashion and Dining business divisions, offering a wide range of retail services and dining to national and international travelers.

- The Prisma Media Group primarily includes magazine (print and digital) publishing and online media businesses.

In addition, the Group's activities include Other Activities, primarily consisting of the Lagardère Group's newspaper, radio and entertainment management operations and its athletics club.

5.1.1.1. *Lagardère Publishing*

(a) Overview

Lagardère Publishing primarily comprises the Lagardère Group's book publishing business, including print, e-books and downloadable audiobooks formats. As the world's third largest consumer book publisher, Lagardère Publishing's well-balanced, diversified portfolio offers trade and educational books, including general literature, textbooks and supplementals, illustrated, reference, children and young adult books. Lagardère Publishing's operations rely on an integrated business model that extends beyond publishing to sales and distribution for both its own and third-party titles. Lagardère Publishing's publishing activities are also complemented by its publication of partworks, its release of board games and its premium stationery offering.

Lagardère Publishing is positioned at the core of the book publishing value chain. Represented directly or indirectly in more than 70 countries, Lagardère Publishing comprises more than 200 publishing houses, including Grasset, Fayard, Stock, Calmann-Lévy, JC Lattès, Hachette Pratique, Marabout, Larousse, Dunod, Orion, Quercus, Orbit, Hodder & Stoughton, Grand Central Publishing, Little, Brown and Company, and Alianza. Thanks to its highly regarded publishing houses and brand names, it is able to draw the fullest benefit from its close relationships with authors, the expertise of its sales force, the rigorous logistics organization of its distribution network and the commitment of its highly trained employees.

Lagardère Publishing is organized as a federation of publishing houses, independent and fully responsible for their own creative processes and editorial decisions, as well as responsible for relations with their authors. This organizational model encourages both creativity and a healthy internal competition, resulting in distinct corporate cultures and specific and distinctive editorial lines. Moreover, by fostering individual relationships with their authors, these publishers have the ability to oversee the copyright portfolio, in particular in France, offering other monetization opportunities. This structure is complemented by a central management function, which enables Lagardère Publishing to implement strategic initiatives in a consistent manner (such as, for example, digital technologies), negotiate from a better position with large accounts and suppliers and leverage economies of scale.

In 2023, Lagardère Publishing published over 12,000 new titles in trade, in a dozen languages, with a particular focus on English, Spanish and French. It has strived to publish, sell and distribute high-quality, innovative books that satisfy readers' thirst for knowledge, culture and entertainment. In 2023, 121 literary awards were attributed to Lagardère Publishing books in France and internationally, including the Prix Renaudot 2023 for *Les Insolents* by Ann Scott (published by Calmann-Lévy) and the Prix de Flore 2023 for *Western* by Maria Pourchet (published by Stock). Moreover, numerous titles were the number-one book on The New York Times Best Seller list, such as *The Five-Star Weekend* by Elin Hilderbrand, *Too Late* by Coleen Hoover or *Spare* by Prince Harry. In 2024, 185 literary awards were attributed to Lagardère Publishing books in France and internationally, including the Prix Renaudot 2024 for *Jacaranda* by Gaël Faye (published by Grasset). Furthermore, the Nobel Prize in Literature in 2024 was awarded to Han Kang, author published by Grasset in France.

The breadth and magnitude of its trade publishing activities allows Lagardère Publishing to generate each year a dynamic "frontlist" of titles (meaning new titles on the market in a given year), representing approximately 50% of trade revenues over the 2021-2023 period. The frontlist is combined with a strong "backlist" of titles (meaning any title that has been published before the year during which it is sold), representing approximately 50% of trade revenues over the 2021-2023 period. Lagardère Publishing's titles not only include "best sellers" that generate a significant impact on the revenues of the Group for the year of their publication but also "hyper sellers" that have a lasting impact beyond their year of publication. The backlist is also supported by authors' new releases, intellectual property rights, long sellers, movie tie-ins and VOD platforms phenomenon based on novels, generating renewed interest in their previous releases.

Lagardère Publishing is also a long-standing publisher in the education segment, releasing approximately 3,000 new titles each year for use in K-12 and for higher education.

In addition, Lagardère Publishing's is active in board games publishing. Hachette Boardgames won in February 2023 two *As d'Or* (Golden Ace) games awards for *Akropolis* (by Gigamic) and *Flashback Zombie Kidz* (by Le Scorpion Masqué) at the Cannes International Games Festival in France, as well as the prestigious Spiel des Jahres for *Sky Team* (by Le Scorpion Masqué) in July 2024.

Lagardère Publishing's leading partworks offering often reflects cultural, historical and recreational themes and consists in magazine series usually sold with covermounts such as gadgets, books, DVDs, models to build up. Most partworks collections are adapted for several countries and translated into several languages, sometimes under licenses. In 2023, Hachette Collections and Salvat launched 98 new products and made partworks available in 16 languages and 39 countries, including in France, the United Kingdom, Germany, Italy, Spain, Argentina, Mexico, Poland and Japan.

Lagardère Publishing also offers premium stationery through Paperblanks, the world's second largest publisher of premium notebooks, journals and diaries.

Lagardère Publishing operates on several business lines: General Literature, Education, Illustrated Books, Partworks and Others and Distribution. The following table provides the breakdown and percentage of Lagardère Publishing's revenues by business line for the six months ended June 30, 2024 and the year ended December 31, 2023:

(in EUR millions, except percentages)	Year ended December 31, 2023		Six months ended June 30, 2024	
Revenues[(1)]:				
General Literature	1,193	42.5%	591	45.1%
Education	313	11.1%	121	9.2%
Illustrated Books	524	18.6%	229	17.5%
Partworks	256	9.1%	135	10.3%
Others and Distribution	523	18.7%	233	17.8%
Lagardère Publishing Total Revenues	**2,809**	**100%**	**1,309**	**100%**

(1) Derived from the Lagardère Group Consolidated Financial Statements.

The General Literature business line includes adult fiction and adult non-fiction publishing activities.

The Education business line includes K-12, higher education and supplementals publishing activities.

The Illustrated Books business line includes practical books, children and young adult, comics, coffee-table books, stationery and tourism publishing activities.

The Partworks business line includes partworks collections that are sold as periodicals and are available at newspaper and magazine stands, as well as by direct marketing.

The Others and Distribution business line includes references (for instance, dictionaries) and board games, as well as sales and distribution services business.

(b) Geographic presence

Lagardère Publishing's operations are global, with activities in France and outside of France, including the United Kingdom, the United States and Spain. The following table provides the breakdown and percentage of Lagardère Publishing's revenues by geographic sales origin for the six months ended June 30, 2024 and the year ended December 31, 2023:

(in EUR millions, except percentages)	Year ended December 31, 2023		Six months ended June 30, 2024	
Revenues[(1)]:				
France	816	29.0%	376	28.7%
United Kingdom, Ireland and Oceania[(2)]	541	19.3%	256	19.6%
United States and Canada	823	29.3%	414	31.6%
Spain	157	5.6%	58	4.4%
Other markets	472	16.8%	205	15.7%
Lagardère Publishing Total Revenues	**2,809**	**100%**	**1,309**	**100%**

(1) Derived from the Lagardère Group Consolidated Financial Statements.
(2) Includes Australia and New Zealand.

(i) *France*

As France's leading publisher, Lagardère Publishing covers all trade publishing segments through over 50 publishing houses.

Several prestigious publishing houses are focused on titles in the general literature segment, including Grasset, Fayard, Stock, Calmann-Lévy and JC Lattès. Moreover, Le Livre de Poche, which releases paperback editions for all of Lagardère Publishing's French publishing houses, as well as for many third-party publishers, is France's leading publisher of paperbacks in the general literature segment.

Lastly, Audiolib publishes audiobooks in CD and digital formats, both for Lagardère Publishing publishers and third-party publishers. In addition, Audiolib is the leading adult audio book publisher in France (*source: GfK survey, 2023*) thanks to a catalogue of best sellers by authors from various publishers in literary fiction (Joël Dicker, Ken Follett, Pierre Lemaitre, Guillaume Musso, Amélie Nothomb), thrillers (Maxime Chattam, Stephen King, Fred Vargas), general non-fiction (Yuval Noah Harari, Michelle Obama, Peter Wohlleben) and personal development.

Hachette Illustré covers the entire range of illustrated books. In France, it is the number one publisher of how-to and self-help guides, and on the lifestyle market, including cooking, health and wellness, nature, gardening, hobbies, games and sports books (Hachette Pratique and Marabout) and travel guides (Hachette Tourisme, which notably publishes one of the France's bestselling travel guide series *Le Routard*) (*source: GfK survey, 2023*). Hachette Illustré is also the leading French publisher in the children and young adult segment (through Hachette Jeunesse Disney, Hachette Jeunesse, Hachette Romans, Deux Coqs d'Or, Gautier-Languereau and Livre de Poche Jeunesse) (*source: GfK survey, 2023*). Hachette Illustré includes valuable publishing assets in this market, including characters such as Astérix, Babar the Elephant, Noddy and Fantômette. Hachette Illustré also enjoys a strong position in fantasy literature following its 2022 acquisition of Bragelonne, the French publisher of Andrzej Sapkowski's successful *The Witcher* saga.

In the education segment, Lagardère Publishing is the leading K-12 publisher in France (*source: Education group of the French publishers' association, 2023*) with Hachette Éducation, the Alexandre Hatier Group and Le Livre Scolaire. These three entities include such reputed publishers as Hachette, Hatier, Didier and Foucher and other strong brands (Bled, Bescherelle, Passeport, Littré and Gaffiot), enabling Lagardère Publishing to occupy a leading position on supplementals segment, which is based on the K-12 curricula covered by textbooks and offers additional training content for learners.

In the reference segment, Lagardère Publishing is France's leading publisher of both monolingual and bilingual dictionaries (*source: GfK survey, 2023*). Renowned brands in the reference segment include the Larousse, Hachette and Harrap's. In addition, given its international reputation, Larousse has also established itself as a well-known brand for Spanish-language books published in France.

The higher education segment is served by Dunod and Armand Colin, two renowned publishing houses in a large range of topics, including sciences, economics, social sciences, political sciences and history. Lagardère Publishing through Maxima provides releases in the corporate segment (including management, marketing and finance), private wealth management (such as estate planning and financial investing) and business-related self-help.

Lagardère Publishing manages sales operations and commercial promotion, for both Lagardère Publishing and third-party publishers, securing direct relationships with retailers. Lagardère Publishing benefits from its own sales teams, which are attached either to:

- Hachette Livre's Literature divisions or Hachette Illustré publishing divisions – these teams provide sales services to address first-level retailers, online retailers and hypermarkets;

- the publishing houses Hatier, Dunod or Larousse, or to the subsidiary La Diff (specialized in the sales of illustrated books and comics) – these teams provide sales services to address first-level retailers, online retailers and hypermarket; or

- Livre Diffusion Services (LDS), a division of Hachette Livre, or Multimedia Diffusion Services (MDS) – these teams are dedicated to sales to second- and third-level retailers (including supermarkets).

Lagardère Publishing sales team's provides the publishing houses with volume forecast and data to facilitate pricing decisions, negotiation of discounts and the management of relationships with retailers.

Thanks to this organization, Lagardère Publishing can reach the full range of retailers with respect to a wide array of book genres throughout France.

Distribution for both Lagardère Publishing and third-party publishers is carried out through a distribution network managed from the main center located in Maurepas and comprising three distribution sites. Lagardère Publishing, through Hachette Livre Distribution, handles around 250 million copies per year and supplies more than 15,000 bookshops, online booksellers, specialty stores, newsagents, newsstands and supermarkets in France, while at the same time providing a high level of service with deliveries to booksellers in 24 or 48 hours. In addition to being the leading distributor in France, Lagardère Publishing also operates in Belgium, Switzerland and French-speaking Canada.

(ii) *United Kingdom and the Commonwealth*

In the United Kingdom, Hachette UK is ranked second in the trade publishing market (*source: Nielsen BookScan, 2023*), with 12 publishing divisions and over 60 imprints, including: Octopus, for the illustrated books segment; Orion, Hodder & Stoughton, John Murray Press, Headline, Little, Brown, Quercus, Bookouture, specialized in e-books publishing, and Hachette Children's Group, for the children and young adult segment.

In particular, Hachette Children's Group is a children's publishers in the United Kingdom, with an excellent track record in creating bestselling and award-winning books for children of all ages and interests. Hachette Children's Group comprises the brands Enid Blyton Entertainment, Franklin Watts, Hodder Children's Books, Orchard Books, Pat-A-Cake, Quercus Children's Books, Wayland and Wren & Rook together form a dynamic list of top-quality picture books, fiction and non-fiction.

Hachette UK also ranks number two in the K-12 education segment (*source: Education Publishing Council, 2023*), with Hachette Learning, Illuminate Publishing and John Catt Educational.

These United Kingdom imprints have also enabled Hachette UK to develop operations in Australia, New Zealand, Ireland, India and the English-speaking Caribbean. Hachette Australia is one of Australia's largest publishers and also markets and distributes books for Hachette Book Group and Hachette UK. Authors published by Hachette Australia include Peter FitzSimons, Australia's biggest-selling non-fiction author; Pulitzer Prize winner Geraldine Brooks; bestselling novelists Mark Brandi, Natasha Lester, Favel Parrett and Sarah Schmidt; multi-award-winners Maxime Beneba Clarke and Claire G. Coleman, and many others. Hachette India is among the largest trade publishers in India. It publishes general, literary and commercial fiction, children's and reference books, and non-fiction covering memoirs, self-help, travel, history, management, lifestyle and sports.

Hachette UK is also the market leader in the e-book segment in the United Kingdom and the Commonwealth (*source: The Bookseller, 2024*).

Hachette UK's publishing houses directly operate their own audiobook publishing activities.

In January 2022, Hachette UK diversified its business into an adjacent growth market by acquiring Paperblanks, the world's second-largest premium brand of stationery.

Hachette UK manages sales operations and commercial promotion, for both Lagardère Publishing and third-party publishers, securing direct relationships with retailers.

Lastly, Lagardère Publishing has a distribution business in the United Kingdom, Hachette UK Distribution, operating through an automated warehouse located in Didcot (Oxfordshire) serving both Hachette UK and third-party publishers. Hachette UK Distribution is the UK leader and distributes 25% of all books sold each year in the British market, representing approximately 65 million copies per year(*source: Lagardère Publishing estimate*). In Australia, the ADS center, located 80 kilometers north of Sydney, manages distribution of books throughout Australia and New Zealand and handles over 20 million copies per year.

(iii) *United States*

In the United States, Hachette Book Group is the fourth-largest trade book publisher (*source: Nielsen BookScan, 2023*), with 44 brands, including Grand Central Publishing, Little, Brown and Company in both the adult fiction and non-fiction segments, as well as Little, Brown Books for Young Readers in the children and young adult segment, FaithWords and Worthy Books in the devotional and self-development literature segment, Center Street in the political essay segment, Orbit in science fiction segment, Perseus in the non-fiction segment, Workman in the youth and practical segment, and Mulholland in the crime fiction segment.

Grand Central Publishing, formerly Warner Books, came into existence in 1970 when Warner Communications acquired the Paperback Library, subsequently publishing paperback reprints editions of such bestsellers as Harper Lee's *To Kill A Mockingbird* and Umberto Eco's *The Name Of The Rose*. Today Grand Central Publishing reaches a diverse audience through hardcover, trade paperback, and mass market imprints that cater to every kind of readers.

Little, Brown and Company was founded in 1837 and for close to two centuries has published fiction and non-fiction by many of America's finest writers.

Little, Brown Books for Young Readers began publishing books for children in 1926, and now offers a distinguished and diverse list of 200 frontlist titles annually. In addition to the Little, Brown Books for Young Readers core list of bestselling and award-winning picture books, chapter books, and middle grade and young adult fiction and non-fiction, Little, Brown Books for Young Readers publishes across four imprints: Christy Ottaviano Books, a boutique imprint that publishes across age categories with a focus on developing authors and artists; JIMMY Patterson Books, founded by the world's bestselling author, James Patterson; LB Kids novelty and board books; and LB Ink graphic novels and graphic non-fiction.

The Orbit division comprises three imprints: Orbit, Redhook, and Orbit Works. Launched in 2007, the Orbit imprint has established itself as one of the market-leading science fiction and fantasy imprints in the United States. Redhook, which launched in 2013, focuses on commercial fiction with speculative elements. The Orbit's newest imprint, Orbit Works, is a science fiction and fantasy digital publishing imprint, distributing its books globally and welcoming direct submissions from authors. Orbit division authors include New York Times bestsellers James S.A. Corey, N.K. Jemisin, Ann Leckie, Kim Stanley Robinson, Andrzej Sapkowski and Brent Weeks.

In addition, Hachette Audio provides Hachette Book Group authors with best-in-class audiobook publishing. Hachette Audio works closely with authors from every Hachette print division and imprint, sharing the author's words with skilled actors, directors and producers to create recordings that are both faithful to the text and a truly immersive and distinctive experience. Hachette Audio has been recognized for the highest quality of content and production with numerous GRAMMY, Audie, Listen Up! and Earphone awards.

Hachette Book Group manages sales operations and commercial promotion, for both Lagardère Publishing and third-party publishers, securing direct relationships with retailers through its sales department. In addition to having access to Hachette Book Group's sales representatives, third-party clients are also assigned a dedicated sales director to better address retailers.

Hachette Book Group also operates a distribution center in the United States, located in Lebanon, Indiana, handling approximately 135 million copies per year and providing customizable services, such as warehousing, order management, invoicing and collections, customer service and customer file management, to Hachette Book Group and third-party publishers.

(iv) *Spain and Latin America*

Hachette España, which includes 25 brands and publishes around 2,500 new titles per year, is the third largest publisher in Spain (*source: Nielsen BookScan, 2023*) and ranks as the number two publisher of textbooks (*source: Education Publishing Council, 2023*) through Anaya and Bruño. These two publishing houses are key players in the education publishing segment, as well as in the supplementals, general adult literature and children and young adult segments.

Relying on its major brands such as Larousse, Anaya, Bruño, Alianza, Algaida, Barcanova, Xerais, Contraluz and Salvat, Lagardère Publishing is very well established in Spanish-speaking markets. In Mexico, Lagardère Publishing is one of the leading textbook and dictionaries publishers under the Larousse and Patria brands, with a growing general literature business.

Hachette España manages sales operations and commercial promotion, for both Lagardère Publishing and third-party publishers, securing direct relationships with retailers through Comercial Grupo Anaya, its dedicated sales team.

Lagardère Publishing operates one of the largest publishing distributors in Spain, located in Getafe, near Madrid, distributing approximately 16 million copies per year of books published by all Anaya and Bruño imprints, as well as by third-party publishers, in and outside of Spain. Lagardère Publishing also has a distribution site in Mexico, handling approximately 15 million copies per year.

(v) *Other markets*

In addition to the major French, English and Spanish-speaking markets, Lagardère Publishing is also present in several other markets, including many that are believed to have growth potential, such as Morocco and Ivory Coast. In these countries, Lagardère Publishing has either developed partnerships with solidly established national players or founded new publishing houses.

Librairie Papeterie Nationale, a Morocco-based company, publishes textbooks in French and Arabic for public schools in Morocco, from elementary to high school level. It also markets customized titles from the Lagardère Publishing’s backlist to private schools in Morocco and distributes Lagardère Publishing’s and other publishers’ backlists in all editorial genres in the Moroccan market.

Moreover, NEI-Ceda, a leading publishing house in French-speaking sub-Saharan Africa based in Abidjan, controlled by Lagardère Publishing, publishes textbooks, literature and children’s books.

(c) Sales, distribution and marketing

Lagardère Publishing possesses a recognized expertise in book sales, driven by dedicated commercial teams that specialize in the relevant segments and retailers (whether bookstores, specialized stores, online retailers or supermarkets). Their role is to successfully match titles with the right retailer to ensure titles reach the most relevant audience. Supported by its size, knowhow and extensive relationships with retailers, Lagardère Publishing is also able to offer this expertise to third parties seeking to maximize the effectiveness of their sales efforts.

Lagardère Publishing’s sales capabilities are buttressed by its strong distribution network, comprising nine distribution facilities in seven countries located in each geography Lagardère Publishing operates in, facilitating the global distribution of approximately 513 million physical books annually. In addition to distributing the books published by Lagardère Publishing, approximately 40% of the books distributed each year are for third-party publishers. This distribution network enables Lagardère Publishing to reach bookstores and other downstream book retailers globally across its markets within a very short timeframe (typically, within 24 to 48 hours). Lagardère Publishing has also developed cutting-edge technologies in the distribution field. In addition to print-on-demand, robotics and automation, it has also developed a global e-book delivery platform that distributes its titles worldwide.

With the exception of print-on-demand, Lagardère Publishing outsources the printing of its books to third-party printers.

(d) Research and development

Lagardère Publishing pursues an active research and development (R&D) policy.

Lagardère Publishing has an international and cross-functional innovation department that aims to support and accelerate innovation projects in its various geographies. Since its creation in 2015, this department has met with more than 750 startups, published more than 200 intelligence reports, participated in more than 150 innovation events, and initiated and then supported more than 70 pilot projects in France, the United Kingdom, the United States and Spain.

Lagardère Publishing enters into research partnerships with academic partners. For instance, in 2023, Hachette Éducation recruited a doctoral student on a CIFRE contract, whose thesis focuses on the digital content produced by educational publishers as part of innovative teaching methods, while the development and innovation department conducted a research project with researchers from the Université Paris-Saclay on generative AI.

Finally, Lagardère Publishing has a digital R&D team addressing issues relating to data, anti-piracy, metadata and algorithms.

5.1.1.2. *Lagardère Travel Retail*

With operations in 42 countries on five continents, Lagardère Travel Retail is a global industry leader offering an attractive full-service proposition within the travel retail market. Operating in transit hubs and concessions across its three business divisions, Travel Essentials, Duty Free & Fashion and Dining, Lagardère Travel Retail has established its network of more than 5,120 stores and dining outlets (including through its joint ventures) across more than 290 airports 700 train and underground stations.

Lagardère Travel Retail's stores are operated under its own brands and franchise or license arrangements. Lagardère Travel Retail's own brands include internationally recognized Travel Essential brands, such as Relay, Discover, Tech2go, InMedio, 1-Minute, Discover and Hub Convenience, Duty Free & Fashion brands, such as Aelia Duty Free, The Fashion Gallery, The Fashion Place and Eye Love, and Dining brands, such as So Chocolate, Bread&Co, So Coffee, Trib's, Vino Volo, Natoo, FIX, Beercode and Marché. These also include local brands that have a strong presence in particular countries, such as Casa Del Gusto in Italy, The Belgian Chocolate House in Belgium, Sawa in the United Arab Emirates, or Icons in Australia. In addition to these brands, Lagardère Travel Retail also enters into franchise or license arrangements with global or regional partners, such as Hermès, Lego, TripAdvisor, Fnac, iStore, Marks & Spencer, Longchamp, Burger King, Costa Coffee, Paul, Eat, Live & Nourish (EL&N), Panda Express, Pierre Hermé, Éric Kayser, as well as Extime Duty Free in France with Groupe ADP (Paris-Charles de Gaulle and Paris-Orly airports).

Lagardère Travel Retail operates a "B2C4B" model, serving landlords, brands and travelers. "B2C" relates to the end consumer being a traveler, while "4B" relates to the mutually beneficial relationships Lagardère Travel Retail must build with its landlords (such as airports or train stations), as well as the suppliers of its stores. Lagardère Travel Retail's success is in its ability to provide diversified and innovative store and product offerings to attract these important stakeholders, delivering positive results through operational excellence, to retain and extend concessions over time and over businesses. Specifically, Lagardère Travel Retail offers both customized store concepts and a broad portfolio of consumer goods, balanced between brands designed specifically for its stores and those operated through partnerships, allowing it to address the specific needs of its landlords and the travelers.

Lagardère Travel Retail excels in crafting genuine, localized shopping experiences that deeply resonate with the local cultures of each location it serves. This commitment to local authenticity is realized through "sense of place" concepts, which are vividly reflected in the store design, product offerings, and the expertise of local teams.

(a) Business divisions

Lagardère Travel Retail operates on several business divisions: Travel Essentials, Duty Free & Fashion and Dining. The following table provides the breakdown and percentage of Lagardère Travel Retail's revenues by business division for the six months ended June 30, 2024 and the year ended December 31, 2023:

	Year ended December 31, 2023		**Six months ended June 30, 2024**	
(in EUR millions, except percentages)				
Revenues[(1)]:				
Travel Essentials	1,739	34.7%	925	33.7%
Duty Free & Fashion	1,936	38.5%	1,029	37.4%
Dining	1,343	26.8%	794	29.8%
Lagardère Travel Retail Total Revenues	**5,018**	**100%**	**2,748**	**100%**

(1) Derived from the Lagardère Group Consolidated Financial Statements. Excludes revenues from stores and dining outlets held through associates and joint ventures.

(i) *Travel Essentials*

The Travel Essentials division comprises an extensive portfolio of retail stores that offer a wide range of convenience and specialty items that cater to travelers' needs. Lagardère Travel Retail's 2,655 travel retail stores are operated under over 240 brands, located in nearly 200 airports and over 610 railway and metro stations across 31 countries and territories.

Its one-stop shop convenience stores operate primarily under the Relay, Discover, 1-Minute and Hub Convenience brands. The largest of these, Relay, is the leading global travel essentials convenience brand, with 1,120 stores in 27 countries across five continents. In 2023, Relay renewed two significant partnerships in France, with SNCF (the French public railway company) and through the joint-venture entered into with Groupe ADP (Paris-Charles de Gaulle and Paris-Orly airports), playing a pivotal role in shaping Relay's global success story. In addition, Lagardère Travel Retail operates a number of convenience stores under partner and bespoke brands. One-stop shops provide travelers with access to a wide range of products in a centralized location, whether for daily commutes or long-distance journeys. They address varied product categories, being food-to-go, reading materials, gifts and souvenirs, travel and children, providing travelers with items such as press, magazines and books, food and beverages, souvenirs, electronics, travel accessories, care products and tobacco.

Lagardère Travel Retail also operates a large number of specialty stores. For example, it sells electronic devices under its own brand, primarily Tech2go, as well as with partners, including Fnac and iStore. It also operates souvenir stores through its Discover brand, and manages a network of gift and souvenir concepts related to concessions, such as the Tour Eiffel boutiques in Paris, the Sydney Opera House store or the official All Blacks store at Auckland airport. Additionally, it operates specialty stores such as LEGO, including the world's largest airport LEGO store at Dubai airport, further diversifying its retail offerings to cater to a broad range of consumer interests.

Lagardère Travel Retail strives in deploying autonomous store technology, such as Belgium's "Quick N' Easy" with Atos, the "The Goods Express" using Amazon's Just Walk Out in the United States and "Travelwell" in Hong Kong, enhancing convenience across its global travel retail network.

(ii) *Duty Free & Fashion*

The Duty Free & Fashion division comprises stores that offer a wide range of duty-free and luxury goods, including fashion apparel, cosmetics and fragrances. The 859 stores are operated under over 144 brands and are located in over 160 airports across 28 countries, providing varied shopping experiences under the duty-free or duty-paid regime.

These stores operate under Lagardère Travel Retail's own brands, such as Aelia Duty Free, So Chocolate and The Fashion Gallery, as well as through licensing arrangements with brands such as Hermès, Longchamp, Hugo Boss, Ferragamo and Victoria's Secret.

Lagardère Travel Retail tailors its commercial proposal to each market, to reflect local specificities and sense of place, while leveraging digital functionalities to offer new omnichannel services to travelers. For example, prior to departure, social media and the pre-order "Click&Collect" service enable customers to discover products, offers and service. While in store, digital devices engage and inform travelers and offer digital payment solutions. Additionally, "Shop&Collect" enables travelers to buy upon departure and collect their merchandise when they return.

Lagardère Travel Retail is also embracing innovation to make customer journey's more seamless and experiential with features like self-checkout and cutting-edge technologies, such as AI-based personalized recommendation solutions, as illustrated by the partnership entered into by Lagardère Travel Retail with "Matcha" website on wine recommendation or the "Perfumist" application, to elevate the in-store experience and increase sales conversion rates. Lagardère Travel Retail leverages multi-channel engagement to capture customers. Additionally, the China division capitalizes on multi-channel engagement through WeChat mini-programs, which have attracted more than two million loyalty members who enjoy benefits such as points, VIP tiers, personalized services and exclusive events.

(iii) *Dining*

The Dining division comprises full-service bars and restaurants as well as a multitude of quick-service options, such as bakeries, coffee/tea shops and fast-food options. Lagardère Travel Retail offers travelers a variety of dining options to suit their preferences, ranging from affordable to premium segments. Lagardère Travel Retail's 1,608 dining outlets operated under over 300 brands and are located in 146 airports and 95 railway and metro stations across 29 countries.

Lagardère Travel Retail tailors its offerings across diverse market segments, from entry-level to premium, blending high-end and accessible options to meet varied customer needs. Lagardère Travel Retail innovates in retail and dining formats, such as light kitchen and digital food halls, thus adapting to both landlord requirements and customer specificities.

These stores include Lagardère Travel Retail's own brands, including So Coffee, Bread&Co., Trib's, Vino Volo, deCanto, Natoo and Smullers and Marché. In addition, Lagardère Travel Retail partners with licensors, including La Plage and Pan Garni at the Nice-Côte d'Azur airport in France, Loksins Bar at the Keflavik airport in Iceland and Bar Symon at the Pittsburgh airport in the United States. Lagardère Travel Retail also operates dining outlets under franchise arrangements with major international brands, including Starbucks, Costa Coffee, Prêt à Manger, Burger King, Ajisen Ramen, Eric Kayser and Paul, as well as local brands such as Liv Eat in Australia, SaladStory in Poland and Java U in Canada.

Lagardère Travel Retail partners with renowned chefs to create bespoke concepts across the world. For example, Lagardère Travel Retail has partnered with the Culinary Institute of America in the United States and has opened original concepts with chefs such as Michael Symon (Bar Symon at Pittsburgh Airport), Chris Patrick (Hickory at Dallas Fort Worth Airport) and David Bull (Second Bar + Kitchen at Austin-Bergstrom International Airport) in the United States.

Lagardère Travel Retail also implemented innovative solutions to ease customer experience at its dining outlets by developing partnerships with TripAdvisor Premium, Too Good To Go (a mobile app designed to combat food waste), Grab (click and collect airport mobile order service), ZeCharger (mobile charging), SmartHamster (menu translation), Visibilishop (e-reputation monitoring for restaurants) and Pay My Table (restaurant bill payment).

(b) Geographic presence

With operations in 42 countries on five continents, Lagardère Travel Retail is a global industry leader, operating more than 5,120 stores and dining outlets (including through its joint ventures), of which 933 in France, 2,746 in EMEA (excluding France), 861 in the Americas and 582 in Asia-Pacific.

The following table provides the breakdown and percentage of Lagardère Travel Retail's revenues by geographic region for the six months ended June 30, 2024 and the year ended December 31, 2023:

	Year ended December 31, 2023		Six months ended June 30, 2024	
(in EUR millions, except percentages)				
Revenues[(1)]:				
France	866	17.2%	471	17.1%
EMEA (ex-France)	2,426	48.3%	1,350	49.1%
Americas[(2)]	1,328	26.5%	757	27.5%
Asia-Pacific	398	7.9%	170	6.2%
Lagardère Travel Retail Total Revenues	**5,018**	**100%**	**2,748**	**100%**

(1) Derived from the Lagardère Group Consolidated Financial Statements. Excludes revenues from stores and dining outlets held through associates and joint ventures.
(2) Includes the United States and Canada.

(i) *France*

Lagardère Travel Retail France is a market leader in Duty Free & Fashion and Travel Essentials, with recently renewed joint venture concessions with Paris airports and the SNCF. It is also a leading player in Dining for hospitals and maintains a presence in airports and train stations, reinforcing its comprehensive service spectrum across key travel hubs.

(ii) *EMEA (ex-France)*

Lagardère Travel Retail boasts a strong presence across multiple business lines in 18 European countries including (among others) Italy, Poland, the Czech Republic, Romania, Germany, Belgium, the United Kingdom and Spain. Operations typically span two to three business lines, with significant footprints in major airports, such as Rome Fiumicino, Venice Marco Polo, Amsterdam Schiphol, and Prague Vaclav Havel. The area is characterized by a variety of concession and JV models, and ongoing expansion into new markets.

In the Middle East, Lagardère Travel Retail maintains a robust duty-free presence in Saudi Arabia. Lagardère Travel Retail is also a leading international player in the United Arab Emirates, in particular in the Dining segment in Dubai airport and in the Duty Free & Fashion segment, as illustrated by the twelve stores opening in Abu Dhabi airport in 2023.

In Africa, Lagardère Travel Retail has presence in Western and Eastern Africa countries such as Senegal, Gabon, Tanzania, Gambia, and Mauritania, primarily focusing on Duty Free & Fashion operations, with also operations in Dining and Travel Essentials. Lagardère Travel Retail is actively expanding into new countries through winning new concessions.

(iii) *Americas*

In the Americas, Lagardère Travel Retail is the second leading player in Travel Essentials and Dining in the United States (*source: Lagardère Travel Retail estimate*), with strong operations in Canada as well. Key airport locations include Toronto, Atlanta, Detroit, Dallas, Charlotte Douglas, Fort Lauderdale, Phoenix Sky Harbor and Los Angeles International. Lagardère Travel Retail is also expanding in Latin America, in particular in Lima and Santiago de Chile.

(iv) *Asia-Pacific*

Lagardère Travel Retail operates over 580 stores in the Asia-Pacific area, with diverse concession models, franchise and supply contracts across mainland China, Singapore, Japan and India, with an upcoming opening in Cambodia. Lagardère Travel Retail is also a leading international player in China's duty paid, majority of this business being made in luxury fashion sector, mainly through brands such as Bottega Veneta, MCM and Coach.

In the Pacific, Lagardère Travel Retail operates over 165 stores in Australia and New Zealand in all key airports as well as some touristic locations. The joint venture between Lagardère Travel Retail Pacific and AWPL strengthens its regional positioning and enhances its presence.

(c) Sales, distribution and marketing

Lagardère Travel Retail has developed versatile models that provide flexibility to adapt to diverse operational needs, featuring unit-based, bundled or master concession configurations. Concession agreement features vary, including concession contracts, joint ventures, revenues sharing, profit sharing, management contract and supply contract, which offer varied fee structures being either fixed rent, revenues sharing based on sales percentages or innovative profit sharing based on EBIT percentages whether for individual store unit, store bundles or under master concession agreements. This broad portfolio is a differentiating asset of Lagardère Travel Retail in the travel retail industry.

Lagardère Travel Retail has also acquired significant experience in entering into successful joint ventures with international key partners, as illustrated by the Paris Extime joint venture, the SNCF joint venture or the Abu Dhabi Capital Group joint venture.

In addition Lagardère Travel Retail has developed long-term, high-quality, partnerships with recognized international, regional and local brands, providing it with the flexibility to provide tailored products for the customers served at its various stores and dining outlets. It also explores on an ongoing basis the possibility of delivering new and innovative commercial offerings.

(d) Research and development

Lagardère Travel Retail is committed to being recognized as the industry's leading innovator, by constantly expanding a portfolio of proprietary and partner brands, as well as unique, bespoke concepts meeting all its customers' needs.

In addition, the division is embracing leading-edge technologies to continually improve customer experience, in particular by developing online retail channels and automated stores or investing in artificial intelligence to improve supply chain, pricing or more generally store performance.

5.1.1.3. *Prisma Media Group*

(a) Overview

The Prisma Media Group is France's leading magazine publisher (across print and digital) and online media company, with over 40 brands. Every month, 40 million French people are estimated to read, view or listen to content produced under a Prisma Media Group brand, which are primarily oriented towards the mainstream and luxury segments. The Prisma Media Group's main brands are *Télé-Loisirs*, *Femme Actuelle*, *Voici*, *Capital*, *Geo*, *Harper's Bazaar*, *Simone*, *National Geographic France*, *Harvard Business Review France* and *Dr. Good*.

In addition, the Prisma Media Group's advertising sales broker, Prisma Media Solutions, supports customers at every stage of their communications strategy. The Prisma Media Group also includes a publishing house, Editions Prisma.

The Prisma Media Group regularly surveys consumers to understand their needs, develop its brands and help advise advertisers, with the goal of developing trust and long-term engagement. At the same time, Prisma Media Solutions is actively involved with inter-professional bodies (such as ACPM, SRI and GESTE), as it seeks to ensure the respect of user privacy and to provide truthful and relevant content to optimize readers' and advertisers' experiences.

The Prisma Media Group's ambition is to become a leader in the use of generative artificial intelligence (AI) with a clear focus on preserving authors' intellectual property rights. The first step in adopting this new technology within the Prisma Media Group is to test content creation use cases supported by generative AI. It intends to initially focus on training all of its team members on several existing use cases of generative AI, such as text generation, which is currently being explored at *Voici* with respect to "evergreen" news, and image generation, which was first used by the Prisma Media Group on the cover page of a special edition of *Ça marche* in spring 2024.

The Prisma Media Group and its brands received numerous recognitions in 2023 and 2024, totaling 25 awards and honors. These included (among others):

- Alliance pour les Chiffres de la Presse et des Médias (ACPM) stars for *Ça m'intéresse*, *Dr. Good!*, *Oh! My Mag* and *Côté Ouest* in 2024;

- the Bronze Prize by the Grand Prix des Stratégies Médias for Gala's TikTok account in 2023. Gala's TikTok account was also awarded the Bronze Prize at the Grand Prix Innovation Media, in the category "Best editorial development strategy/Best presence on social media, interactivity strategy";

- two awards at each of the 2023 and 2024 Relay & SEPM Magazine awards, in particular the France best launch price for *Harper's Bazaar* in 2024;

- the Special Issue Award for *GEO* Histoire's "Les Samouraïs" in 2023;

- the Digital Format Award for "*Sexy Veggie*", the Cuisine Actuelle podcast, in 2023;

- numerous awards for Prisma Media Solutions, including a Gold Prize by the Intentionniste ou Acheteur automobile observatory, at the Trophées Etudes et Innovations, the Silver Prize at the Trophées Marketing BtoB, for the automated optimization of advertising attention for its high-performance digital campaigns (with Xpln.ai, Zenith Media and Intermarché), and three Gold prizes at the AdTech Awards in the category "Programming Department of the Year", in the category "Best TV Ads" (with Jellyfish and Yves Rocher) and in the category "Best Video Ads" (with Xpln.ai and Intermarché). Bastien Deleau, Deputy Executive Director of Prisma Media Solutions, received the Star Sell Side award at the 2023 Rate Cards Stars; and

- the Gold Prize for Media Innovation Strategies and the Relay-SEPM Magazine of the Year Award to Harper's Bazaar France in 2023.

(b) Business divisions

(i) *Magazines and publishing*

Leveraging its expertise and the strength of its teams, the Prisma Media Group sold over 124 million magazines (both print and digital, excluding Gala) across over 40 brands in 2023. The Prisma Media Group's magazines span numerous segments, including luxury (*Harper's Bazaar*, *Milk*), lifestyle (*Femme Actuelle*, *Simone*), entertainment (*Télé-Loisirs*), the economy (*Capital*), food (*Cuisine Actuelle*), well-being (*Dr. Good*) and discovery (*GEO*, *National Geographic France*), including strong historical brands as well as newer brands that have helped expand the Prisma Media Group's reach to new segments. For example, the launch of a French edition of *Harper's Bazaar* has allowed the Prisma Media Group to develop a strong presence in the luxury segment, while the launch of *Mortelle Adèle* has similarly extended its reach to the youth segment. Some brands are exclusive to the Prisma Media Group, such as *Télé-Loisirs*, *Femme Actuelle*, *Voici*, *Capital* and *Geo*, some are licensed from other online media players, such as Dr. Good, and some are French editions of other publishers' global titles, such as *Harper's Bazaar*, *National Geographic France* and *Harvard Business Review France*.

Prisma Media Group's magazines can be purchased as copy sales (through newspaper and magazine stands) or as part of a subscription. See Part B, Section 5.1.1.3(c), "*Prisma Media – Sales, distribution and marketing*".

In addition to print magazines, the Prisma Media Group offers digital versions of its magazines on the web, through the Prismashop website, or on its brands' mobile applications. Its digital magazines reach a broad audience. For instance, each month *Télé-Loisirs* reaches 21 million unique visitors, *Femme Actuelle* reaches 13 million unique visitors, *Voici* reaches 12 million unique visitors, *Capital* reaches 9 million unique visitors and *GEO* reaches 5 million unique visitors (*source: Médiamétrie-NetRatings, 2024*).

Through its integrated publishing house, Editions Prisma, the Prisma Media Group publishes more than 1,000 products across the editorial spectrum, including coffee-table books, quarterly magazines, collections, women's novels, biographies, testimonials, games, calendars and travel guides. Books and magazines are offered both in print and digital formats.

(ii) *Online media*

In addition to its digital magazine editions, the Prisma Media Group also engages in other activities as France's leading online media company. It produces over 2,000 videos monthly, leveraging its seven integrated studios and over 20 professionals (designers, directors, cameramen, sound engineers, make-up artists, editors, motion designers and mixers). As France's leading online video media group, its video attracts, on a monthly basis, close to 500 million views (including over 100 million on social networks) and 28 million unique video users. The Prisma Media Group has also turned to producing digital audio content. Prisma Audio produces numerous podcasts on a range of themes, from general interest and entertainment to the economy, history and celebrities. In 2023, Prisma Audio produced over 1,300 episodes, for a total of 15 million listens.

(iii) *Advertising*

Prisma Media Solutions offers a broad range of services designed to address the diverse needs of advertisers in branding and communication, including identifying issues, creative and media thinking and implementation and follow-up. Its solutions allow Prisma Media Solutions to offer integrated, effective and targeted campaigns to advertisers across various media platforms, either through advertising inserts included in Prisma Media Group's print and digital magazines and other online media channels (such as videos and podcasts) or through newsletters, print, digital or social content, created on behalf of advertisers (on a "white label" basis).

Prisma Media Solutions offers a broad and diverse audience to advertisers, by reaching three out of four French persons every month in 2023 across the different media channels offered by the Prisma Media Group, across its various print and online media channels (*source: ACPM One Global 2024 S1, 2023*). Advertisers benefit from best-in-class brand safety[3] (99.5%, *source: IAS Prisma barometer, Q1 2023*) and low fraud level (0.4%, *source: IAS Prisma barometer, Q1 2023*) ratings, which ensure that their brands are protected and promoted in secure environments, and that the integrity and authenticity of their campaigns are preserved.

Prisma Media Solutions sells advertising inserts in Prisma Media Group's print magazine portfolio, which comprises magazines addressing a broad array of consumer interests (including luxury, lifestyle, entertainment, economy, food, well-being and discovery), with the aim of packaging ads with general interest content to maximize monetization potential and advertisers' trust in the reliability of Prisma Media Group's media channels. Prisma Media Solutions applies the same approach to digital magazines and online media channels through its recognized expertise in programmatic advertising, which consists in selling advertising inserts to advertisers through a technological platform organizing automatic auctions, or open auction processes and direct sale to advertisers for more targeted or intensive advertising campaign.

The Prisma Media Group's critical size enabled it to develop its own AdTech services optimizing data it gathers through the heavy traffic to the Prisma Media Group's online content in order to better monetize advertising inserts it sells on online media and to sell these AdTech services to smaller players that have not developed these services in-house.

(iv) *E-commerce*

The Prisma Media Group is investing in developing e-commerce activities, which has already resulted in the development of Prismashop, a leading French magazine e-commerce site. In addition to offering subscriptions to the Prisma Media Group's various magazine publications, it also allows users to purchase single magazine editions in print or digital format, to digitally access archives of titles and to subscribe to conferences or paid content on our brand's sites. Prismashop is also open to other magazine publishers, offering subscriptions to over 190 magazine titles.

The Prisma Media Group is also developing its content-to-commerce activity, leveraging the audience and brand recognition of its magazines. This activity primarily comprises the publication and distribution of content that include links to third-party e-commerce sites, such as shopping guides and product comparators. In addition, the Prisma Media Group is working to develop paid services in the form of press subscriptions, paid programs (Croq Kilos), a paywall (*Capital*), and paid coaching newsletters (Momentum) and events (such as Le Club HBR).

(c) Sales, distribution and marketing

The Prisma Media Group's print magazines are distributed through different channels depending on whether they are sold as copy sales (through newspaper and magazine stands) or as part of a subscription.

The Prisma Media Group's copy sales are distributed through MLP, an authorized press distribution company (*société agréée de distribution de la presse*) appointed by several magazine publishers forming a cooperative company (Messageries Lyonnaises de Presse). MLP delivers Prisma Media Group's print magazines (either directly or through resellers (*dépositaires*)) to a network of nearly 20,000 distributors/newsagents (*diffuseurs*), which primarily comprise newsstands, press houses, supermarket press departments. Subscription-based press distribution is managed through a customer relationship management (CRM) database operated and maintained by a third-party subscription

[3] Level of brand safety represents a measure of the level of certainty that the content of the page on which the advertisement is displayed does not damage the image of the product and/or the advertiser.

manager, either directly (through the e-commerce site, Prismashop) or indirectly (by processing subscription orders received through a partner or customer service, for example). Magazines are primarily distributed through the mail (such as La Poste, for subscribers in mainland France, and IMX, for subscribers outside of France). Works published by Editions Prisma are distributed either through MLP or by Interforum (part of the Editis group) to bookstores. Certain books are also distributed by Sofédis.

As regards digital magazines' distribution, the Prisma Media Group offers a broad range of solutions, tailored to each end-user profile.

Print subscribers can read the digital version of their magazine on the web, at no extra cost, by visiting the Prisma Media Group's e-commerce site (Prismashop) or by downloading the application of the brand to which they subscribe. Same website and applications are used by readers who have subscribed to a digital only offer from the Prisma Media Group and by non-subscribing readers who buy digital versions of Prisma Media Group's magazines by the unit.

In addition to Prismashop and brands' applications, the Prisma Media Group distributes digital magazines through various platforms, developed by the Prisma Media Group itself or by its partners, such as the Air France Play platform that offers, free of charge and under conditions set out in the partnership agreement entered into between the Prisma Media Group and Air France, some magazines of the Prisma Media Group (*GEO*).

(d) Research and development

The Prisma Media Group's research and development efforts are primarily focused on developing new digital services and artificial intelligence use cases.

In particular, the Prisma Media Group's objective is to become the leader in digital press distribution, in some cases enabled by AI-generated functionalities, such as suggesting the most relevant articles to individual users, offering personalized press summaries/watches, providing audio playlists of articles, as well as a search engine for all archives. The Prisma Media Group's objective is to become the French leader in digital press distribution, enabled by AI/data-driven functionalities, such as providing individualized suggestions on relevant articles, offering personalized press summaries/watches, providing audio playlists of articles and giving access to archives through a search engine.

In addition, the Prisma Media Group is seeking to increasingly personalize the user experience (and content) through the development of new features or AI/data-driven algorithms that provide customized article and video recommendations to build audience loyalty that can be monetized through advertising or subscriptions. For instance, on *Télé-Loisirs*, the Prisma Media Group developed a personalization feature of users' favorite TV and VOD programs, with a customized movie and series suggestion list. The Prisma Media Group also developed an AI/data-driven advertising monetization, based on an improved customization of users' experience, and editorial platform, facilitating the work of journalists by suggesting titles, articles, keywords or photos.

5.1.1.4. *Other Activities*

Lagardère Group's other activities include a number of other business lines in the media and entertainment sector, including Lagardère News, Lagardère Radio, Lagardère Live Entertainment and Lagardère Paris Racing.

The following tables provides the breakdown and percentage of revenues by business line and geographic region for the six months ended June 30, 2024 and the year ended December 31, 2023:

	Year ended December 31, 2023		Six months ended June 30, 2024	
(in EUR millions, except percentages)				
Revenues[(1)]:				
Lagardère News	101	39.8%	49	36.0%
Lagardère Radio	81	31.9%	41	30.1%
Other[(2)]	72	28.3%	46	33.8%
Other Activities Total Revenues	**254**	**100%**	**136**	**100%**

(1) Derived from the Lagardère Group Consolidated Financial Statements.
(2) Comprises Lagardère Live Entertainment and Lagardère Paris Racing.

	Year ended December 31, 2023		Six months ended June 30, 2024	
(in EUR millions, except percentages)				
Revenues[(1)]:				
France	209	82.2%	108	79.4%
Western Europe	12	4.7%	7	5.1%
Americas	16	6.3%	11	8.1%
Asia-Pacific	17	6.7%	10	7.4%
Other Activities Total Revenues	**254**	**100%**	**136**	**100%**

(1) Derived from the Lagardère Group Consolidated Financial Statements.

(a) Lagardère News

With three newspaper publications (*Paris Match*, *Le Journal du Dimanche* and *JDD Magazine*) and an iconic global brand (*Elle*), Lagardère News attracted an average of 3.2 million weekly readers (*source: ACPM One Global 2024 S1*) and 6.3 million monthly unique visitors to its digital platforms in 2023 (*source: Médiamétrie Internet Global 2023*). *Paris Match* was sold to the LVMH group on October 1, 2024.

In 2024, the *JDD Magazine* evolved into a more news-focused format, to be published both digitally and on newsstands every week. This new magazine, called *Le JDNews*, began publication in September 2024.

In recent years, Lagardère News has been pursuing a digital transformation strategy for its print titles, involving websites, applications, social media and the increasing use of online subscriptions and video content.

In addition, the *Elle* brand's growth is intensely creativity-driven, in its editorial content, its advertising and its diversification drive. In this way, the Elle International network is constantly evolving, led by the development of licensing sales both in media (for instance, with the launch of new international versions) and non-media (for example, in the hospitality industry).

The following table provides the percentage of Lagardère News' revenues by business division for the six months ended June 30, 2024 and the year ended December 31, 2023:

(in EUR millions, except percentages)	Year ended December 31, 2023	Six months ended June 30, 2024
Revenues[(1)]:		
Press	64.0%	60.4%
Elle International	36.0%	39.6%
Lagardère News Total Revenues	**100%**	**100%**

(1) Derived from the Lagardère Group Consolidated Financial Statements. Includes revenues from *Paris Match*, which was sold to the LVMH group on October 1, 2024.

The following table provides the percentage of Lagardère News' revenues generated in France and outside of France for the six months ended June 30, 2024 and the year ended December 31, 2023:

(in EUR millions, except percentages)	Year ended December 31, 2023	Six months ended June 30, 2024
Revenues[(1)]:		
France	65.7%	60.6%
Outside of France	34.3%	39.4%
Lagardère News Total Revenues	**100%**	**100%**

(1) Derived from the Lagardère Group Consolidated Financial Statements. Includes revenues from *Paris Match*, which was sold to the LVMH group on October 1, 2024.

(i) *Press*

Lagardère News' newspaper publications comprise *Le Journal du Dimanche* and *Le JDNews*. Every month, *Le Journal du Dimanche* reaches 4.9 million readers (*source: ACPM One Global 2024 S1*), both through sales of print and digital editions. Lagardère News offers advertising space in these publications.

Thanks to its breaking news stories, exclusive interviews and hundreds of weekly pick-ups by other media, Lagardère Group believes it is France's weekend newspaper of choice and one of the country's most influential newspapers in the fields of politics, business and culture.

An online edition available on *Le Journal du Dimanche*'s website amplified the reader experience by offering newsletters, dedicated and exclusive features on social media and adapted versions of the content published in the newspaper and magazine. In 2024, Lagardère News launched *Le JDNews*, a news-focused format, published both digitally and on newsstands every week. This new magazine began publication in September 2024.

(ii) *Elle International*

The leading fashion and lifestyle media brand, Elle International is the world's leading women's media network, with 32 million monthly readers and 90 million monthly unique visitors to its 56 websites (*source: Elle International, 2023*). Elle also has a global reach of more than 200 million people including through its social media.

The brand comprises nearly 80 international editions, including 45 *Elle* and 25 *Elle Décoration*, licensed in 42 countries with partners such as Hearst, Burda, CMI (in France only) and Aller.

The network is managed by a centralized advertising structure (Lagardère Global Advertising) in charge of sales for all editions, a central brand management and editorial production team, a central syndication department overseeing the international distribution of locally and centrally produced content and a non-media licensing business (such as fashion, beauty, decoration and services) comprising more than 200 licenses in over 80 countries.

(b) Lagardère Radio

Through three radio stations (Europe 1, Europe 2 and RFM), Lagardère Radio reached 4.9 million listeners daily in 2023 (*source: Médiamétrie EAR National, 2023*). Lagardère Radio also includes, through Lagardère Publicité News, advertising brokerage.

For several years, Lagardère Radio has been pursuing a digital transformation strategy in its operations, involving websites, applications, social media, and the increasing distribution of video content and podcasts. In this way, the Lagardère Radio is advancing closely in phase with industry changes and evolving listener behavior.

The following table provides the percentage of Lagardère Radio's revenues by business division for the six months ended June 30, 2024 and the year ended December 31, 2023:

	Year ended December 31, 2023	Six months ended June 30, 2024
(in EUR millions, except percentages)		
Revenues[(1)]:		
Europe 1	23.4%	25.9%
Europe 2	25.4%	23.6%
RFM	27.2%	27.0%
Others	24.0%	23.4%
Lagardère Radio Total Revenues	**100%**	**100%**

(1) Derived from the Lagardère Group Consolidated Financial Statements.

(i) *Radio*

With its three national networks, Lagardère Radio is a major player in the French radio broadcasting market. Radio station revenues primarily comprise radio and advertising revenues.

Europe 1, France's leading general-interest radio station, offers high-quality programs for the general public, with more than 2.1 million daily listeners (*source: Médiamétrie EAR National, 2023*).

Europe 2 was officially launched at the start of 2023 as a replacement to Virgin Radio. A music radio station with nearly 1.3 million daily listeners, Europe 2 offers pop-rock music that combines classic sounds with songs by young up-and-coming French artists to attract its core target audience (adults aged 25 to 49) (*source: Médiamétrie EAR National, 2023*).

RFM offers its more than 1.7 million daily listeners music in a general interest, family-friendly format, featuring a blend of pop, disco, funk and rock (*source: Médiamétrie EAR National, 2023*).

(ii) *Advertising sales brokerage*

Lagardère Publicité News is the advertising broker for Lagardère Radio stations and Lagardère News' newspaper publications (*Paris Match*[4], *Le Journal du Dimanche* and *Le JDNews*). It also serves as an advertising broker for radio stations outside of Lagardère Group, such as Radio Nova, Oüi FM (in the greater Paris region), Radio FG (in the greater Paris region and Nice), Radio Meuh, Radio Public Santé

4 Following the sale of *Paris Match* to LVMH group on October 1, 2024, Lagardère Publicité News' advertising broker activity for *Paris Match* is expected to end on December 31, 2024.

and Replay News. Lagardère Publicité News also includes audio advertising offers with Crooner Radio and Sonos Radio.

As an advertising broker, Lagardère Publicité News markets media solutions that are closely tailored to the needs of advertisers, media agencies and communications consultants. Its services span radio, press, digital and experiential content, marketing emblematic, leading and complementary French brands, whether in news or entertainment.

Lagardère Publicité News draw on their business expertise, innovative media solutions and powerful brands to amplify conventional media campaigns or design tailor-made communication solutions. Its offerings reach around 27.6 million people per month (including *Paris Match*), representing 49.5% of the French adult population (*source: Médiamétrie EAR National, 2023*).

(c) Lagardère Live Entertainment

Lagardère Live Entertainment is dedicated to the performing arts through three complementary activities: (i) managing theatres and larger venues; (ii) producing shows and tours; and (iii) hosting and providing local promotional services for French and international productions.

The following table provides the percentage of Lagardère Live Entertainment's revenues by business division for the six months ended June 30, 2024 and the year ended December 31, 2023:

	Year ended December 31, 2023	**Six months ended June 30, 2024**
(in EUR millions, except percentages)		
Revenues[(1)]:		
Venue management	63%	64%
Production of live shows and concerts	12%	8%
Hosting and local promotional services	25%	28%
Lagardère Live Entertainment Total Revenues	**100%**	**100%**

(1) Derived from the Lagardère Group Consolidated Financial Statements.

(i) *Management of concert and entertainment venues*

Lagardère Live Entertainment manages a number of entertainment venues for millions of concert and theatre-goers. These venues include famous Parisian music halls and theatres such as Folies Bergère and Casino de Paris. Lagardère Live Entertainment has also invested in larger venues in the rest of France, such as the Arkéa Arena concession (in Bordeaux) and the public service concession for the Arena du Pays d'Aix (in Aix-en-Provence).

(ii) *Production of live shows and concerts*

Through L Productions, Lagardère Live Entertainment offers a wide range of services, including marketing, communication, digital strategy, ticketing, technical support, budgeting and booking to its artists. L Productions also produces musical shows, with such blockbuster hits as *Les Choristes*. L Productions has become a leading producer.

(iii) *Hosting and local promotional services*

Acquired by Lagardère Live Entertainment in May 2023, Euterpe hosts cultural events in south-west France, with more than 300 annual shows, including concerts, comedy shows, theatre, dance, musicals and shows for young audiences. Euterpe Promotion offers knowhow and expertise in promotion, production, communication and technical management. It has also developed an online and in-store ticketing business through its Box Office division.

(d) Lagardère Paris Racing

Created in 2006 and with 13,500 members, Lagardère Paris Racing's main activity is to offering sports activities to its members at the Croix Catelan site (Paris). In addition to racket sports, swimming pools and fitness facilities, Croix Catelan also has several retail offerings, including dining, a sports shop, a children's play park and entertainment venues.

Every year, Lagardère Paris Racing hosts a one-week international women tournament (WTA 125), the Clarins Trophy, which takes place just before Roland Garros.

The following table provides the percentage of Lagardère Paris Racing's revenues by activity for the six months ended June 30, 2024 and the year ended December 31, 2023:

	Year ended December 31, 2023	**Six months ended June 30, 2024**
(in EUR millions, except percentages)		
Revenues(1):		
Income from membership fees	80%	79%
Other	20%	21%
Lagardère Paris Racing Total Revenues	**100%**	**100%**

(1) Derived from the Lagardère Group Consolidated Financial Statements.

5.1.2 Description of the Issuer's business strategy and objectives

The combination of the Lagardère Group with the Prisma Media Group brings together market leaders in their respective primary business lines (Publishing, Travel Retail, and Magazines and Online Media) to form a highly diversified and resilient actor.

- Lagardère Publishing is a global leader in the consumer book publishing market, comprising a collection of iconic publishing houses that rely on boutique-style organization favoring their individual editorial decisions and best-selling authors' creative processes, while being guided by Lagardère Publishing's global vision and benefiting from its support at all stages in the book lifecycle (manufacturing, distribution, sales and beyond) in each of the main countries where it operates;

- Lagardère Travel Retail is a global industry leader in travel retail, offering a full-service proposition through its three business divisions (Travel Essentials, Duty Free & Fashion and Dining) to travelers passing through transit hubs (primarily air and railway) in collaboration with its landlords.

- The Prisma Media Group leverages its portfolio of leading brands, such as *Femme Actuelle*, *Voici*, *Capital*, *GEO* and *Harper's Bazaar*, and its digital expertise to publish magazines across both print and digital formats, and deliver online media.

In addition, the Lagardère Group also brings a number of additional business lines in the media and entertainment sector, including newspaper publications (*Le Journal du Dimanche* and *Le JDNews*), an iconic global brand (*Elle*), radio stations (Europe 1, Europe 2 and RFM) and live entertainment management, production and promotional activities (Lagardère Live Entertainment) as well as an athletics club (Lagardère Paris Racing).

The Group also brings together businesses that share a common focus on prioritizing digital development, all the while concentrating on achieving operational efficiency and generating strong operating cash flows to deliver shareholder returns.

5.1.2.1. *Lagardère Publishing*

(a) Competitive strengths

(i) *Global and robust market positions in a resilient and attractive consumer publishing market that is benefiting from favorable trends*

Lagardère Publishing is the world's third largest consumer book publisher (comprising the trade publishing market and K-12 education publishing market) (*source: Global 50 Publishing Ranking 2023 by Rüdiger Wischenbart*). It holds leading positions in its core markets of France (trade and K-12 education), the United Kingdom (trade and K-12 education publishing), Spain (trade and K-12 education publishing) and the United States (trade publishing). See Part B, Section 5.2.1.1, "*Description of principal markets – Publishing industry – Publishing market*".

Lagardère Publishing also holds leading positions in digital publishing in each core geography (*source: Lagardère Publishing estimate*). See Part B, Section 5.2.1.1, "*Description of principal markets – Publishing industry – Publishing market*".

By successfully implementing its diversification strategy, Lagardère Publishing has also achieved prominent positions in several adjacent publishing markets, including partworks (for which it believes it is the global leader), premium stationery (for which it believes it is the second player globally) and board games (for which it is the second player in France according to NPD Group/Circana).

The trade and education (both K-12 and higher education) publishing markets are estimated to represent a combined addressable core market of approximately EUR 24 billion as of 2022 (*source: SNE, The Publisher Association, AAP and FGEE*), which have grown steadily over the 2018-2022 period. These publishing markets are experiencing several favorable trends, such as consolidation opportunities, ability to identify and address new genres or evolution in consumer preferences. See Part B, Section 5.2.1.1, "*Description of principal markets – Publishing industry – Publishing market*".

(ii) *A publisher benefiting from specialized and longstanding expertise that facilitate its success in its attractive core markets*

Lagardère Publishing is organized as a federation of publishing houses, independent and fully responsible for their own creative processes and editorial decisions, as well as responsible for relations with their authors. This organizational model encourages both creativity and a healthy internal competition, resulting in distinct corporate cultures and specific and distinctive editorial lines.

Trade publishing market

Lagardère Publishing's portfolio is well positioned across various trade publishing segments (fiction, non-fiction, children and young adult, practical books, comics, supplementals, reference, tourism guides, among others) and release approximately 12,000 new titles each year.

Success in the trade publishing market requires the ability to excel in a number of areas, which Lagardère Publishing is able to do in large part because of its long history that has allowed it to develop recognizable brands and expertise:

- **International footprint and recognition** – Lagardère Publishing has adopted an international model based on three main languages (French, English and Spanish) helping it establish a global footprint and enabling broad diffusion of its books, including in three significant markets outside of France: the United Kingdom, Spain and the United States. Lagardère Publishing is represented by iconic publishing houses with recognized knowhow across multiple segments, supporting its global reputation, such as Grasset, Fayard, Stock, Calmann-Lévy, JC Lattès, Hachette Pratique, Marabout, Larousse, Dunod, Orion, Quercus, Orbit, Hodder & Stoughton, Grand Central Publishing, Little, Brown and Company, and Alianza;

- **Ability to attract and retain creative talent** – Lagardère Publishing's over 200 highly reputable and complementary publishing houses and brand names enable it to consistently publish best-selling authors that, in addition to "best sellers" that generate a significant impact on the revenues of the Group for the year of their publication, are also able to produce "hyper sellers" that have a lasting impact beyond their year of publication. Lagardère Publishing's ability to attract talent is a testament to its publishers' ability to develop longstanding trusted relationships with authors, accompanying and guiding them through each stage of their creative process. Lagardère Publishing's publishing houses and publishers support many critically acclaimed and award-winning authors, such as Guillaume Musso, Stephenie Meyer, E. L. James, Michael Connelly, Elin Hilderbrand, James Patterson, Pierre Lemaitre, J. K. Rowling, Kwame Alexander, Ken Follett, Rebecca Yarros, Colleen Hoover and Sarah Rivens;

- **Intellectual property (IP) rights development and licensing knowhow** – Lagardère Publishing has acquired this expertise throughout its successful track record of developing its IP portfolio, including by expanding its product offering to adjacent markets such as escape games, stationery, arts and craft or boxes. Moreover, it is able to tap into market niches, including cooking books, tourism guides and supplementals. Lagardère Publishing has also successfully moved beyond print to deliver its authors' works through new formats, whether through audiobooks or e-books. As an illustration, Lagardère Publishing publishes on average one "blockbuster" Astérix illustrated book every other year and has leveraged the popularity of Astérix to expand this brand beyond the comic book segment. Astérix represents 400 million of comic books sold and is translated in 117 languages worldwide. Ten animated movies, five live action movies, one TV series and one theme park (the Parc Astérix, near Paris) were created using an Astérix license. Overall, the Group has granted over 100 licenses to third parties relating to Astérix;

- **Sales and distribution capabilities** – Lagardère Publishing plays a pivotal role in the book value chain by offering sales and distribution services for itself and partner publishers. To bring books from their authors to bookstores and retailers, publishers need to ensure that efficient distribution channels (storage, freight, invoicing, logistics and shipments) and committed commercial teams in charge of the promotion of the books are in place in order to diffuse to the largest possible number of end-consumers worldwide. Lagardère Publishing's leading sales and distribution capabilities provide this security; and

- **Expertise in local regulations –** Lagardère Publishing has the requisite knowhow and expertise to manage numerous complex local regulations, covering IP rights, copyright registration requirements and book pricing rules, which it has acquired over time as a leading player in core markets worldwide. See Part B, Section 18.3.1, "*Regulatory environment – Lagardère Publishing*".

Education publishing market

Lagardère Publishing is an established player in the K-12 and higher education segments of the education publishing market, releasing around 3,000 new titles each year under well-recognized brands, such as Hatier, Hachette Éducation, Le Livre Scolaire, Hachette Learning, Anaya and Bruño.

Success in the K-12 education publishing market, in particular, requires the ability to anticipate and address the needs of the education community, which Lagardère Publishing is able to do in large part thanks to its longstanding presence in its core markets and the relationships it has built with stakeholders in the education community. Lagardère Publishing believes that its local presence, particularly in its core markets, provides it with insight into local developments in the education sector, allowing it to respond quickly to the needs of that market and political developments, particularly in relation to potential educational reforms. Similarly, given that the education publishing market and its stakeholders are dependent on political decisions implementing educational reforms, Lagardère Publishing is attuned to, and is able to anticipate, the developments in this market.

The education publishing market also requires publishers that can reliably meet the highest quality standards, making Lagardère Publishing the ideal partner. Trust in the quality of the textbooks and their authors is key to winning the support of teachers and education providers, who are the decision-makers and the most important users to provide feedback on materials offered by education publishers, influencing the choice in the textbooks at the local or national scale. Moreover, as educators are increasingly using digital tools to teach their students, and are seeking additional materials in digital formats, publisher must have the capacity to provide offerings in both print and digital formats, which Lagardère Publishing is able to deliver. Finally, as education publishing is cash intensive and cyclical market, it requires a financially stable publisher with access to a best-in-class distribution network that can reliably meet demand, all of which Lagardère Publishing offers.

(iii) *A player that has the capabilities to successfully react to market evolutions and capture market opportunities, allowing it to deliver a stable and resilient business model*

Lagardère Publishing places a particular emphasis on identifying new emerging genres and trends across publishing markets. To this end, Lagardère Publishing has organized itself as a federation of publishing companies, with independent publishing houses, fully responsible for their own creative processes and editorial decisions as well as for relations they decide to enter or maintain with its authors and stakeholders in the education community. This provides them with the freedom to choose and focus on emerging genres or trends, as well as anticipate reforms and developments in the education sector.

Lagardère Publishing’s international presence also provides it with the flexibility to capitalize on these developments. It allows Lagardère Publishing to anticipate and promote the extension of such trends in other markets, particularly in the trade publishing space. For example, Lagardère Publishing has been able to capture opportunities in several popular segments, including dark romance, comics, coloring books and manga (including webtoons).

Lagardère Publishing is also able to capture opportunities by virtue of its multi-format offering. Lagardère Publishing offers an extensive print catalog of around 185,000 active titles that are immediately available to customers in bookstores and other retailers (excluding books that are printed on a purchase-by-purchase basis, so called “print-on-demand”), and which is facilitated by its efficient distribution network that extends globally. Lagardère Publishing also provides access to a broad catalog of titles in digital format (over 130,000 in 2023) and was an early mover in, and benefits from its longstanding presence on, the key audiobook market, in particular in the United States and the United Kingdom, with penetration rates of 10.2% (*source: Lagardère Publishing estimate based on AAP’s Annual StatShot for 2023*) and 14.4% (*source: Nielsen’s Books & Consumer Research*), respectively, in 2023. Lagardère Publishing now possesses the digital expertise and agility to respond to future shifts in consumer preferences. As an illustration, sales of digital formats (e-books and audiobooks) accounted for 12% of Lagardère Publishing’s revenues in 2023.

In addition, Lagardère Publishing has developed innovative learning solutions for the education publishing market, including adaptive learning tools powered by AI. For instance, Lagardère Publishing was a first mover in AI for Education tools with the acquisition of Kwyk in 2014. Based in Paris, Kwyk operates an adaptive learning platform for students in middle and high schools in France, for math, physics and literacy.

(iv) *A strong intellectual property rights portfolio allowing it to diversify its offering beyond traditional publishing and explore additional revenues streams*

Lagardère Publishing benefits from a broad portfolio of best-selling authors, providing it with the credibility and trust that come with this high-quality portfolio. This allows Lagardère Publishing to leverage IP rights to offer new content and products. Lagardère Publishing has demonstrated its ability to enhance the value of its IP, as exemplified by the immense success of Astérix. As the owner of Astérix's IP rights, Lagardère Publishing has developed numerous royalty-based revenues streams, ranging from film or television adaptions, including the new Astérix live-action film produced by Studiocanal, the Astérix series produced by Netflix and cartoon spin-offs (such as Idéfix), to merchandising, such as Playmobil action figures, and even to theme parks, with the Parc Astérix near Paris. In addition, Lagardère Publishing has signed licensing agreements with the owners of well-known brands, such as Disney, Zagtoon, Universal, Warner Bros, Paramount, Hasbro, Pokemon and Mattel, pursuant to which it is allowed to use such brands in France and outside of France.

Lagardère Publishing is also experienced in developing new products from its IP, extending the offering beyond the original print book, including adapting literature into illustrated formats (for example, the adaptation of Guillaume Musso's *La vie secrète des écrivains* into graphic novel), creating supplementals (for example, Idéfix's supplemental booklet published by Hachette Éducation), conceiving collectible series (for example, Agatha Christie series published by Hachette Partworks), adaptation titles into board games and developing stationery collections (for example, Astérix's stationery collection released by Paperblanks in 2023).

(v) *An efficient book distribution network enabling the global diffusion of its titles and offering an additional revenues stream*

Lagardère Publishing's operations rely on an integrated business model that extends beyond publishing to sales and distribution for both its own and third-party titles.

Lagardère Publishing possesses a recognized expertise in book sales, driven by dedicated commercial teams that specialize in the relevant segments and retailers (whether bookstores, specialized stores, online retailers or supermarkets). Their role is to successfully match titles with the right retailer to ensure titles reach the most relevant audience. For this purpose, the commercial teams present catalogues of publishers, reference brands or take orders at the retailer, offer marketing operations and organize meetings and fields visits. Supported by its size, knowhow and extensive relationships with retailers, Lagardère Publishing is also able to offer this expertise to third parties seeking to maximize the effectiveness of their sales efforts.

Lagardère Publishing's sales capabilities are buttressed by its strong distribution platforms, comprising nine distribution facilities in seven countries located in each geography Lagardère Publishing operates in, facilitating the global distribution of approximately 513 million physical books annually (both Lagardère Publishing titles and third-party publishers'). These distribution platforms enable Lagardère Publishing to reach bookstores and other downstream book retailers globally across its markets within a very short timeframe (typically, within 24 to 48 hours). Lagardère Publishing has also developed a global e-book delivery platform that that distributes its titles worldwide.

Lagardère Publishing's distribution capabilities also serve to position it as the leading third-party book distributor in France, the United Kingdom and the United States and the third player in Spain (*source: Lagardère Publishing estimate*). Lagardère Publishing is the distributor for renowned partner publishers (such as Albin Michel, Glénat and Bayard in France, Taylor & Francis and, from April 2025, Bloomsbury in the United Kingdom and Lonely Planet, Moleskine and Quarto Group in the United States). In March 2024, Lagardère Publishing entered into a new distribution partnership agreement with Éditions Gallmeister in France, starting in January 2025. Third-party distribution constitutes a significant reduction in risk, enabling Lagardère Publishing to cover fixed distribution costs with another source of revenues that is independent of the success of its own titles.

(b) Strategy anchored by several key pillars

Lagardère Publishing's objective is to continue identifying and developing relationships with authors that are able to create books that will be accretive to its frontlist and backlist, while also offering additional revenues streams through the associated IP. Lagardère Publishing's success is due in large part to its ability to identify promising authors and titles that are immediately successful upon initial releases, creating a dynamic "frontlist" of titles (meaning new titles on the market in a given year). Additionally, Lagardère Publishing has been able to identify and retain repeat authors, as well as individual titles that continue generating revenues beyond their year of publication (including through paperback editions, such as the "Livre de Poche" in France). This has enabled Lagardère Publishing to develop a strong "backlist" of titles (meaning any title that has been published before the year during which it is sold), to commercialize new formats, such as e-books or audiobooks, and to enhance its IP rights.

To this end, Lagardère Publishing will continue to strive to leverage its market position, expertise and reputation as a trusted publisher to attract authors that have the potential to produce titles that can be deployed across its numerous monetization channels. In addition to traditional methods for discovering talent, Lagardère Publishing intends to continue exploiting alternative channels. For example, by embracing social media channels, Lagardère Publishing believes it can cast a wider net to identify talented amateur authors with great potential. As an illustration, Lagardère Publishing supports Sarah Rivens, who was initially discovered on Wattpad, a story-sharing social media with which Hachette Romans has partnered, to publish her *Captive* series that became one of France's best-sellers in 2023. In addition, Lagardère Publishing will continue to strive to develop new revenues streams for its authors' titles. For example, it is developing the Hachette Speakers Bureau in the United States, which brings authors into direct contact with audiences looking to expand their knowledge and be entertained, via select paid in-person or virtual events (conferences, keynotes, lecture series).

Lagardère Publishing is also seeking to become the most innovative provider of literary and educational content and at the forefront of distribution technology. Its international and cross-functional innovation department is deploying technology throughout the organization. Lagardère Publishing also intends to continue leveraging its cross-channel customer relationship management platform to develop direct relationships with readers. Furthermore, Lagardère Publishing has entered into a strategic partnership with Educapital, the first European VC fund dedicated to EdTech, and many partnerships with new players supporting long-term growth (such as its partnership with Spotify for the audio offering). Lagardère Publishing is also aiming to develop state-of-the-art logistics tools and IT infrastructure to improve its distribution capabilities.

Lagardère Publishing intends to pursue an active and opportunistic acquisition strategy. It has a track record of successful acquisitions, with a proven expertise in regularly identifying and securing bolt-on acquisitions to take advantage of growth opportunities across new publishing segments and capturing synergies. For example, Lagardère Publishing's acquisition of Bragelonne in 2022 enhanced its presence in the fantasy, fairy tales and science fiction segments, including by adding the successful Polish series *The Witcher* by Andrzej Sapkowski, which is published by Lagardère Publishing in English-speaking countries. Lagardère Publishing expects to leverage its operating cash flow generation capabilities to continue capitalizing on acquisition opportunities in the trade and education publishing markets across the world, with the goal of attracting new authors and developing new IP and capturing higher margins. Additionally, Lagardère Publishing intends to continue seeking diversification opportunities to allow it to grow its presence in adjacent markets (as exemplified by the acquisition of a majority stake in Catch Up Games, a board games company).

Finally, Lagardère Publishing intends to continue leveraging its management structure to enhance its operating performance. Lagardère Publishing believes its central management function can allow it to deploy a consistent strategy to capture growth opportunities (such as in digital technologies), negotiate effectively with large accounts and suppliers, and leverage economies of scale to optimize its pricing and improve its purchasing model, among other things.

5.1.2.2. *Lagardère Travel Retail*

(a) Competitive strengths

(i) *A global industry leader across its complementary business lines*

Lagardère Travel Retail is a global industry leader, operating more than 5,120 stores and dining outlets (including through its joint ventures), of which 933 in France, 2,746 in EMEA (excluding France), 861 in the Americas and 582 in Asia-Pacific.

Through Travel Essentials, Lagardère Travel Retail has developed, and continues to develop, a recognized expertise in operating one-stop shop convenience stores and specialty stores, offering a wide range of products to travelers in airports and train stations. Its stores primarily operate under its own brands, such as Relay, Discover, 1-Minute and Hub Convenience, as well as under partner and bespoke brands.

Through Duty Free & Fashion, Lagardère Travel Retail offers a wide range of duty-free and luxury goods, including fashion apparel, cosmetics and fragrances, tailoring its commercial proposal to each market, to reflect local specificities and sense of place, while leveraging digital functionalities to offer new omnichannel services to travelers. Its stores operate under Lagardère Travel Retail's own brands, such as Aelia Duty Free, So Chocolate and The Fashion Gallery, as well as through licensing arrangements with brands such as Hermès, Longchamp, Hugo Boss, Ferragamo and Victoria's Secret.

Through Dining, Lagardère Travel Retail offers travelers a variety of dining options to suit their preferences, ranging from affordable to premium segments. These comprise Lagardère Travel Retail's own brands, including So Coffee, Bread&Co., Trib's, Vino Volo, deCanto, Natoo, Smullers and Marché. In addition, it partners with renowned culinary chefs and licensors, including La Plage and Pan Garni at the Nice-Côte d'Azur airport in France, Loksins Bar at the Keflavik airport in Iceland and Bar Symon at the Pittsburgh airport in the United States. It also operates dining outlets under franchise arrangements with major international brands, including Starbucks, Costa Coffee, Prêt à Manger, Burger King, Ajisen Ramen, Eric Kayser and Paul, as well as local brands such as Liv Eat in Australia, SaladStory in Poland and Java U in Canada.

Lagardère Travel Retail is a leader in the travel retail market, including the third-largest global travel retail operator (second largest global in airport travel retail) and the leading travel retail operator in France, the leading global travel essentials operator, with the largest international network of travel essentials stores, a leading player in the duty-free and fashion markets, as the leading player in the travel retail fashion segment in Europe and fourth-largest operator in the airport core duty-free segment (perfumes and cosmetics, confectionery, spirits and tobacco), and the fourth-largest global dining provider in transit hubs (*source: Lagardère Travel Retail estimate*).

(ii) *Operating in an attractive and resilient market with long-term growth prospects*

The global travel retail market is estimated to be in excess of EUR 120 billion in revenues, comprising sales in travel retail and dining concessions in airports, train stations, motorways, ferries, land border shops and high street retail areas (*source: Lagardère Travel Retail estimate*) and is characterized by its resilience, supported in particular by long-term growth in air passenger traffic. See Part B, Section 5.2.2.1, "*Description of principal markets – Travel retail industry – Travel retail market*".

The travel retail market benefits from a privileged position in the retail business due to the characteristics of the location of travel retail stores. Specifically, they are mainly located in airports and train stations, which are by definition high-foot traffic locations with large volumes of travelers that are characterized by attractive, well-segmented premium customer profiles with high purchasing power and strong willingness to purchase in accordance with their immediate needs or impulses. All of these factors, coupled with the level of quality of the offered services, serve to increase the frequency with which customers visit the stores and customer conversion rates, serving as an attractive locations for brands and vendors.

The travel retail market requires a specific and comprehensive customer knowledge, access to suppliers, longstanding landlord relationship and savoir-faire in navigating complex restricted areas environment with stringent regulatory controls making the penetration on such market harder for new entrants.

(iii) *Proven operational and commercial expertise and partner of choice for landlords*

Lagardère Travel Retail exemplifies operational and commercial excellence, positioning itself as a partner of choice for landlords and delivering immersive shopping experiences for travelers.

Lagardère Travel Retail seeks to bring operational efficiencies and innovation to each of its stores and dining outlets to improve commercial performance by, among other things:

- investing in staff trainings and collaboration efforts, including by offering bespoke programs and recruiting and developing local workforces;
- investing in new technologies to embrace retail digital transformation, for instance by developing self-checkout cashiers, click-and-collect or pre-order facilities in some of its stores;
- optimizing space and product offering by leveraging customer insights and flight data;
- implementing dynamic marketing, cross-selling and complementary products offering to maximize customer engagement and drive sales;
- implementing unified operational model, including utilizing single kitchen facilities, a unified logistic system, a consolidated IT system and integrated back office and labor management, all coordinated by one management team, to enhance flexibility, resource optimization and profitability.

Lagardère Travel Retail pairs its operational expertise with a diverse commercial portfolio, featuring both globally recognized brands and local favorites that resonate with regional cultures. Lagardère Travel Retail also delivers 360° travel retail expertise, such as offering hybrid concepts that integrate retail and dining to enhance customer experience (such as the Gallery in Barcelona concept). Among the many notable examples are: Bound, a bespoke book and café offering; Yootoo, a large and unique entertainment store combining powerful leisure brands, such as Marvel, Lego or Disney; Fnac Café, a first in industry mixing high-tech, book store and café; The Fashion Bar concept, blending chic fashion retail with a sophisticated tasting bar; and Bottega dei Sapori, a fine food concept that pairs high-quality, gourmet food offerings with a distinctive retail experience.

Lagardère Travel Retail's operational and commercial expertise are naturally aligned with landlords' strategies and customer needs. Landlords prize travel retail and dining operators that are attractive to travelers, both in the seamless delivery and diversity of its offerings as these maximize the number of travelers that will be drawn to the stores and dining outlets. The commercial and operational excellence of Lagardère Travel Retail is also evidenced by frequent significant lifts in spending per passenger (SPP) after taking over stores and dining outlets previously managed by other travel retail or dining operators, including global operators. Lagardère Travel Retail is therefore a choice partner and has developed and maintained long-term, trust-based relationships with landlords.

This approach not only enhances collaboration but also fosters stability and confidence. Lagardère Travel Retail's history of longstanding partnerships is extensive, with enduring collaborations that span decades, dating back to the inauguration of facilities in key transportation hubs, including airports and train stations in Paris, Brussels, the United States and beyond. Moreover, it has achieved a weighted average renewal success rate of its contracts subject to renewal in 2023 of approximately 90%, despite a highly competitive environment. As an illustration, Relay's recent renewal with Groupe ADP (Paris-Charles de Gaulle and Paris-Orly airports), through the joint-venture entered into between Lagardère Travel Retail and Groupe ADP, and SNCF (the French public railway company) are among the many durable and quality partnerships Lagardère Travel Retail has maintained over several decades.

Moreover, Lagardère Travel Retail has achieved this status by, among other things, offering a customizable concession model addressing the commercial needs of its landlords. Lagardère Travel Retail's adaptive partnership model strategically maximizes value and mitigates risks by customizing business approaches to suit the specific needs of each landlord. This strategy incorporates a variety of concession models, including joint ventures, concession contracts, revenues or profit-sharing arrangements, supply models and management contracts. Such flexibility not only facilitates rapid adaptation to market changes, effectively hedging risks, but also fosters innovation and enhances revenues potential. This proactive approach allows Lagardère Travel Retail to seize growth opportunities and maintain a competitive advantage in varied market conditions.

(iv) *Travel retail operator that has reached critical size, allowing it to capture growth opportunities globally and develop a highly diversified and stable portfolio of concessions*

Lagardère Travel Retail has grown its operations steadily in the past decade, increasing its presence from 13 countries in 2011 to 42 countries in 2023.

Today, Lagardère Travel Retail's network spans across five continents, comprising more than 5,120 stores and dining outlets (including through its joint ventures) in 290 airports (representing approximately 73% of Lagardère Travel Retail's revenues for the year ended December 31, 2023) and 700 railways stations (representing approximately 10% of Lagardère Travel Retail's revenues for the year ended December 31, 2023), as well as metro, hospital or touristic locations (representing approximately 17% of Lagardère Travel Retail's revenues for the year ended December 31, 2023). Its critical size allows it to generate substantial cash flows, thanks in particular to the positive impact of critical size on purchasing, and apply a disciplined approach to renewing concessions.

Lagardère Travel Retail has developed strong knowhow and experience across a variety of markets as it has carried out this expansion, which it has translated with strong and consistent revenue growth, including on an organic basis.

Lagardère Travel Retail has demonstrated its ability to successfully expand its operations in new and existing geographies introducing additional business lines to operations in existing locations (such as the introduction of additional business lines with the same landlord in Rome, Nice or Prague) and deploying an opportunistic approach to acquisitions that carefully considers synergistic potential (such as the acquisition of Tastes on the Fly in 2023 and other bolt-on acquisitions with high-value creation profile locally). Lagardère Travel Retail's expansion is underpinned by the profitable growth of its existing portfolio of concessions.

This has allowed Lagardère Travel Retail to develop a highly diversified and stable concession portfolio.

(b) Ambitious strategy to grow further and improve profitability

Lagardère Travel Retail believes there are significant growth opportunities in a dynamic yet fragmented travel retail market that can be captured to reinforce its leadership positions. Lagardère Travel Retail pursues a development strategy crafted for each region, country and business line. The development plan is carefully customized, taking into account opportunity assessments and local market trends. It focuses on boosting market share in core travel retail sectors by enhancing operational efficiency, securing new concession contracts, engaging in opportunistic acquisition. Lagardère Travel Retail also explores adjacent markets and revenues diversification opportunities through new revenues models, including wholesale.

In particular, Lagardère Travel Retail aims to capitalize on new tender opportunities which it anticipates will emerge in the market, representing a potential addressable revenues amounting to approximately EUR 3 billion (*source: Lagardère Travel Retail estimate*). These new tender opportunities comprise more than 180 new concessions tenders in countries in which Lagardère Travel Retail operates to date and more than 50 greenfield projects in over 20 countries in which Lagardère Travel Retail does not operate to date.

Lagardère Travel Retail also intends to continue pursuing an opportunistic acquisition strategy, adhering to strict operational and financial criteria. In parallel, benefiting from its track record of successfully integrating new businesses, Lagardère Travel Retail aims at capturing consolidation opportunities with strong synergies to create new leadership positions.

Lagardère Travel Retail also intends to continue implementing its operational performance improvement plan (STARS+) to extend the operating efficiencies achieved through the LEaP Plan. Through this plan, Lagardère Travel Retail intends to implement buying optimization, processes and organization re-engineering and the acceleration of IT transformation strategy.

Lagardère Travel Retail believes that this strategy, supported by positive industry trends such as projected positive passenger traffic growth and SPP, will enable it to pursue its organic growth, and generate sustained recurring free cash flow to finance its profitable growth.

5.1.2.3. *Prisma Media*

(a) Competitive strengths

(i) *The leader in the French magazines and online media markets*

The Prisma Media Group is France’s leading magazine publisher (across print and digital) and online media company.

The Prisma Media Group is the leading magazine seller in France, with over 124 million sold in 2023 (excluding *Gala*), as described in Part B, Section 5.2.3.2, “*Description of principal markets – Magazines and online media (including advertising) markets – Competitive environment*”. The Prisma Media Group is also the leading player in digital magazines in France, with an estimated 7 million daily readers of Prisma Media Group brands (*source: Médiamétrie-NetRatings, May 2024*). For instance, the Prisma Media Group is France’s leader in digital magazines on the following segments: entertainment (*Télé-Loisirs*, 21 million unique visitors per month), women’s magazine (*Femme Actuelle*, 13 million unique visitors per month), people (*Voici*, 12 million unique visitors per month), food (*Cuisine AZ*, 12 million unique visitors per month), economy (*Capital*, 9 million unique visitors per month) and discovery (*GEO*, 5 million unique visitors per month) (*source: Médiamétrie-NetRatings, 2024*).

Furthermore, the Prisma Media Group is a leading player in online media in France, as demonstrated by the volume of its audience, with an estimated three out of four people in France reading, viewing or listening to content produced under a Prisma Media Group brand (*source: ACPM One Global 2024 S1,* *2023*). It is also the second largest video audience, behind Google, with 27 million video users every month and 400 million video views every month (*source: Médiamétrie Internet Video, video player nomenclature, 2024*), and France's leading online media advertising sales broker in terms of traffic, with 35 million monthly online users and 8 million daily online users (*source: Médiamétrie-NetRatings, 2024*).

The Prisma Media Group's market leadership is supported by its strong brand portfolio. These include, *GEO*, *Capital*, *Ça m'intéresse*, which represent three historical flagship brands that were successfully revived in 2023. Moreover, the Prisma Media Group has demonstrated an ability to successfully expand its brand portfolio by expanding into new segments. In 2023, the Prisma Media Group launched a French version of the fashion magazine *Harper's Bazaar*, allowing it to develop a strong presence in the luxury segment. Similarly, the Prisma Media Group entered the youth magazine segment through the launch of *Mortelle Adèle*.

(ii) *A comprehensive media strategy based on strong brands and state of the art technology after the successful completion of its digital transformation*

The Prisma Media Group is one of the first major print players in France to successfully implement its digital transformation and to monetize this activity, thanks to an ambitious commercial strategy, a well-defined market positioning, and its strong technology stack and data analysis capabilities. As an illustration, the Prisma Media Group's digital revenues increased from 25 million euros in 2016 to 102 million euros in 2023 (representing a compound annual growth rate of 21.9%). Ability to transform and adapt is deeply rooted in the Prisma Media Group's DNA.

The Prisma Media Group's digital transformation has been led by organic initiatives and through acquisitions. The Prisma Media Group has adopted cutting-edge technologies, and advanced and recognized Search Engine Optimization (SEO) tools, such as AI-driven keyword research, advanced web analytics and automated SEO audits, developed by a top-tier SEO expert team ensuring optimal performance and visibility of content across its platforms. By leveraging advanced SEO strategies and tools, the Prisma Media Group ensures its websites are consistently optimized (for instance, with mobile-friendly designs), delivering positive results monitored by performance KPIs and maintaining a competitive edge in the digital media landscape. SEO is the primary traffic driver for the Prisma Media Group websites and a core expertise of the Prisma Media Group. It is integrated to all layers of the Prisma Media Group businesses, the entire organization being SEO-savvy (in particular through trainings in SEO best practices), enabling it to analyze and capitalize on search engine developments, ensuring ongoing success and adaptation to industry changes.

The Prisma Media Group has also grown its digital presence through the acquisition of digital brands, including as part of the acquisition of M6's digital division. These include *Cuisine AZ* and *Passeport Santé*.

This digital presence has allowed the Prisma Media Group to enhance its data collection and its ability to process this data through audience profiling AI-boosted algorithms, enabling it to focus on qualified audience and positive first-party, and personalize users' experiences and generate incremental revenues with specific advertising segments.

The Prisma Media Group has leveraged these capabilities to develop trust from its customers. The Prisma Media Group rigorously manages customer data, storing it in secure in-house cloud storage or a third-party cloud storage, which must comply with minimum requirements relating to data protection rules and insurance set, and regularly controlled by, the Prisma Media Group. The data also provides the Prisma Media Group with the ability to utilize up-to-date content production technologies and to seize artificial intelligence opportunities to further personalize visitor experience. The Prisma Media Group is also able to personalize its outreach, allowing it to build customer loyalty (emails, alerts) and offer its customers more targeted product offerings. Personalization is possible through Prisma Media

Connect, which provides a better understanding of readers and paves the way for innovative digital products, such as personalized newsletters or commercial email alerts.

(b) Strategy to expand its brands' portfolio and monetization opportunities and to grow internationally

The Prisma Media Group plans to further develop its presence in the luxury segment based on the launch of a French version of *Harper's Bazaar*. Following the launch of *Harper's Bazaar* at the beginning of 2023, the Prisma Media Group continues to build an ambitious luxury division through the acquisition of MilK, a publisher of high-end interior decoration and fashion magazines; Côté Maison group specializing in high-end interior decoration; *IDEAT* in design and luxury interior decoration; and *The Good Life*, in lifestyle. The Prisma Media Group expects to launch in October 2024 a new quarterly magazine, *Harper's Bazaar Interiors*, the first brand extension of *Harper's Bazaar France*.

The Prisma Media Group is seeking to increase advertising monetization using its strong stack of AdTech capabilities, which allows it to manage, deliver and optimize advertising through the use of a broad range of technologies and tools. This allows the Prisma Media Group to enhance its advertising sales offering, which is a key area of focus in order to maintain an important online advertising presence in France. In particular, it permits the Prisma Media Group to target the most relevant visitors, manage the restrictions on, and potential phase-out of, third-party cookies, provide header bidding on display and video simultaneously, and achieve a critical size in terms of processed data inventory. As an illustration, the Prisma Media Group already provides AdTech services to small and medium-sized magazines, newspapers and online media players that do not have the financial and/or human resources to develop their own AdTech stack and/or do not choose to work with third-party AdTech providers.

The Prisma Media Group also aims at strengthening the relationships with its advertising partners by developing a direct access to its media inventory thanks to the Trade Desk (the Prisma Media Group's media buying platform) and deploying First-id and Utiq, alternative solutions to cookies.

In addition, the Prisma Media Group is aiming to develop additional business models to complement its digital advertising revenues stream: content-to-commerce, paid services and social media.

- Content-to-commerce primarily refers to the redirection links to third-party e-commerce sites, such as shopping guides and product comparators. The Prisma Media Group intends to leverage its audience and brand recognition of its magazines, especially on the *Capital* and *Femme Actuelle* sites, to increase conversion rates in the high-tech, household appliances and beauty sectors. The Prisma Media Group is already well positioned on this segment given the diversity of its content and the significant amounts of data it has already collected.

- In paid services, the Prisma Media Group has developed press subscriptions with the successful launch of paid programs (*Croq Kilos*), a paywall (*Capital*) and paid newsletters for coaching (*Momentum*) and events (*Le Club HBR*). The Prisma Media Group intends to continue the development of such services.

- The Prisma Media Group boasts already more than 50 million followers on its social media and expects its community to grow thanks to the recent launch of Famed&Bound Media (May 2024) along with the recent launch of five new social brands targeting a Gen Z target: *Famed*, a media for content creators (social media influencers) followed by 2.7 million subscribers in 2024 with a focus on entertainment; *Pluriel*, a media offering unique stories to its 880,000 subscribers in 2024; *Bound*, a media that lights up a whole generation sharing about urban culture and focuses on its subscribers' passions (1.3 million subscribers in 2024); *Uppercut MMA*, a media specializing in combat sports followed by 670,000 subscribers in 2024, which offers news and combat sports trends; and *Suzie*, social commerce media that creates links between a community of more than 420,000 subscribers in 2024 and their preferred brands. The objective is to deploy the Prisma Media Group's brands and to target potential new brands particularly active on social media in order to generate more revenues.

The Prisma Media Group's objective is to anticipate market evolutions, such as frequent changes in Google algorithms that impact the Prisma Media Group traffic acquisition, and growth dynamics. As the leading player on most of the segments it operates on, the Prisma Media Group is forced to seize opportunities to expand its brand portfolio to new businesses or geographies in order to maintain its current growth dynamic. As a consequence, the Prisma Media Group is seeking to diversify its digital offering, including through opportunistic acquisitions, with a particular focus on social media.

Given the constant need to increase visibility in a competitive market, the Prisma Media Group is also seeking to integrate artificial intelligence (AI) functionalities in its platform and generative AI (translation, title and key word suggestions, content suggestions), to create high-quality content more rapidly. See Part B, Section 5.1.1.3(a), "*Description of the main operations and activities – Prisma Media – Overview*".

Finally, the Prisma Media Group's objective is to expand beyond France, exporting its knowhow and success to other countries. By applying its technological/digital expertise, the Prisma Media Group can acquire and develop exclusive and high-quality brands, and establish market leadership across various segments.

5.1.2.4. *A combined group that strives at achieving a diversified, resilient and profitable financial model, and proven operational excellence*

Lagardère Group

Lagardère Publishing has maintained a sustainable and significant level of activity and profitability in the post-pandemic era. Lagardère Publishing has strong performance reflected by a 4.2% compound annual growth rate in revenues over the 2019-23 period. Lagardère Publishing also improved its recurring EBIT from approximately EUR 200 million during the pre-pandemic period (over the 2014-19 period) to over EUR 300 million each year since 2021 (with around 11% margin), as well as its cash flow generation.

Lagardère Travel Retail's culture is focused on performance and continual improvement in operations. Lagardère Travel Retail has strong performance reflected by a 4.1% compound annual growth rate in revenues over the 2019-23 period (including approximately 1.9% for Travel Essentials, 3.4% for Duty-Free & Fashion and 8.8% for Dining over such period). The LEaP (Lagardère Travel Retail Efficiency and Performance) Plan, implemented in 2022, has improved margins through actions such as enhancements in offer and purchase conditions, supply chain control, acceleration of the IT transformation strategy, and implementation of new processes, like broad and fast roll-out of self-check out or revised pricing strategies in store. It also allowed Lagardère Travel Retail to enhance workforce planning and to improve its pricing strategy. The LEaP Plan is expected to deliver a positive impact on operating income of approximately EUR 100 million in 2024 (compared to 2019).

Lagardère Publishing and Lagardère Travel Retail's operations are diversified and flexible, allowing them to adapt to external shocks. For example, Lagardère Publishing demonstrated its ability to mitigate downward pressure on margins by employing an active pricing strategy to attenuate the impact of increased costs (for example, 6% price increase operated in France in 2023) and by digitalizing some content to compete with other digital media products. Likewise, Lagardère Travel Retail implemented several operational initiatives during the pandemic to reduce costs (cost management, leases negotiations, selling price increases, logistics and IT transformation project). Moreover, in an inflationary environment, Lagardère Travel Retail has been able to negotiate with suppliers and adjust pricing rapidly. Lagardère Travel Retail's geographic diversity also allows it to mitigate the effects of external shocks. Again, during the pandemic, Lagardère Travel Retail was able to benefit from the relaxing of travel restrictions that occurred earlier in certain locations, such as the United States, Italy and Poland. Having local presence also allows teams to cultivate close partnerships and expedite decision-making.

Prisma Media Group

The Prisma Media Group has maintained stable revenues and EBITA in a challenging market, in particular during and following the Covid-19 pandemic, thanks to the digital transformation of its business model making it more robust and resilient in turbulent economic times. Over the last decade, the Prisma Media Group profitability remained high, with an average EBITA margin of approximately 10%.

5.1.2.5. *A combined group that has adopted a clear financial strategy and strong focus on CSR*

(a) Strong financial performance coupled with a disciplined balance sheet policy

The Lagardère Group achieved a prudent deleveraging with a 3.0x leverage in 2023 (compared to 7.5x in 2020), via intensive cost reduction programs and selective allocation of free cash flow towards capex and external growth.

The Group will continue to seek out strategic opportunities through an acquisition strategy targeted towards business mix improvement (international expansion, IT, digital projects) and under strict financial criteria in terms of margin accretion and synergies potential.

(b) Rigorous and exemplary in promoting CSR rights and principles

Each of the Lagardère Group and the Prisma Media Group have adopted corporate and social responsibility (CSR) programs and objectives, which the Group supports, as described in Part B, Section 18.2, "*Environmental, social and corporate governance*".

The Lagardère Group demonstrates continued and proven progress to fulfill its CSR commitments, reflecting a clear and ambitious CSR strategy based on four pillars: limiting the environmental impact of products and services, placing people at the heart of the strategy, sharing the social and cultural diversity of businesses, and ensuring ethical and responsible corporate governance. For instance, Lagardère Travel Retail is actively engaged in fostering a sustainable future by using its industry leader position with the implementation of its PEPS (Planet, Ethics, People, Social) program. The Lagardère Group is involved in access to learning, culture and freedom of expression as they constitute an uppermost in priorities through the contribution of two foundations: the Jean-Luc Lagardère Foundation and the Hachette for Reading Foundation.

CSR is also at the core of the Prisma Media Group's strategy. It is driven by concrete commitments: environmentally friendly manufacturing, highly environmental quality headquarter, waste treatment and carbon strategy.

5.2 Description of principal markets

5.2.1 Publishing industry

5.2.1.1. *Publishing market*

The trade and education (K-12 and higher education) publishing markets are estimated to represent a combined addressable core market of approximately EUR 26 billion in 2023 (*source: SNE, The Publisher Association, AAP and FGEE*). These markets have grown steadily over the 2018-2023 period, with compound annual growth rates of 2.0% in France (*source: SNE*), 3.7% in the United Kingdom (*source: The Publisher Association*), 3.3% in the United States (*source: AAP*) and 3.9% in Spain (*source: FGEE*).

The trade and education markets are experiencing several favorable trends, which Lagardère Publishing is poised to benefit from considering its market leadership positions, combined with its digital knowhow. Although there are several large global players, such as Lagardère Publishing, these markets remain fragmented globally with attractive consolidation opportunities. In addition, when certain literary genres of the trade publishing market elicit strong appeal (such as, recently, romance novels and manga), additional marketing channels (such as social media) now allow publishers to reach a broader audience. In addition, preferences as to the format in which people consume entertainment is evolving (such as the growth of downloadable audiobooks in the United States and the United Kingdom), providing publishing houses with opportunities to respond to increasing demand for new formats and capture broader audiences.

5.2.1.2. *Competitive environment*

Lagardère Publishing is the world's third largest consumer book publisher (comprising the trade publishing market and K-12 education publishing market) (*source: Global 50 Publishing Ranking 2023 by Rüdiger Wischenbart*). In the trade publishing market, Lagardère Publishing is France's leading publisher (*source: GfK survey, 2023*), as well as the second, third and fourth largest publisher in the United Kingdom (*source: Nielsen BookScan, 2023*), Spain (*source: GfK survey, 2023*), and the United States (*sources: NPD Group/Circana, 2023*), respectively. Lagardère Publishing is also a global leader in the K-12 education publishing market (excluding the United States) (*source: Lagardère Publishing estimate*), as well as the leading publisher in France (*source: Education group of the French publishers' association, 2023*) and the second largest publisher in both Spain and the United Kingdom (*source: Education Publishing Council, 2023*).

Lagardère Publishing's main competitors are other large publishing groups in the trade publishing market. In France, these include Editis SAS, Groupe Madrigall, Éditions Albin Michel SA and Média-Participations Paris SA. In the United Kingdom, its main competitors are Penguin Random House LLC, Bloomsbury Plc, Pan Macmillan, HarperCollins Publishers LLC, Oxford University Press and Simon & Schuster LLC. In the United States, its main competitors are Penguin Random House LLC, HarperCollins Publishers LLC, Simon & Schuster LLC and Holtzbrinck Publishers, LLC (Macmillan Publishers). In Spain, its main competitors are Penguin Random House Grupo Editorial, Planeta and Grupo SM.

Lagardère Publishing has also achieved prominent positions in several adjacent publishing markets, including partworks (for which it believes it is the global leader), premium stationery (for which it believes it is the second player globally) and board games (for which it is the second player in France according to NPD Group/Circana). Lagardère Publishing's main competitors on these markets are De Agostini for partworks, Moleskine for premium stationery, and Asmodée for board games.

Lagardère Publishing holds leading market positions in third-party book distribution, ranking first in each of France, the United Kingdom and the United States, and third in Spain (*source: Global 50 Publishing Ranking 2023 by Rüdiger Wischenbart*). Lagardère Publishing competes with other large third-party book distributors, including Editis (Interforum), Madrigall (Union Distribution, SODIS) and Media-Participations in France and Penguin Random House in the United Kingdom and the United States.

5.2.2 Travel retail industry

5.2.2.1. *Travel retail market*

The global travel retail market is estimated to be in excess of EUR 120 billion in revenues, comprising sales in travel retail and dining concessions in airports, train stations, motorways, ferries, land border shops and high street retail areas (*source: Lagardère Travel Retail estimate*). This includes EUR 60 billion for the duty free and fashion segment (*source: Fortune Business Insights*), EUR 40 billion for the dining segment (*source: GII Research*) and EUR 20 billion for the travel essentials segment (*source:*

GII Research). The travel retail market is expected to grow at a compound annual growth rate of between 5% and 7% between 2023 and 2030 (*source: Lagardère Travel Retail estimate*). Lagardère Travel Retail estimates the travel retail market is a fragmented market with the top 10 international players accounting for only less than 45% of total market share in 2022 (*source: Lagardère Travel Retail estimate*).

The travel retail market has demonstrated its resilience, rebounding after the Covid-19 pandemic travel restrictions were lifted. Air passenger traffic reached approximately 8.6 billion passengers in 2023, representing 94.2% of the pre-Covid-19 air passenger level (*source: ACI World, September 2023*). The travel retail market is supported by long-term growth in air passenger traffic. ACI World estimates that there will be between 9.4 billion and 9.7 billion air passengers in 2024, and the number of air passengers to grow at a compound annual growth rate of approximately 5.8% between 2024 and 2028. It is also supported by the steady growth of rail traffic, which is expected to grow, with Santander estimating a compound annual growth rate of 2.5% between 2023 and 2027. This expected growth is supported by several positive trends, including urbanization, policies encouraging sustainable transportation and an increase in the need to offer flexible mobility options. Air and rail traffic are also benefited by infrastructure investments in airports and rails, which reached USD 450 billion (*source: Centre for aviation report*) and USD 369 billion (*source: Global Infrastructure Outlook*), respectively, in 2023 alone.

In addition to passenger traffic, the landlord relationship-centric business model creates additional opportunities. Landlords partner with retailers to attract passengers to the stores and shops, aligning interests in infrastructure investments. Landlords must meet increased expectations from travelers by offering attractive commercial spaces and a varied retail and dining offering. Diversified retailers with long-standing landlord relationships therefore have opportunities to further deepen their relationships with landlords by expanding their activities to additional travel retail segments within any given airport or rail station.

The travel retail market benefits from a privileged position in the retail business due to the characteristics of the location of travel retail stores. Specifically, they are mainly located in airports and train stations, which are by definition high foot traffic locations with large volumes of travelers that are characterized by attractive, well-segmented premium customer profiles with high purchasing power and strong willingness to purchase in accordance with their immediate needs or impulses. All of these factors, coupled with the level of quality of the offered services, serve to increase the frequency with which customers visit the stores and customer conversion rates, serving as an attractive locations for brands and vendors.

There are also high barriers to entry given that travel retailers must possess in-depth knowledge of the consumer habits in this market, as well as have access to the suppliers, long-standing relationships with landlords and the resources and knowledge to navigate complex regulatory environments and controls associated with travel hubs such as airports. It therefore presents opportunities for future consolidation.

5.2.2.2. *Competitive environment*

Lagardère Travel Retail is one of the leaders in the travel retail market (*source: Lagardère Travel Retail estimate*), including:

- the third-largest travel retail operator (second largest in airport travel retail);
- the leading global travel essentials operator, with the largest international network of Travel Essentials stores;
- number one European operator in the travel retail fashion segment;
- the fourth-largest operator in the airport core duty-free segment; and

- the fourth-largest global dining provider in transit hubs.

Lagardère Travel Retail’s main competitors are other international travel retailers.

Following the merger of Dufry with Autogrill, Avolta also operates in three same business lines than Lagardère Travel Retail and is the global leader in travel retail.

In the Duty Free & Fashion segment, primary competitors, such as Gbr. Heinemann, DFS (LVMH Group) and Aer Rianta International (ARI), are all single-business lines. Additional Duty Free & Fashion players are regional players such as China Duty Free, Lotte Duty Free, The Shilla Duty Free, Shinsegae Duty Free, which mainly are Asian downtown duty free players, and Dubai Duty Free, as well as Ospree, who have little or non-direct competition with Lagardère Travel Retail.

In the Travel Essential segment, WH Smith, Valora and Hudson (Avolta) are Lagardère Travel Retail’s main competitors.

In the Dining segment, Lagardère Travel Retail’s primary competitors are Autogrill (Avolta), SSP, AmRest, Areas, and Delaware North Companies.

5.2.3 Magazines and online media (including advertising) industries

5.2.3.1. *Magazines and online media (including advertising) markets*

(a) Print magazines

Print magazines, trade press and regional weekly press were estimated to reach 745 million copies in 2023, down by 3.5% in comparison to 2022 (*source: Third-party market report*). Print circulation is impacted by the transition to digital, which tends to be favored by younger age cohorts. Moreover, as print magazine prices continue to increase (driven partly by paper price increases and general inflationary pressures), this has further influenced the general trend of moving from print to digital for which the Prisma Media Group is well placed given its position in France as the leading player in digital magazines.

Print magazines advertising revenues are estimated to have decreased at a compound annual rate of 2% over the 2021-2023 period, reaching EUR 0.4 billion in 2023 (*source: IREP, Le marché publicitaire français en 2023*).

(b) Digital advertising

Online traffic on media sites, which is one of the main metrics used to assess the digital advertising market and its trends, is strong in France, with a monthly audience of approximately 49.4 million unique users in 2023 (representing an increase of 2% compared to 2021) (*source: Médiamétrie*).

The digital advertising market in France was EUR 9.4 billion in revenues in 2023, growing at a compound annual growth rate of approximately 10.1% from 2021 to 2023 (*source: Observatoire de l’e-pub, Oliver Wyman, Bilan 2023, 31ème édition*). Overall, the addressable market has more than doubled since 2017, illustrating its solid and long-term growth (*source: Observatoire de l’e-pub, Oliver Wyman, Bilan 2023, 31ème édition*).

It is expected to continue to grow by 10% in 2024, reaching approximately EUR 10.3 billion in revenues (*source: Observatoire de l’e-pub, Oliver Wyman, Bilan 2023, 31ème édition*). Although the first half of 2024 is estimated to have grown 14% (compared to the first half of 2023), reaching EUR 5.0 billion in revenues, the growth rate is expected to reach 7% in the second part of the year (compared to the second half of 2023), reaching EUR 5.3 billion in revenues. The more attenuated growth in the second half of the year is expected to reflect global macroeconomics conditions and uncertainty resulting from the political environment in France (*source: Observatoire de l'e-pub, Oliver Wyman, Bilan S1 2024, 32ème édition*).

The addressable digital advertising market in France comprises several segments, including: search advertising, social advertising, display advertising, and newsletters, affiliate marketing and content-to-commerce advertising (*source: Observatoire de l'e-pub, Oliver Wyman, Bilan S1 2024, 32ème édition*). The main segments addressed by the Prisma Media Group are display advertising, newsletters, affiliate marketing and content-to-commerce advertising. The Prisma Media Group also addresses, to a lesser extent, the social advertising segment.

In 2023 and the first half of 2024, the display advertising segment represented EUR 1.8 billion and EUR 0.9 billion in revenues, respectively (or, in each case, 19% of the digital advertising market). This segment grew at a compound annual growth rate of 8% between 2021 and 2023, and grew 15% compared to the first half of 2023 (*source: Observatoire de l'e-pub, Oliver Wyman, Bilan S1 2024, 32ème édition*).

The display advertising segment is divided between four main types of players, namely information and content publishers (representing approximately EUR 548 million and EUR 260 million in revenues in 2023 and the first half of 2024, respectively), retail and services providers (approximately EUR 350 million and EUR 156 million, respectively), video and music streaming players (approximately EUR 565 million and EUR 337 million, respectively) and television and radio players (approximately EUR 314 million and EUR 186 million, respectively). The Prisma Media Group mainly operates in this segment as an information and content publisher through its digital magazine offering. Revenues of information and content publishers are estimated to have decreased by 6% and 2% in 2023 (compared to 2022) and the first half of 2024 (compared to the first half of 2023), respectively. Revenues from videos published by information and content publishers grew 6% in the first half of 2024 compared to the first half of 2023 (*source: Observatoire de l'e-pub, Oliver Wyman, Bilan S1 2024, 32ème édition*).

In addition, the display advertising segment is divided into two different types of purchase methods: programmatic and non-programmatic. Programmatic advertising, which consists in selling advertising inserts to advertisers through a technological platform organizing real-time automatic auctions and in which the Prisma Media Group has a recognized expertise, is expanding steadily. Programmatic purchases are estimated to have grown by 9% and 19% in 2023 (compared to 2022) and the first half of 2024 (compared to the first half of 2023), respectively. This represented around 64% and 65% of the revenues of the display advertising segment in 2023 and the first half of 2024, respectively (*source: Observatoire de l'e-pub, Oliver Wyman, Bilan S1 2024, 32ème édition*).

The newsletters, affiliate marketing and content-to-commerce advertising segment, in which the Prisma Media Group is present primarily through its extensive portfolio of newsletters subscribed to by readers of its magazines, represented approximately EUR 1 billion and EUR 0.5 billion in revenues in 2023 and the first half of 2024, respectively (or 10% and 9% of the digital advertising market, respectively). This segment experienced a compound annual growth rate of approximately 4% between 2021 and 2023 (*source: Observatoire de l'e-pub, Oliver Wyman, Bilan S1 2024, 32ème édition*). The content-to-commerce portion of this segment, in which the Prisma Media Group is seeking to expand its presence, is estimated to have grown at a 10% compound annual growth rate since 2022 (*source: Collectif Pour les Acteurs du marketing digital, April 2024*).

The Prisma Media Group is developing additional business models, in particular on social media. The social advertising segment represented EUR 1.4 billion in revenues in the first half of 2024 (or 28% of the digital advertising market), up by 25% compared to the first half of 2023 (*source: Observatoire de l'e-pub, Oliver Wyman, Bilan S1 2024, 32ème édition*). In France, social media is the second leading source of information after television with an average daily use estimated at 2:30 hours per day (*source: Yogo, Statista*).

5.2.3.2. *Competitive environment*

The Prisma Media Group is France's leading magazine publisher (across print and digital) and online media company:

- Leading magazine seller in France, with over 124 million sold in 2023 (excluding *Gala*), representing approximately 22.6% market share, with around 55 million (31.6% market share) magazines sold by the unit (copy sales) and 48 million (18.2% market share) sold as part of a subscription (*source: ACPM – Diffusion, DSH 2023*). More specifically, the Prisma Media Group remains France's leader in magazines sold by the unit (copy sales) on entertainment, lifestyle, economy and food segments and the second leading player in people, games and food in 2023 (*source: ACPM – Diffusion, DSH 2023*);

- Leading player in online media in France, as demonstrated by the volume of its audience, with an estimated three out of four people in France reading, viewing or listening to content produced under a Prisma Media Group brand (*source: ACPM One Global 2024 S1, 2023*);

- Second largest video audience, behind Google, with 27 million video users every month and 400 million video views every month (*source: Médiamétrie Internet Video, video player nomenclature, 2024*); and

- France's leading online media advertising sales broker in terms of traffic, with 35 million monthly online users and 8 million daily online users (*source: Médiamétrie-NetRatings, 2024*).

The Prisma Media Group's main competitors are Reworld Media, CMI, Groupe Figaro and LVMH.

5.2.4 Other media activities

5.2.4.1. *Lagardère News – Press*

In the Sunday supplements category, *Le Journal du Dimanche* competes with publications such as the Sunday edition of *Le Parisien – Aujourd'hui en France*, *L'Équipe Dimanche* and more recently (since October 2023) *La Tribune Dimanche*. From an editorial and advertising perspective, *Le Journal du Dimanche* also competes with national daily newspaper brands including *Le Monde*, *Le Figaro*, *Le Parisien-Aujourd'hui en France* and *Les Échos*. Competition covers print, digital media (websites and apps) and social networks.

5.2.4.2. *Lagardère Radio – Radio*

In the generalist radio segment, Europe 1's main competitors are stations such as RTL, RMC, France Inter, France Info and France Bleu. This competitive landscape extends to digital and social media. In the news segment, the morning shows on generalist radio stations also compete with those on 24-hour news channels.

In the adult music radio segment, RFM competes with stations such as Nostalgie, Chérie FM and RTL2. Europe 2's main competitors in the youth music radio market are Fun Radio, NRJ and Skyrock. These stations also contend with the ramp-up of music streaming platforms such as Spotify and Deezer, which compete in particular for younger listeners.

5.2.4.3. *Lagardère Live Entertainment*

In the venue management segment, Lagardère Live Entertainment competes mainly with other French companies: Fimalac Entertainment, which operates some theaters (Marigny, Pleyel, Théâtre des Variétés), and some medium-sized arenas (Zenith de Strasbourg, Zenith de Rouen). Other players on this segment are Coker, which operates three Zeniths (Paris, Nantes and Toulouse), and Paris Entertainment Company, which operates the Accor Arena, Adidas Arena and Bataclan.

In the production of live shows segment, Lagardère Live Entertainment, through L Productions competes with international players, such as Live Nation (leading player worldwide) and AE, and with French players, such as Fimalac Entertainment, Decibel Productions (subsidiary of Warner Music Group) and Arachnée Production (subsidiary of Sony Music Company).

In the local promotion services in South West of France, Euterpe's competitors are small local companies such as Bleu Citron, AGO or Base Production.

5.2.4.4. *Lagardère Paris Racing*

In this upscale club segment, Lagardère Paris Racing competes with other clubs such as the Polo, the Tir au Pigeon or the Country Sports Club, all located in the Paris area.

5.3 Investments description

5.3.1 Material investments for each financial year for the period covered by the historical financial information

The following table provides the amounts of purchases of property, plant and equipment, and intangible assets of the Lagardère Group for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31,		
(in EUR millions)[1]	**2023**	**2022**	**2021**
Lagardère Publishing	64	49	38
Lagardère Travel Retail	196	124	92
Other Activities	9	4	6
Total	**269**	**177**	**136**

[1] Based on Lagardère Group Consolidated Financial Statements.

The following table provides the amounts of purchases of investments of the Lagardère Group for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31,		
(in EUR millions)[1]	**2023**	**2022**	**2021**
Lagardère Publishing	(3)	68	273
Lagardère Travel Retail	388	140	39
Other Activities	(2)	2	(33)
Total	**383**	**210**	**279**

[1] Based on Lagardère Group Consolidated Financial Statements.

5.3.1.1. *Major investments in 2021*

Purchases of property, plant and equipment and intangible assets represented an outflow of EUR 136 million, EUR 34 million less than in 2020. Purchases chiefly related to Lagardère Travel Retail (EUR 92 million), reflecting investments in information systems and expansion in China, albeit down EUR 29 million year on year thanks to continued and disciplined cost control efforts and project postponements in a volatile environment. Most of the balance reflected the EUR 38 million in outflows at Lagardère Publishing, mainly in connection with logistics and information systems projects.

Purchases of investments represented an outflow of EUR 279 million in 2021, mainly in connection with the acquisitions of Workman Publishing and Hiboutatillus by Lagardère Publishing, and the capital increase for the Société de Distribution Aéroportuaire joint venture at Lagardère Travel Retail.

On September 23, 2021, Hachette Livre's US subsidiary Hachette Book Group purchased all outstanding shares of independent US publisher Workman Publishing for USD 240 million (EUR 215 million based on the exchange rate at the acquisition date). Workman Publishing publishes Children and Young Adult titles, Illustrated Books and non-fiction.

5.3.1.2. *Major investments in 2022*

Purchases of property, plant and equipment and intangible assets represented an outflow of EUR 177 million, EUR 41 million higher than in 2021. The increase in this item compared to the prior year was mainly driven by Lagardère Travel Retail (EUR 124 million) following the business recovery and the rollout of investment projects that had been postponed in light of the uncertain environment in 2021. The bulk of the balance was attributable to Lagardère Publishing (EUR 49 million), which is investing in a transformation plan for its logistics and information systems.

Purchases of investments amounted to EUR 10 million in 2022, mainly corresponding to the acquisition of Creative Table Holdings Ltd and capital increases at Société de Distribution Aéroportuaire and Lagardère & Connexions (Lagardère Travel Retail), as well as to the acquisition of Welbeck Publishing Group, Paperblanks and Bragelonne (Lagardère Publishing).

On April 1, 2022, Lagardère Travel Retail acquired a majority share in Creative Table Holdings Ltd, based in the United Arab Emirates, thereby conferring on Lagardère Travel Retail the control of the company.

Over many years, Creative Table Holdings Ltd has successfully developed a catering offering at Dubai airport, as well as an award-winning portfolio of food and beverage brands (local and healthy concepts), that complements that of Lagardère Travel Retail.

This acquisition will allow Lagardère Travel Retail to benefit from a foothold in one of the world's most renowned airline hubs and opens up new development prospects at Dubai airport.

On November 30, 2022, Hachette UK, the UK subsidiary of Hachette Livre, acquired the entire share capital of the independent UK publisher Welbeck Publishing Group.

5.3.1.3. *Major investments in 2023*

Purchases of property, plant and equipment and intangible assets represented an outflow of EUR 269 million – an increase of EUR 92 million compared with the prior-year period, notably at Lagardère Travel Retail (EUR 72 million) in line with the business recovery and investment projects implemented on the back of tender wins, and at Lagardère Publishing (EUR 16 million), which invested in a project to transform its logistics and IT infrastructure (Project Polaris).

Purchases of investments represented a cash outflow of EUR 383 million in 2023. These mainly relate to Lagardère Travel Retail and include the acquisition of a 49% stake in Extime Duty Free Paris, the acquisitions of Tastes on the Fly in the United States and Swiss-based Marché International group, Costa Coffee in Poland and Latvia, and the financing of joint ventures in the Pacific and in Asia.

On February 1, 2023, Lagardère Travel Retail acquired 100% of the shares in Marché International AG, the holding company of the Marché group, from Carlton Holding AG. Marché is a well-established international dining operator in travel and leisure locations. The acquisition of Marché, a long-standing and highly recognized brand globally, considerably strengthens Lagardère Travel Retail's portfolio of in-house brands and helps consolidate its network of restaurants across Europe.

On November 1, 2023, HDS Retail North America LLC, a subsidiary of Lagardère North America Inc., acquired the entire share capital of Tastes on the Fly Holdings, Inc., part of Paradies Lagardère, the North American division of Lagardère Travel Retail.

This acquisition makes Lagardère Travel Retail the second-largest player in the North American Travel Retail and Dining sector, operating in more than 90 airports and with total annual revenue in excess of USD 1.5 billion.

5.3.2 Material investments in progress or committed, including the geographical distribution of these investments and their method of financing

As of the date of the Information Document (and other than as disclosed herein), there are no firm commitments for equity investments or material projects. As part of its retail network upkeep and development, Lagardère Travel Retail makes investments in property, plant and equipment across in its various geographies.

5.3.3 Information on equity investments

Lagardère Travel Retail manages a number of travel retail contracts as part of its business operations. These contracts are 50/50 joint ventures that are formed with concession grantors.

The primary joint ventures that Lagardère Travel Retail has established with its partners are (i) Lagardère & Connexions, with SNCF Gares & Connexions, (ii) Extime Duty Free Paris, with Aéroports de Paris, (iii) Lagardère AWPL, with AWPL, (iv) SVRLS@LAREUNION, with Servair, and (v) Lyon Duty Free, with Lyon airport authorities.

Purchases of investments in 2023 and 2022 corresponded mainly to Lagardère Travel Retail and the acquisition of a 49% stake in Extime Duty Free Paris, the acquisitions of Tastes on the Fly and Marché International and the financing of joint ventures in the Pacific and in Asia, on the one hand, and to the acquisition of Creative Table Holdings Ltd and capital increases at Société de Distribution Aéroportuaire and Lagardère & Connexions (Lagardère Travel Retail), as well as to the acquisition of Welbeck Publishing Group, Paperblanks and Bragelonne (Lagardère Publishing), on the other hand.

5.4 Patents, licenses, trademarks and domain names

The Group possesses an extensive portfolio of intellectual property ("**IP**") assets that are integral to its operations and competitive edge. The Group's IP assets include, among others, a wide array of trademarks, licenses and copyrights that support the Group's business strategy and maintain its leading position in the market.

The trademarks held by the Group are particularly important as these protect its brand names, logos, slogans and other distinctive identifiers across its business lines, thereby ensuring brand integrity and recognition and safeguarding the Group's reputation and market presence in the highly competitive markets it operates in. Such trademarks relate to its proprietary brands such as Elle, Relay, Discover, Aelia Duty Free, Vino Volo Marché, Natoo, Europe 1, Hachette, Astérix, Téléloisirs, Femme Actuelle, Capital, Geo and Voici. Most of these trademarks are directly exploited by the Group, the others being licensed to third parties, in accordance with negotiated contractual terms, such as Relay and Aelia Duty Free for Lagardère Travel Retail. The Group has also signed licensing agreements with the owners of well-known brands, such as Disney, Zagtoon, Universal, Warner Bros, Paramount, Hasbro, Pokemon and Mattel for Lagardère Publishing, or National Geographic, Harvard Business Review and Harper's

Bazaar for the Prisma Media Group, pursuant to which it is allowed to use such brands in France and outside of France.

For instance, the Group owns Editions Albert René, which controls, all rights relating to the Astérix trademark (except for five cartoons). Astérix represents 400 million comic books sold and is translated in 117 languages worldwide. Ten animated movies, five live action movies, one TV series and one theme park (the Parc Astérix, near Paris) were created using an Astérix license. Overall, the Group has granted over 100 licenses to third parties relating to Astérix.

In addition to its portfolio of trademarks, the Group owns copyrights it purchases from authors, illustrators, translators or foreign publishers as part of its publishing activities. In the United Kingdom and the United States, copyrights are usually transferred for a limited period of time, and the scope of the transferred rights is more limited than in France (for instance, copyrights relating to audio books may not be subject to such transfers). Furthermore, in operating its magazine publishing activities in France, the Group benefits from an exclusive right over any reproduction or communication to the public, in whole or in part, of its press publications in digital form by online public communication services in accordance with applicable laws and regulations. As a result, the Group is entitled to receive compensation from platforms offering its content, such as search engines. As an illustration, the Prisma Media Group has signed an agreement with Google for this purpose, and is currently in discussion with other platforms. Finally, the Prisma Media Group owns the IP rights on the journalistic content continuously produced by its editorial teams.

The Group does not believe that it is dependent on the existence or validity of specific trademarks, copyrights or licenses which are material to the Group as a whole to carry out its business activities.

The Group has registered the trademarks, logos and domain names used in its activities with the relevant offices, and manages this portfolio on a day-to-day basis to ensure its continuity. It has made the protection of its IP rights one of its priorities. The Group relies on legal departments or external consultants responsible for managing, acquiring and vetting IP rights. Training programs may also be implemented locally.

See "*The Group may not be able to protect or maintain its intellectual property rights*" in Part B, Section 3, "*Risk Factors*" of the Information Document for a discussion of the risks associated with IP.

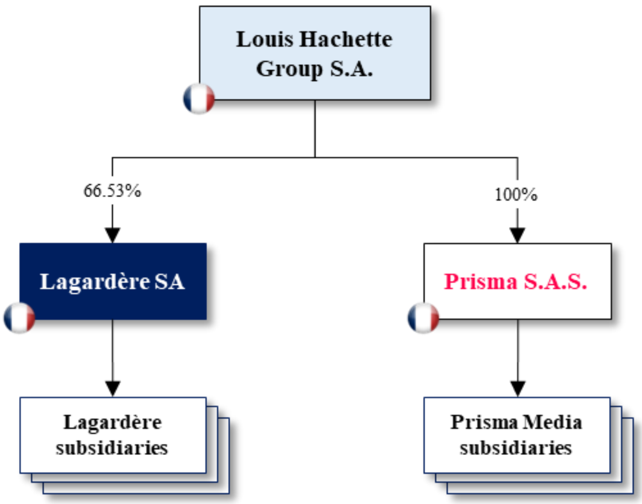
6. ORGANIZATIONAL STRUCTURE

As at the date of the Information Document, and until completion of the Louis Hachette Group Partial Demerger, Vivendi holds all of the Louis Hachette Shares (except the single Louis Hachette Share held by Compagnie Hoche, a wholly-owned subsidiary of Vivendi) and the Company does not have any subsidiary.

Following completion of the Louis Hachette Group Partial Demerger, the Company will become the parent company of the Group and own and operate, indirectly through Lagardère SA, Prisma S.A.S. and their direct and indirect subsidiaries, the Publishing and Travel Retail Businesses.

The Company is a holding company without material direct business operations. The principal assets of the Company following completion of the Louis Hachette Group Partial Demerger will be the equity interests held in Lagardère SA and Prisma S.A.S.

The simplified organizational chart below shows the legal organization of the Group and its main subsidiaries as at September 30, 2024, if the Louis Hachette Group Partial Demerger had already occurred (see Part B, Section 18.1.3, "*The Louis Hachette Group Partial Demerger*").



The Company's material subsidiaries as from the completion of the Louis Hachette Group Partial Demerger are listed in the table below, where the shareholding and voting rights percentages reflect the direct ownership of the Company in the share capital and voting rights of these subsidiaries on the Effective Date.

Legal name	Registered office	Direct and/or indirect interest	Exercisable voting rights
Lagardère SA	4, rue de Presbourg, 75016 Paris, France	66.53%	64.2%
Prisma S.A.S.	13, rue Henri Barbusse, 92230 Gennevilliers, France	100%	100%

For a list of all subsidiaries, associated companies and joint ventures included within the scope of combination of the Group as of June 30, 2024, please refer to Note 27, "*List of main combined entities*" to the Combined Financial Statements and Note 10, "*Investments in equity affiliates*" to the Unaudited Interim Combined Financial Statements.

7. OPERATING AND FINANCIAL REVIEW

The following discussion and analysis should be read in conjunction with the rest of the Information Document, including the Combined Financial Statements and Unaudited Interim Combined Financial Statements, including the notes thereto and the auditor's reports thereon, which are included in Part B, Section 14, "Financial Information Concerning the Issuer's Assets and Liabilities, Financial Position and Profit and Losses" of the Information Document.

Except as otherwise stated, this Section 7 is based on the Combined Financial Statements and Unaudited Interim Combined Financial Statements, which have been prepared in accordance with IFRS. For a discussion of the presentation of the Group's historical financial information included in the Information Document, see Part A, Section 1, "Presentation of financial and other information" and Part B, Section 7.2, "Presentation of financial information".

The following discussion contains forward-looking statements that involve risks and uncertainties. The Group's future results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, without limitation, those discussed in particular in Part B, Section 3, "Risk Factors" and Section 5, "Business Overview" and elsewhere in the Information Document. See Part A, Section 8, "Forward-looking statements" for a discussion of the risks and uncertainties related to those statements.

7.1 Overview

The Group brings together a controlling stake in the Lagardère Group and the Prisma Media Group, each a market leader in their respective primary business lines (Publishing, Travel Retail and Magazines and Online Media). The Group has a broad global footprint, employing more than 32,000 people in over 40 countries.

Lagardère Publishing (also known under its trade name as "Hachette Livre") is a global leader in the consumer book publishing market (comprising the trade publishing market and K-12 education[5] publishing market), both globally and in its core markets of France, the United Kingdom, Spain and the United States.

Lagardère Travel Retail is a global industry leader in travel retail, offering a full-service proposition through its three business lines (Travel Essentials, Duty Free & Fashion and Dining) to national and international travelers passing through transit hubs (primarily air and railway) in collaboration with its landlords.

The Prisma Media Group is France's leading magazine publisher (across print and digital) and online media company. Its magazine publishing and online media businesses leverage a portfolio of leading brands, such as *Femme Actuelle, Voici*, *Capital*, *GEO* and *Harper's Bazaar*, and the Prisma Media Group's digital expertise to publish magazines across both print and digital formats and deliver online media.

In addition, the Lagardère Group operates a number of additional business lines in the media and entertainment sector, including newspaper publications (*Le Journal du Dimanche* and *Le JDNews*), an iconic global brand (*Elle*), radio stations (Europe 1, Europe 2 and RFM) and live entertainment management, production and promotional activities (Lagardère Live Entertainment), as well as an athletics club (Lagardère Paris Racing).

For the year ended December 31, 2023 and the six months ended June 30, 2024, 33.5% and 30.2%, respectively, of the Group's pro forma revenues was attributable to Lagardère Publishing, 59.8% and 63.3%, respectively, to Lagardère Travel Retail, 3.7% and 3.4%, respectively, to the Prisma Media

[5] K-12 education publishing market refers to instructional content for educators and students in kindergarten (*maternelle*) through Grade 12 (*terminale*), and excludes the academic and professional publishing market.

Group, and 3.0% and 3.1%, respectively, to the additional business lines in the media and entertainment sector (grouping Lagardère News, Lagardère Radio, Lagardère Live Entertainment and Lagardère Paris Racing and referred to as Other Activities).

7.2 Presentation of financial information

7.2.1 Historical and pro forma financial information

Prior to the Louis Hachette Group Partial Demerger, Vivendi operated the Publishing and Travel Retail Businesses through Lagardère SA and Prisma S.A.S.

The Information Document includes the audited combined financial statements of the Publishing and Travel Retail Businesses, which were prepared in accordance with IFRS, as of and for the years ended on December 31, 2023, 2022 and 2021 (the "**Combined Financial Statements**"), together with the report thereon issued by Deloitte & Associés, one of the independent statutory auditors of Vivendi, as well as the unaudited condensed interim combined financial statements of the Publishing and Travel Retail Businesses, prepared in accordance with IAS 34, as of and for the six months ended June 30, 2024 (the "**Unaudited Interim Combined Financial Statements**"), together with the limited review report thereon issued by Deloitte & Associés, one of the independent statutory auditors of Vivendi.

Given that Vivendi only fully consolidated Lagardère SA from December 1, 2023, the Combined Financial Statements do not show the results of operations and cash flows of the combined Publishing and Travel Retail Businesses for any of the financial periods from January 1, 2021 to December 31, 2023. As a result, in order to illustrate the combined results of operations and cash flows of the Publishing and Travel Retail Businesses as if the Louis Hachette Group Partial Demerger had taken place as of January 1, 2021, the Information Document includes: (i) the unaudited pro forma financial information of the Group, presenting the combined results of operations of the Publishing and Travel Retail Businesses for the years ended December 31, 2023, 2022 and 2021, as well as for the six months ended June 30, 2024 and 2023 (the "**Unaudited Pro Forma Financial Information**"), together with the attestation thereon issued by Deloitte & Associés, one of the independent statutory auditors of Vivendi; and (ii) the illustrative unaudited financial information of the Group, presenting the combined cash flows of the Publishing and Travel Retail Businesses for the years ended December 31, 2023, 2022 and 2021, as well as for the six months ended June 30, 2024 and 2023 (the "**Illustrative Unaudited Financial Information**"). The Unaudited Pro Forma Financial Information and the Illustrative Unaudited Financial Information have been prepared using: (a) the Lagardère Group's statement of earnings and statement of cash flows for the years ended December 31, 2023, 2022 and 2021 and for the six months ended June 30, 2024 and 2023, each as included in the Lagardère Group's audited consolidated financial statements prepared in accordance with IFRS and unaudited condensed interim financial statements prepared in accordance with IAS 34, respectively (together, the "**Lagardère Group Consolidated Financial Statements**"), and (b) the Prisma Media Group's statement of earnings and statement of cash flows for the years ended December 31, 2023, 2022 and 2021 and the six months ended June 30, 2024 and 2023, each as included in Vivendi's audited consolidated financial statements prepared in accordance with IFRS and unaudited condensed interim financial statements prepared in accordance with IAS 34, respectively (together, the "**Prisma Media Group Carve-out Financial Information**"). Given that Vivendi only fully consolidated Prisma Media S.A.S. (through Prisma S.A.S.) from June 1, 2021, the Prisma Media Group Carve-out Financial Information for the year ended December 31, 2021 (and therefore the Unaudited Pro Forma Financial Information and the Illustrative Unaudited Financial Information for such period) only include seven months of activity from the Prisma Media Group. For more information please see Part A, Section 1, "*Presentation of financial and other information*", Section 14.3.2.5 "*Basis of preparation of the pro forma unaudited financial information*" in the Unaudited Pro Forma Financial Information and Section 14.3.3.4, "*Basis of preparation of the illustrative unaudited financial information*" in the Illustrative Unaudited Financial Information.

This Section 7 refers to certain financial information derived from the Unaudited Pro Forma Financial Information or the Illustrative Unaudited Financial Information. However, the discussion and analysis in this Section 7 of the Lagardère Group's and the Prisma Media Group's results of operations and cash flows (and associated financial information) is based on, and derived from, the Lagardère Group Consolidated Financial Statements and the Prisma Media Group Carve-out Financial Information, respectively. In addition, the discussion and analysis in this Section 7 of the Group's financial condition is based on, and derived from, the Combined Financial Statements and the Unaudited Interim Combined Financial Statements.

The Unaudited Pro Forma Financial Information and the Illustrative Unaudited Financial Information have been prepared solely for purposes of illustration and do not necessarily reflect the actual results of operations and financial condition that the Group would have had if the Louis Hachette Group Partial Demerger had taken place as of January 1, 2021. The Unaudited Pro Forma Financial Information and the Illustrative Unaudited Financial Information presented in this document have not been prepared in accordance with the requirements of the SEC or practices generally accepted in the United States. The Unaudited Pro Forma Financial Information and the Illustrative Unaudited Financial Information are merely illustrative and reflect a hypothetical situation. They are not representative of the Group's consolidated statements of earnings or cash flows, respectively, for the years ended December 31, 2023, 2022 and 2021 and the six months ended June 30, 2024 and 2023 had the formation of the Group occurred as from January 1, 2021, nor are they an indication of the Group's future results. The Unaudited Pro Forma Financial Information and the Illustrative Unaudited Financial Information also reflect certain reclassifications, eliminations and adjustments to the Lagardère Group Consolidated Financial Statements and the Prisma Media Group Carve-out Financial Information, as described below.

7.2.2 Reclassifications, eliminations and adjustments in the Unaudited Pro Forma Financial Information and the Illustrative Unaudited Financial Information

Certain data derived from the Lagardère Group Consolidated Financial Statements have been reclassified, eliminated and adjusted for purposes of preparing the Unaudited Pro Forma Financial Information and the Illustrative Unaudited Financial Information.

- Reclassifications – The following reclassifications have been made to align the Lagardère Group's data with the presentation in Vivendi's consolidated statement of earnings and statement of cash flows, respectively:

  - €2 million, €10 million and €1 million have been reclassified that impacted earnings before interest and income taxes for the years ended December 31, 2023, 2022 and 2021, respectively. For the year ended December 31, 2022, the sum relates to expenses incurred by Lagardère Group in the course of its acquisition by Vivendi; and

  - €82 million, €105 million and €59 million for the years ended December 31, 2023, 2022 and 2021, respectively, relating to adjustments made to short-term borrowings by Vivendi and deductions in cash and cash equivalents for the Lagardère Group.

- Purchase price allocation – The following adjustments have been made to reflect to impact of allocating the acquisition price of the Lagardère Group by Vivendi in accordance with IFRS 3 as if the acquisition date were January 1, 2023:
  - for the six months ended June 30, 2024 and 2023, inclusion of amortization expenses related to the revaluation of tangible and intangible assets amounting to €6 million (before deferred taxes of €(2) million) and €(34) million (before deferred taxes of €9 million), and for each of the years ended December 31, 2023, 2022 and 2021, amortization expenses of €68 million, before deferred taxes of €18 million;
  - for the six months ended June 30, 2023 and the year ended December 31, 2023, elimination of gains on leases related to IFRS 16, amounting to €95 million (before deferred taxes of €(13) million) and €94 million (before deferred taxes of €(13) million), respectively; and

    - a reclassification of a loss of €47 million (before deferred taxes of €6 million) recorded by Vivendi as an adjustment of the Lagardère Group's opening balance sheet as of November 30, 2023, which was recorded as an expense in the Lagardère Group's consolidated earnings statement for December 2023.

- Non-controlling interests – The following adjustments have been made to reflect adjustments to non-controlling interests:
    - minority interests applicable to losses attributable to the Lagardère Group:
        - for the six months ended June 30, 2023, on the basis of Vivendi's shareholding in Lagardère SA as of June 30, 2023, were €18 million as of June 30, 2023; and
        - for the years ended December 31, 2023, 2022 and 2021, on the basis of Vivendi's in Lagardère SA as of December 31, 2023, were €58 million, €65 million and €41 million, respectively.
    - minority interests relating to other adjustments in the pro forma statement of earnings corresponding to the impact of the purchase price allocation of the Lagardère Group:
        - for the six months ended June 30, 2023, amounted to €42 million; and
        - for the years ended December 31, 2023, 2022 and 2021, amounted to €36 million, €20 million and €20 million, respectively.

Moreover, Vivendi did not start consolidating Prisma S.A.S. until June 1, 2021. As a result, the Prisma Media Group Carve-out Financial Information for the year ended December 31, 2021 has been adjusted to include the Prisma Media Group's results of operations and cash flows for the five-month period from January 1 to May 31, 2021, resulting in, among other things:

- an additional €115 million in revenues, €10 million in EBIT and €6 million in earnings; and
- an additional €9 million in cash outflows for purchases of consolidated companies, after acquired cash and an additional €9 million in cash inflows for other changes in short-term borrowings and other financial liabilities.

7.2.3 Description of operating segments and business lines

The Group's operating segments are the Lagardère Group and Prisma Media Group.

The Group's operations are organized around three activities: Lagardère Publishing, Lagardère Travel Retail, and the Prisma Media Group and Other Activities.

- Lagardère Publishing comprises the Lagardère Group's book publishing business, including in print, e-books and downloadable audiobooks formats, complemented by its publication of partworks, its release of board games, its premium stationery offering and its book distribution services;
- Lagardère Travel Retail comprises the Lagardère Group's travel retail business, which operates through a network of stores and dining outlets across transit hubs.
- The Prisma Media Group and Other Activities comprises (i) the Prisma Media Group's activities, which primarily comprise magazine print publishing, online media (online magazine brands and digital pure players) and other online business activities (mainly its advertising sales business), and (ii) Lagardère Group's Other Activities, which consists of its other business lines in the media and entertainment sector.

This Section 7 includes additional financial information for business lines within each of the three Lagardère Group activities, as well as on a geographic basis. Such financial information is derived from the Lagardère Group Consolidated Financial Statements.

- Within Lagardère Publishing, the business lines include:
    - General Literature, consisting of adult fiction and adult non-fiction publishing activities;
    - Education, consisting of K-12, higher education and supplementals publishing activities;
    - Illustrated Books, consisting of practical books, children and young adult, comics, coffee-table books, stationery and tourism publishing activities;
    - Partworks, consisting of partworks collections that are sold as periodicals and are available at newspaper and magazine stands, as well as by direct marketing; and
    - Others and Distribution, consisting of reference publications and board games, as well as sales and distribution services business.
- Within Lagardère Travel Retail, the business lines include:
    - Travel Essentials, consisting of retail stores that offer a wide range of convenience and specialty items that cater to travelers' needs;
    - Duty Free & Fashion, consisting of stores that offer duty-free and luxury goods, including fashion apparel, cosmetics and fragrances; and
    - Dining, consisting of full-service bars and restaurants as well as a multitude of quick-service options, such as bakeries, coffee/tea shops and fast-food options.
- Within Other Activities, the business lines include:
    - Lagardère News, consisting of three newspaper publications for the periods presented in this Section 7 (*Paris Match*, *Le Journal du Dimanche* and *JDD Magazine*) and a leading fashion and lifestyle media brand, Elle International. *Paris Match* was sold to the LVMH group on October 1, 2024;
    - Lagardère Radio, consisting of three radio stations (Europe 1, Europe 2 and RFM), as well as its advertising brokerage; and
    - Other, consisting of Lagardère Live Entertainment, dedicated to the performing arts through (i) managing theatres and larger venues; (ii) producing shows and tours; and (iii) hosting and providing local promotional services for French and international productions; and Lagardère Paris Racing, which offers sports activities to its members at the Croix Catelan site in Paris.

This Section 7 also includes additional financial information for business lines within the Prisma Media Group activity, which is derived from the Prisma Media Group Carve-out Financial Information. These include:

- Distribution, which consists of the Prisma Media Group's individual magazine sales and subscriptions and online media publications, primarily within France; and
- Advertising and business-to-business ("**BtoB**"), which consists of the Prisma Media Group's digital advertising activities in digital brand magazines and other online media channels.

7.3 Alternative performance measures

The Information Document includes certain measures of the Group's performance that are not required by, nor are presented in accordance with, IFRS or any other generally accepted accounting standards. These measures include EBITA, revenues on a like-for-like basis, recurring EBIT and operating margin of the Lagardère Group and free cash flow (before and after changes in working capital) of the Lagardère Group (the "**Alternative Performance Measures**"). The Group presents these Alternative Performance Measures to provide a more consistent and comparable indication of the Group's underlying financial performance and financial position, as well as cash flows. The Group considers these to be relevant indicators of its operating and financial performance. Other companies may have definitions and calculations for these indicators that differ from those used by the Group, and therefore may not be directly comparable.

The Alternative Performance Measures are defined below, together with an explanation of the reasons why the Group believes the Alternative Performance Measures are useful for investors. Certain of the Alternative Performance Measures or similarly titled measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of such companies. Readers should therefore exercise caution in comparing any of the Alternative Performance Measures to the Alternative Performance Measures of other companies. The Alternative Performance Measures are not measures of financial condition, liquidity or profitability under IFRS, and should not be considered to be an alternative to EBIT, net income, net cash provided by operating activities or any other measure recognized by and determined in accordance with IFRS. The Alternative Performance Measures have important limitations as analytical tools, and readers should not consider them in isolation nor as a substitute for analysis of the Group's performance or liquidity.

EBITA

The Group's management evaluates the performance of its operating segments and allocates necessary resources to them based on certain operating performance indicators, including EBITA, which reflects the earnings of each segment. EBITA enables the comparison of operating segments' performance, regardless of whether it is driven by organic growth or acquisitions. In the Lagardère Travel Retail activity, royalties paid to concession grantors are either variable, fixed or variable with a guaranteed minimum. The application of IFRS 16 to these contracts creates a discrepancy in interpreting of the segment's performance by applying only to the fixed portion of the rent, thereby creating a disconnect between the financial statements and operational monitoring. To maintain a relevant indicator that reflects the economics of these contracts, the Group has decided to neutralize the effect of IFRS 16 on EBITA for concession agreements only. See Note 2.3.3, "*Indicators used to measure performance*" of the Combined Financial Statements for a description of the calculation of EBITA.

The following table sets forth the pro forma EBITA of the Lagardère Group and Prisma Media Group the periods indicated (in each case, as provided in the Unaudited Pro Forma Financial Information):

	Year ended December 31,			**Six months ended June 30,**	
	2023	**2022**	**2021**	**2024**	**2023**
(in EUR millions)					
Lagardère Group	462	423	201	201	115
Prisma Media Group	28	31	30	9	17
Louis Hachette Group (*pro forma*)	**490**	**454**	**231**	**210**	**132**

Like-for-like basis

The Information Document includes changes in the Lagardère Group's and the Prisma Media Group's revenues on a reported basis and on a "like-for-like" basis (including by operating segment, business line and geographical market). Revenues presented on a like-for-like basis eliminate the impact of changes in the scope of consolidation and exchange rates. Like-for-like change in revenues is calculated by comparing revenues in year N to year N-1 (a) adjusted for companies consolidated for the first time in year N and consolidated companies divested during year N; and (b) adjusted based on exchange rates applicable in year N. The scope of consolidation comprises all fully consolidated entities. These figures are prepared on this basis both for internal analysis and for external communication, as they are believed to provide a means for analyzing and explaining variations from one period to another based on comparable scopes of consolidation and exchange rates.

Recurring EBIT and operating margin (Lagardère Group)

Recurring EBIT of the Lagardère Group represents profit from continuing operations for the period excluding tax, finance costs (financial income/expenses and interest expense on lease liabilities), income (loss) from equity-accounted companies before impairment losses, impairment losses on goodwill, property, plant and equipment, intangible assets and investment in equity-accounted companies, gains (losses) on disposal of assets, net restructuring costs, items related to business combinations (acquisition-related expenses, gains and losses resulting from purchase price adjustments and fair value adjustment due to changes in control and amortization of acquisition-related intangible assets), specific major disputes unrelated to the Lagardère Group's operating performance and items related to leases and finance sub-leases (cancellation of fixed rental expense on concession agreements, depreciation of right-of-use assets on concession agreements and gains and losses on leases) (in each case, of the Lagardère Group).

Operating margin of the Lagardère Group corresponds to Recurring EBIT divided by revenues (in each case, of the Lagardère Group).

These indicators are tracked by the Lagardère Group's Executive Committee in order to assess performance and manage the business, as well as by investors in order to monitor the Lagardère Group's operating performance and profitability.

The following table sets forth the reconciliation of Recurring EBIT of the Lagardère Group to its profit from continuing operations, excluding tax and finance costs (EBIT), and operating margin of the Lagardère Group for the periods indicated, on a consolidated basis (in each case, derived from the Lagardère Group Consolidated Financial Statements):

	Year ended December 31,			**Six months ended June 30,**	
	2023	**2022**	**2021**	**2024**	**2023**
(in EUR millions)					
EBIT	**434**	**320**	**66**	**182**	**179**
Finance costs	(144)	(24)	25	(54)	(118)
Income (loss) from equity-accounted companies	1	(13)	(1)	2	5
Impairment losses on goodwill	47	9	17	1	11
Acquisition related expenses	117	115	115	63	53
Gains (losses) on disposal of assets	(10)	(7)	(17)	-	(3)
Net restructuring costs	75	38	44	18	14
Recurring EBIT (A)	**520**	**438**	**249**	**212**	**141**
Revenues (B)	**8,081**	**6,929**	**5,130**	**4,193**	**3,701**
Operating margin (A)/(B)	**6.4%**	**6.3%**	**4.9%**	**5.1%**	**3.8%**

The following table sets forth the recurring EBIT of the Lagardère Group's business activities (as provided in the Lagardère Group Consolidated Financial Statements):

(in EUR millions)	Year ended December 31, 2023	2022	2021
Lagardère Publishing	301	302	351
Lagardère Travel Retail	245	136	(81)
Other Activities	(26)	-	(21)

Free cash flow (Lagardère Group)

Free cash flow of the Lagardère Group is defined as cash flow from operating activities before changes in working capital, after the repayment of lease liabilities and related interest paid, changes in working capital and income taxes paid plus net cash flow relating to acquisitions and disposals of property, plant and equipment and intangible assets (in each case, of the Lagardère Group).

Free cash flow before changes in working capital of the Lagardère Group is defined as free cash flow before changes in working capital (in each case, of the Lagardère Group).

These indicators are tracked by the Lagardère Group's Executive Committee in order to assess performance and manage the business, as well as by investors in order to monitor the Lagardère Group's operating performance and profitability.

The following table sets forth the reconciliation of free cash flow (including before changes in working capital) of the Lagardère Group to its cash flow from operating activities before changes in working capital for the periods indicated, on a consolidated basis (in each case, derived from the Lagardère Group Consolidated Financial Statements):

	Year ended December 31,			Six months ended June 30,	
(in EUR millions)	2023	2022	2021	2024	2023
Cash flow from operating activities before changes in working capital	**1,070**	**858**	**577**	**579**	**416**
Repayment of lease liabilities	(354)	(241)	(216)	(220)	(164)
Interest paid on lease liabilities	(99)	(87)	(20)	(62)	(40)
Changes in working capital of lease liabilities	(6)	(6)	(4)	(4)	(5)
Cash flow from operations before changes in working capital	**611**	**524**	**337**	**293**	**207**
Changes in working capital	(14)	(73)	280	(113)	(164)
Income taxes paid	(70)	(57)	(38)	(20)	(29)
Cash flow from operations	**527**	**394**	**579**	**160**	**14**
Purchases of PP&E and intangible assets	(269)	(177)	(136)	(125)	(104)
Disposals of PP&E and intangible assets	3	4	13	-	2
Free cash flow (FCF)	**261**	**221**	**456**	**35**	**(88)**
FCF before changes in working capital	**275**	**294**	**176**	**148**	**76**

The following table sets forth the free cash flow of the Lagardère Group's business activities (as provided in the Lagardère Group Consolidated Financial Statements):

(in EUR millions)	Year ended December 31, 2023	2022	2021
Lagardère Publishing	97	37	460
Lagardère Travel Retail	225	184	30
Other Activities	(61)	-	(34)

The following table sets forth the free cash flow (before changes in working capital) of the Lagardère Group's business activities (as provided in the Lagardère Group Consolidated Financial Statements):

	Year ended December 31,		
	2023	**2022**	**2021**
(in EUR millions)			
Lagardère Publishing	159	155	254
Lagardère Travel Retail	161	138	(48)
Other Activities	(45)	1	(30)

7.4 Description of key line items from the Unaudited Pro Forma Financial Information

7.4.1 Revenues

The Group derives substantially all its revenues from sales of products and services under contracts with customers. Revenues are recognized at the time control of the contracted goods or services is transferred to the customer. Revenue recognition methods vary depending on the operating segment or business line, as set forth below.

Lagardère Group

Lagardère Publishing

Revenues from contracts with customers correspond mainly to sales of goods and circulation of publications, with sales representing net of rebates, commissions paid to e-broadcasters and the rights of return. Refund liabilities are recognized within trade accounts payable for the portion relating to any decreases in revenues, and refund assets are represented within inventories and trade accounts receivable for the portions relating to inventories and advances paid to authors. The amount of refund liability recognized as a deduction from revenues is estimated on the basis of sales during the year and historical data regarding returns. These estimates are calculated on a statistical basis using the actual rate of returns for the previous year, adjusted for fluctuations in sales volumes and changes in the operating environment during the current year.

Lagardère Travel Retail

Revenues from contracts mainly comprise retail sales in travel areas and concessions in the Travel Essentials, Duty Free & Fashion and Dining business lines, as well as retail sales in convenience stores. Revenues are recognized at the point in time of the retail sale. For certain goods and services (such as sales of prepaid telephone cards and press distribution), the entity acts as agent and recognizes the net amount of consideration received as revenue.

Other Activities

Revenues from contracts mainly relate to the sale of advertising space, magazine circulation, income from licenses and digital services, revenues related to live entertainment and live performance venues, as well as a site dedicated to sports activities. For all of these activities, revenues correspond to advertising receipts, sales of editions and subscriptions and digital services, and ticketing generated by live entertainment and live performance venues. Revenues are recognized at the time advertisements are broadcast, editions are published and live entertainment is performed. Revenues from licenses for the press business are recognized when the sale is completed by the license holder during the period covered by the contract. For certain businesses (for example, advertising sales brokerage and ticketing for live performance venues), the division acts as an agent in the sale transaction with radios and/or press publications and revenue corresponds solely to the commission received.

Prisma Media Group

Revenues are recognized differently based on whether it corresponds to (a) press and magazine distribution or (b) sales of advertising spaces. In the former, revenues from sales related to the distribution of press and magazines on physical and/or digital media, net of a provision for estimated returns, are accounted for on the publication date of the issue, which is often concomitant with the delivery date. Sales of advertising spaces relate to the display of an advertising item in an issue or on a digital medium that constitutes an advertising impression corresponding to a distinct performance obligation, satisfied at a point in time, when the advertisements are published. Revenues from the sale of advertising space, net of rebates (if any), are accounted for when the advertisements are published. Sales of advertising spaces can be made through non-monetary exchange transactions and are accounted for in the balance sheet at their fair value and are reversed on the date on which the performance obligation is satisfied.

7.4.2 Cost of revenues and selling, general and administrative ("**SG&A**") expenses

Lagardère Group

Cost of revenues and SG&A expenses consist of purchases and changes in inventories, external charges (consisting of lease payments under concession agreements) and payroll costs.

Prisma Media Group

Cost of revenues and SG&A expenses consist of paper costs, printing costs, delivery costs (postage), publishing costs, marketing expenses, payroll costs, content production expenses and lease and related maintenance costs.

7.4.3 Other operating income and expenses

Lagardère Group

Other operating income and expenses primarily comprise restructuring charges, impairment losses on intangible assets acquired through business combinations, income from equity affiliates and the impact of IFRS 16 on concession agreements.

Prisma Media Group

Other operating expenses primarily comprise restructuring charges related to discontinued operations, including contractual severance payments and sales of tangible and intangible assets.

7.4.4 Earnings before interest and income taxes (EBIT)

EBIT represents revenues less cost of revenues, SG&A expenses and other operating income and expenses, net.

7.4.5 Financial income and expenses

Lagardère Group

Financial income primarily comprises interest expenses on borrowings, income from investments, gains and losses on derivative instruments related to borrowings, short-term investments, interest expenses on lease liabilities and other financial charges.

When the Lagardère Group acts as lessee, the present value of lease payment commitments that are fixed or fixed in substance and due under concession agreements in transport hubs and hospitals, building leases or leases of other equipment, are recognized within lease liabilities against a corresponding right-of-use asset. The variable portion of lease payments under concession agreements, based on passenger flows or revenues earned by retail outlets, continues to be shown in external charges or in other operating expenses. In applying the full retrospective method, lease liabilities are discounted at the rate set at the start of each agreement. The discount is updated to take account of any modifications, notably as regards the leased premises or lease term.

Prisma Media Group

The Prisma Media Group does not have significant financial income and expenses as it does not have bank borrowings or cash investments.

7.5 Pro forma results of operations

The following table summarizes the Group's results of operations on a pro forma basis for the years ended December 31, 2023, 2022 and 2021, as well as for the six months ended June 30, 2024 and 2023:

	Year ended December 31,			**Six months ended June 30,**	
	2023	**2022**	**2021**	**2024**	**2023**
(in EUR millions)					
Revenues.........	**8,390**	**7,249**	**5,439**	**4,340**	**3,854**
Cost of revenues, SG&A expenses.........	(8,042)	(6,956)	(5,330)	(4,215)	(3,797)
Restructuring charges.........	(44)	(31)	(46)	(14)	(9)
Impairment losses on intangible assets.........	(7)	(8)	(12)	-	-
Income from equity affiliates.........	(1)	13	1	3	(5)
Impact of IFRS 16.........	50	24	(25)	24	23
Earnings before interest and income taxes (EBIT).........	**346**	**291**	**27**	**138**	**66**
Interest.........	(85)	(64)	(63)	(60)	(36)
Income from investments.........	5	3	2	-	3
Other financial income.........	21	16	24	1	10
Interest expenses on lease liabilities.........	(89)	(61)	(68)	(53)	(40)
Other financial charges.........	(40)	(39)	(34)	(12)	(15)
Financial income (expenses), net.........	(188)	(145)	(139)	(124)	(78)
Earnings before tax.........	**158**	**146**	**(112)**	**14**	**(12)**
Income taxes.........	(65)	(26)	(12)	(43)	(22)
Earnings from continuing operations.........	**93**	**120**	**(124)**	**(29)**	**(34)**
Earnings from discontinued operations.........	5	35	2	-	-
Earnings (loss).........	**98**	**155**	**(122)**	**(29)**	**(34)**

7.5.1 Six months ended June 30, 2024 and 2023

7.5.1.1. *Key figures*

The following table sets forth a summary of the Group's key figures on a pro forma basis for the six months ended June 30, 2024 and 2023:

	Six months ended June 30,		**Change 2024 vs 2023**	
(in EUR millions, except percentages)	**2024**	**2023**	**Amount**	**Percentage**
Revenue.........	**4,340**	**3,854**	**486**	**12.6%**
Cost of revenues, SG&A expenses.........	(4,215)	(3,797)	418	11.0%

(in EUR millions, except percentages)	Six months ended June 30, 2024	2023	Change 2024 vs 2023 Amount	Percentage
Other operating income (expenses), net	13	9	4	44.4%
EBIT	**138**	**66**	**70**	**NA**
Financial income (expenses), net	(124)	(78)	44	55.0%
Earnings before taxes	**14**	**(12)**	**26**	**NA**
Income taxes	(43)	(22)	29	NA
Earnings from continuing operations	**(29)**	**(34)**	**(3)**	**(11.5)%**
Earnings from discontinued operations	-	-	-	NA
Earnings (loss)	**(29)**	**(34)**	**(3)**	**(11.5)%**

7.5.1.2. *Pro forma revenues*

The Group's pro forma revenues increased by €486 million, or 12.6%, to €4,340 million for the six months ended June 30, 2024 from €3,854 million for the six months ended June 30, 2023, which was driven by the increases in revenues of the Lagardère Group and Prisma Media Group, as described below.

Lagardère Group

The following table sets forth a breakdown of the revenues of the Lagardère Group by activity for the six months ended June 30, 2024 and 2023:

(in EUR millions, except percentages)	Six months ended June 30, 2024	2023	Change 2024 vs 2023 Amount	Percentage
Revenues:				
Lagardère Publishing	1,309	1,247	62	5.0%
Lagardère Travel Retail	2,748	2,329	419	18.0%
Other Activities	136	125	11	0.9%
Total Lagardère Group	4,193	3,701	492	**13.3%**

Lagardère Publishing

Revenues increased by €62 million, or 5.0%, to €1,309 million for the six months ended June 30, 2024 from €1,247 million for the six months ended June 30, 2023. There was a €1 million positive scope effect related to the acquisition of Catch Up Games.

Like-for-like revenues increased by 4.5%, reflecting a €4 million positive currency effect due to the appreciation of the British pound sterling.

The following tables set forth a breakdown of Lagardère Publishing's revenues by business line and geographic sales origin for the six months ended June 30, 2024 and 2023:

(in EUR millions, except percentages)	Six months ended June 30, 2024	2023	Change 2024 vs 2023 Amount	Percentage
Revenues:				
General Literature	591	521	70	13.4%
Illustrated Books	229	227	2	1.0%
Education	121	130	(9)	(6.9)%
Partworks	135	135	-	NS
Other	233	234	(1)	NS

	Six months ended June 30,		Change 2024 vs 2023	
	2024	2023	Amount	Percentage
(in EUR millions, except percentages)				
Revenues:				
France	376	346	30	8.7%
United Kingdom, Ireland and Oceania[(1)]	256	254	2	1.0%
United States and Canada	414	372	42	11.3%
Spain	58	57	1	1.7%
Other markets	205	218	(13)	(6.0)%

(1) Includes Australia and New Zealand.

The discussion below is based on Lagardère Publishing's revenues by geographic sales destination (other than for Partworks).

France

In France, like-for-like revenues decreased by 0.7%, reflecting subdued activity for textbook publishers generally.

The Illustrated Books business line was supported by the young adult segment, in particular the *Captive* series and the new *Lakestone* novel by Sarah Rivens, while the comics (due to the absence in 2024 of a similar illustrated album to *Astérix et Obélix: L'Empire du Milieu*, published in 2023, and lower manga sales at Pika) and travel guides segments saw declines.

The General Literature business line had a solid first half of 2024, in particular due to the publication of *Quelqu'un d'autre* by Guillaume Musso, *D'or et de Jungle* by Jean-Christophe Ruffin and *Un Monde Presque Parfait* by Laurent Gounelle.

United Kingdom

Like-for-like revenues in the United Kingdom increased by 8.4% in the first half of 2024 compared to the prior period despite a slightly down market.

The growth in revenues was primarily driven by dynamic backlist sales in the first half of 2024 with the success of Ana Huang's two sagas (*Twisted* and *Kings of Sin*), Freida McFadden's *The Housemaid* and Rebecca Yarros' *The Empyrean (Fourth Wing* and *Iron Flame)*, as well as Matthew Perry's autobiography in audio format. Sales also benefited from the success of new releases, including Stephen King's *You Like It Darker*, Emily English's *So Good* and two new releases by Ali Hazelwood. International sales, particularly in Australia, also benefitted from the release of these titles.

United States

In the United States, like-for-like revenues increased by 7.7% in the first half of 2024 compared to the prior period. Sales in the United States were boosted by the Little, Brown and Company's publishing program, including James Patterson's *Eruption*, based on Michael Crichton's unfinished screenplay. Sales also benefited from growth of the Hachette Audio division, driven by the strong performance of digital downloads as well as strong backlist sales of Orbit and Little, Brown Books for young readers.

Spain and Latin America

Like-for-like revenues in Spain and Latin America increased by 7.9% in the first half of 2024 compared to the prior period. While sales were stable in Spain, sales in Mexico rose sharply and the Education (due to increased textbook sales) and trade segments.

Partworks

Like-for-like revenues from Partworks increased 2.0%, driven by the success of collections launched in France and Japan in the second half of 2023.

Lagardère Travel Retail

Revenues increased by €419 million, or 18.0%, to €2,748 million for the six months ended June 30, 2024 from €2,329 million for the six months ended June 30, 2023. There was a €95 million positive scope effect relating mainly to the acquisitions of Tastes on the Fly (€79 million), Marché International (€9 million) and Costa Coffee Poland (€7 million). There was also a negative currency effect of €3 million, mainly due to the depreciation of the Czech koruna and the Chinese yuan.

Like-for-like revenues increased by 13.5%, reflecting the continued recovery in global air traffic.

The following table sets forth a breakdown of Lagardère Travel Retail's revenues by business line for the six months ended June 30, 2024 and 2023:

	Six months ended June 30,		**Change 2024 vs 2023**	
	2024	**2023**	**Amount**	**Percentage**
(in EUR millions, except percentages)				
Revenues:				
Travel Essentials	934	815	119	14.6%
Duty Free & Fashion	1,017	908	109	12.0%
Dining	797	606	191	31.5%

Revenues in the Travel Essentials business line increased by €119 million, or 14.6%, to €934 million for the six months ended June 30, 2024 from €815 million for the six months ended June 30, 2023. The Travel Essentials business line represented 35% of Lagardère Travel Retail's revenues in the first six months of 2024, compared to 34% in the same period in 2023.

Revenues in the Duty Free & Fashion business line increased by €109 million, or 12.0%, to €1,017 million for the six months ended June 30, 2024 from €908 million for the six months ended June 30, 2023. The Duty Free & Fashion business line accounted for 37% of Lagardère Travel Retail's revenues in the first six months of 2024, compared to 39% in the same period in 2023.

Revenues in the Dining business line increased by €191 million, or 31.5%, to €797 million for the six months ended June 30, 2024 from €606 million for the six months ended June 30, 2023. The Dining business line represented 29% of Lagardère Travel Retail's revenues in the first six months of 2024, compared with 26% in the same period in 2023.

The following table sets forth a breakdown of Lagardère Travel Retail's revenues by geographic sales origin for the six months ended June 30, 2024 and 2023:

	Six months ended June 30,		**Change 2024 vs 2023**	
	2024	**2023**	**Amount**	**Percentage**
(in EUR millions, except percentages)				
Revenues:				
France	471	397	74	18.6%
EMEA (excluding France)	1,350	1,088	262	24.1%
Americas[(1)]	757	633	124	19.6%
Asia-Pacific	170	211	(41)	(19.4)%

(1) Includes the United States and Canada.

France

In France, revenues increased by €74 million, or 18.6% (up 18.1% like-for-like), to €471 million for the six months ended June 30, 2024 from €397 million for the six months ended June 30, 2023, driven primarily by increased sales from the Extime Duty Free Paris joint venture with Groupe ADP, as well as network upgrades and sales initiatives rolled out across all networks and business lines.

EMEA (excluding France)

In EMEA (excluding France), revenues increased by €262 million, or 24.1% (up 21.7% like-for-like), to €1,350 million for the six months ended June 30, 2024 from €1,088 million for the six months ended June 30, 2023, driven primarily by strong performance in Romania (up 51.2%) due to the opening of the duty-free concession at Bucharest airport, the United Kingdom (up 25.5%) due to increased ferry sales and Italy (up 20.4%) due to strong sales at Fiumicino airport in Rome.

Americas

In the Americas, revenues increased by €124 million, or 19.6% (up 7.0% like-for-like), to €757 million for the six months ended June 30, 2024 from €633 million for the six months ended June 30, 2023, driven primarily by an improved macroeconomic environment that led to sales growth in particular in the United States (up 5.8%) and Peru (up 32.3%).

Asia-Pacific

In Asia-Pacific, revenues decreased by €41 million, or 19.4% (down 17.4% like-for-like), to €170 million for the six months ended June 30, 2024 from €211 million for the six months ended June 30, 2024, driven primarily by lower sales in China (down 12.5%) due to unfavorable economic conditions and network streamlining, including in particular in Hong Kong.

Other Activities

Revenues in Other Activities increased by €11 million, or 0.9%, to €136 million for the six months ended June 30, 2024 from €125 million for the six months ended June 30, 2023. Like-for-like revenues increased 9.2%.

The following tables set forth a breakdown of revenues from Other Activities by business line and geographic sales origin for the six months ended June 30, 2024 and 2023:

	Six months ended June 30,		**Change 2024 vs 2023**	
	2024	**2023**	**Amount**	**Percentage**
(in EUR millions, except percentages)				
Revenues:				
Lagardère News	49	54	(5)	(9.3)%
Lagardère Radio	41	39	2	5.1%
Other(1)	46	33	13	39.4%

(1) Includes revenues from *Paris Match*, which was sold to the LVMH group on October 1, 2024.
(2) Comprises Live Entertainment and Lagardère Paris Racing.

	Six months ended June 30,		**Change 2024 vs 2023**	
	2024	**2023**	**Amount**	**Percentage**
(in EUR millions, except percentages)				
Revenues:				
France	108	103	5	4.9%
Asia-Pacific	10	9	1	11.1%
Western Europe	7	6	1	16.7%
United States and Canada	11	7	4	57.1%

Lagardère News revenues decreased 9.3% (down 12.1% like-for-like) due to lower advertising revenues. Revenues from the international Elle brand licenses were stable year on year.

Lagardère Radio revenues increased 5.1% (up 5.9% like-for-like) primarily due to the rise in ratings and audiences for Europe 1, which positively impacted revenues in the advertising sales brokerage activity.

Lagardère Live Entertainment revenues increased 39.4% (up 12.0% like-for-like) primarily due to significant increases of sales for shows and live events.

Prisma Media Group

Revenues decreased by €6 million, or 3.9% (or 0.4% like-for-like), to €147 million for the six months ended June 30, 2024 from €153 million for the six months ended June 30, 2023. The increase in revenues was primarily driven by a higher number of digital subscribers (up 1% from the prior period), the development of the leading digital health channel "Dr. Good!" and positive scope effects related to the acquisition of PasseportSanté in September 2023.

Distribution revenues decreased by €9 million, or 11.6% (or 5.9% like-for-like), to €81 million for the six months ended June 30, 2024 from €90 million for the six months ended June 30, 2023 due to lower print subscriptions.

Advertising and BtoB decreased by €3 million, or 4.7% (or 9.2% like-for-like), to €66 million for the six months ended June 30, 2024 from €63 million for the six months ended June 30, 2023 primarily due to an increased presence on social media and higher digital subscriptions compared with the first half of 2023.

7.5.1.3. *Pro forma cost of revenues, SG&A expenses*

The Group's pro forma cost of revenues, SG&A expenses increased by €418 million, or 11.0%, to €4,215 million for the six months ended June 30, 2024 from €3,797 million for the six months ended June 30, 2023.

The Lagardère Group's cost of revenues, SG&A expenses increased by €461 million, or 12.7%, to €4,082 million for the six months ended June 30, 2024 from €3,621 million for the six months ended June 30, 2023. The increase was primarily related to the growth in Lagardère Travel Retail's revenues leading to increased cost of goods sold, store payroll costs and rental expenses. As a percentage of the Lagardère Group's revenues, cost of revenues, SG&A expenses remained stable at 97.4% in the first half of 2024 compared with 97.8% in the same period in 2023.

The Prisma Media Group's cost of revenues, SG&A expenses were stable, reaching €139 million for the six months ended June 30, 2024 compared to €138 million for the six months ended June 30, 2023. As a percentage of the Prisma Media Group's revenues, cost of revenues, SG&A expenses increased to 94.6% in the first half of 2024 from 90.2% in the same period in 2023.

7.5.1.4. *Pro forma operating income and expenses*

The Group's pro forma operating expenses, net, increased €4 million, or 44.4%, to €13 million for the six months ended June 30, 2024 from €9 million six months ended June 30, 2023, primarily due to higher restructuring costs, which related to severance and reorganization costs at Lagardère Publishing, mainly in the United States and Spain, as well as costs related to the streamlining of real estate and integration costs in connection with the integration of Lagardère SA into Vivendi.

7.5.1.5. *Pro forma earnings before interest and income taxes (EBIT)*

The Group's pro forma EBIT increased by €72 million, more than doubling to €138 million for the six months ended June 30, 2024 from €66 million for the six months ended June 30, 2023.

The Lagardère Group's EBIT decreased by €55 million, or 30.7%, to €124 million for the six months ended June 30, 2024 from €179 million for the six months ended June 30, 2023.

The Prisma Media Group's EBIT decreased by €8 million, or 50.0%, to €8 million for the six months ended June 30, 2024 from €16 million for the six months ended June 30, 2023.

7.5.1.6. *Pro forma financial income and expenses*

The Group's pro forma financial expenses, net, increased by €46 million, or 59.0%, to €124 million for the six months ended June 30, 2024 from €78 million for the six months ended June 30, 2023.

The increase reflected the increase in the Lagardère Group's financial expenses, net, which was primarily attributable to an increase in interest expenses following refinancings of debt completed in the first half of 2024, as well as increases in the interest expense on lease liabilities due to the increase of minimum concession fees in line with rises in air traffic.

7.5.1.7. *Pro forma income tax expense*

The Group's pro forma income tax expense increased by €21 million to €43 million for the six months ended June 30, 2024 from €22 million for the six months ended June 30, 2023.

The increase primarily reflected the increase in the Lagardère Group's income tax expense, attributable in part to the higher revenues in Europe at Lagardère Publishing and Lagardère Travel Retail, offset by a non-recurring deferred tax effect in 2023 linked to a gain on lease modifications further to the amendment of a concession agreement.

7.5.1.8. *Pro forma earnings / (loss)*

The Group's pro forma loss decreased by €5 million, or 147%, to €29 million for the six months ended June 30, 2024 from €34 million for the six months ended June 30, 2023.

7.5.2 <u>Year ended December 31, 2023 compared with year ended December 31, 2022</u>

7.5.2.1. *Market environment*

<u>Publishing</u>

After seeing all of its regions decline in 2022, the book publishing market experienced contrasting trends in 2023. France, which had seen a 2.9% decline (*source: GfK survey, 2023*) in value in 2022, improved slightly in 2023, with revenues up 1.5%, spurred by the General Literature publishing segment. Spain enjoyed robust momentum, with the market growing by 4.5% in value terms. This performance reflects vigorous growth in sales in the education publishing market (peak of the national curriculum reform begun in 2022) and a dynamic trade publishing market (with the exception of comics and mangas, which were down slightly after reporting double-digit growth in 2022). Performance was mixed in English-speaking markets. Printed book sales rose by 1.2% (*source: Nielsen BookScan, 2023*) in the United Kingdom, but fell by 2.6% (*source: NPD BookScan, 2023*) in the United States after a 5.8% decline in 2022. Digital audiobooks in both countries continued to enjoy good growth momentum.

Travel retail

Following on from 2022 and despite geopolitical upheavals, global air traffic continued to recover in 2023, particularly in Europe and North America in the first half of the year, with the gradual ramp-up in international flights (especially to and from Asia-Pacific) and sustained momentum in regional traffic. In the second half of the year, air traffic was almost back at pre-Covid-19 pandemic levels in most airports in Europe and the United States. The direct impact of the war in Ukraine on passenger traffic was fairly limited.

More specifically, trends in air traffic (*source: ACI World, September 2023*) during 2023 were as follows:

- in the first quarter, global air traffic was up by 50% on 2022 (but still down 11% on 2019), spurred by the growth in Asia-Pacific traffic year on year (up 86%);

- in the second quarter, traffic was up by 32% on 2022 and continued to be driven by Asia-Pacific (up 85%), pushing global traffic to 95% of 2019 levels;

- this recovery slowed in the third quarter, with traffic 22% higher than in 2022 and at 95% of 2019 levels; and

- the fourth quarter also saw traffic continue to recover across all regions, which were almost back to their pre-Covid-19 levels, with the notable exception of Asia-Pacific, hard hit by the economic slowdown, particularly in China.

The various regions in which Lagardère Travel Retail operates therefore benefited significantly from the sustained rally in traffic to post double-digit growth, which was also driven by dynamic sales policies and innovation.

Magazines and other print media

Print magazines, trade press and regional weekly press were down by 3.5% in 2023 compared to 2022 (*source: Third-party market report*). Print circulation was impacted by the transition to digital media, which tends to be favored by younger age cohorts. Moreover, as print magazine prices continue to increase (driven partly by paper price increases and general inflationary pressures), this has further influenced the general trend of moving from print to digital. In particular, raw material costs (paper, printing and postage) remained high from their 2022 levels throughout the first half of 2023 and, although subsiding somewhat toward the end of the year, continued to remain substantially above 2021 levels due to high inflation, and therefore still weighed on profits across the industry.

Advertising – offline media

The advertising market for offline media (TV, cinema, radio, press and outdoor advertising) (*source: Source: BUMP/IREP*) was fairly stable in January–September 2023 compared with the same period in 2022 (down 0.9%), but had not yet returned to pre-Covid-19 levels (7.1% lower than in 2019). Specifically, the press advertising market was also relatively stable year on year (down 0.7% on 2022), but continues to significantly underperform 2019 (down 22% on 2019).

Advertising revenues in print magazines in France are estimated to have decreased by 3.3% in 2023 compared to 2022 (*source: IREP, Le marché publicitaire français en 2023*), reflecting lower sales of print magazines in line with the transition to digital media.

Advertising – online media

Revenues in the display advertising segment grew by 6% in 2023 compared to 2022 (*source: Observatoire de l'e-pub, Oliver Wyman, Bilan S1 2024, 32ème édition*). However, revenues in the information and content publisher sub-segment are estimated to have decreased by 6% in 2023 compared to 2022. Revenues from videos published by information and content publishers grew 12% in 2023 compared to 2022, however (*source: Observatoire de l'e-pub, Oliver Wyman, Bilan S1 2024, 32ème édition*).

The newsletters, affiliate marketing and content-to-commerce segments grew by approximately 7% in 2023 compared to 2022 (*source: Observatoire de l'e-pub, Oliver Wyman, Bilan S1 2024, 32ème édition*).

Live music and entertainment

From 2010 to 2019, the market for live music and entertainment shows in France saw a steady rise in attendance and ticket sales, with 2019 considered an exceptional year. As a result of the Covid-19 pandemic, ticket sales fell by 83% in 2020 and by 73% in 2021. With more than 62,000 paid performances and 32 million admissions, business picked up again in 2022 and passed the €1 billion revenue mark for the first time, with total ticket sales of €1,146 million. In 2023, the start of the year saw sharp increases across the market as a whole.

7.5.2.2. *Key figures*

The following table sets forth a summary of the Group's key figures on a pro forma basis for the years ended December 31, 2023 and 2022:

	Year ended December 31,		Change 2023 vs 2022	
(in EUR millions, except percentages)	**2023**	**2022**	**Amount**	**Percentage**
Revenue	**8,390**	**7,249**	**1,141**	**15.7%**
Cost of revenues, SG&A expenses	(8,042)	(6,956)	1,086	15.6%
Other operating income (expenses), net	(2)	(2)	-	-
EBIT	**346**	**291**	**55**	**18.9%**
Financial income (expenses), net	(188)	(145)	43	29.3%
Earnings before taxes	**158**	**146**	**13**	**8.6%**
Income taxes	(65)	(26)	39	150.0%
Earnings from continuing operations	**93**	**120**	**(27)**	**(22.7)%**
Earnings from discontinued operations	5	35	(30)	(85.7)%
Earnings (loss)	**98**	**155**	**(57)**	**(36.9)%**

7.5.2.3. *Pro forma revenues*

The Group's pro forma revenues increased by €1,141 million, or 15.7%, to €8,390 million for the year ended December 31, 2023 from €7,249 million for the year ended December 31, 2022, which was driven by the increase in revenues of the Lagardère Group, as described below.

Lagardère Group

The following table sets forth a breakdown of the revenues of the Group's operating segments comprising the Lagardère Group's three operating segments for the years ended December 31, 2023 and 2022:

(in EUR millions, except percentages)	Year ended December 31, 2023	2022	Change 2023 vs 2022 Amount	Percentage
Revenues:				
Lagardère Publishing	2,809	2,748	61	2.2%
Lagardère Travel Retail	5,018	3,927	1,091	27.8%
Other Activities	254	254	-	-
Total Lagardère Group	**8,081**	**6,929**	**1,152**	**16.6%**

Lagardère Publishing

Revenues increased by €61 million, or 2.2%, to €2,809 million for the year ended December 31, 2023 from €2,748 million for the year ended December 31, 2022. There was a €50 million positive scope effect linked chiefly to the acquisition of Welbeck Publishing Group and the consolidation of the Ivory Coast subsidiary NEICEDA. There was also a €41 million negative currency impact for the period, primarily reflecting the depreciation of the U.S. dollar (€21 million negative impact) and the British pound sterling (€15 million negative impact).

Like-for-like revenues increased by 1.9%, reflecting a generally subdued market environment. See Part B, Section 7.5.2.1, "*Market environment*".

In 2023, digital audiobooks accounted for 4.5% of Lagardère Publishing's revenues (versus 4.3% in 2022), and e-books accounted for 7.8% of its revenues, stable compared to 2022.

The following tables set forth a breakdown of Lagardère Publishing's revenues by business line and geographic sales origin for the years ended December 31, 2023 and 2022:

(in EUR millions, except percentages)	Year ended December 31, 2023	2022	Change 2023 vs 2022 Amount	Percentage
Revenues:				
General Literature	1,193	1,155	38	3.3%
Illustrated Books	524	524	-	-
Education	313	293	20	6.8%
Partworks	256	282	(26)	(9.2)%
Other	523	494	29	5.9%

(in EUR millions, except percentages)	Year ended December 31, 2023	2022	Change 2023 vs 2022 Amount	Percentage
Revenues:				
France	816	746	70	9.4%
United Kingdom, Ireland and Oceania(1)	541	552	(11)	(2.0)%
United States and Canada	823	867	(44)	(5.1)%
Spain	157	139	18	12.9%
Other markets	472	444	28	6.3%

(1) Includes Australia and New Zealand.

The discussion below is based on Lagardère Publishing's revenues by geographic sales destination (other than for Partworks and Board Games).

<u>France</u>

In France, like-for-like revenues increased by 6.1% in 2023 compared to the prior period, outperforming the market, but with contrasting trends from one publishing segment to the next.

In the Education business line, Hachette Éducation, the Alexandre Hatier Group and Le Livre Scolaire suffered from the absence of curriculum reform for the second year running. However, the French-as-a-Foreign-Language (FFL) business grew thanks to buoyant export sales. Children and young adult segment publisher Rageot (Alexandre Hatier Group) continued to enjoy a very good level of trading, despite slower sales of its Holly Black titles, which had been very successful in recent years.

The Illustrated Books business line was boosted by strong growth in the comics and manga segment, with the publication of a new Asterix album (*L'Iris blanc*) and an illustrated album, *Astérix et Obélix: L'Empire du Milieu* (to coincide with the film's release in cinemas). The children and young adult segment also advanced, spurred by the popularity of the Dark Romance segment at Hachette Romans (such as Sarah Rivens' *Captive* trilogy, Camille Creati's *Fallen Angel* and Laura Swan's *Troublemaker*) and by the resounding success of certain Le Livre de Poche youth paperback titles including Tillie Cole's *Milles baisers pour un garçon* and Mercedes Ron's *À contre-sens* saga. Thanks to the recovery in global tourism, the tourism segment rallied sharply, almost back to pre-Covid-19 levels. The practical guides segment reported higher revenues in its divisions, in line with strong momentum at EPA, as well as in high-quality illustrated books. Lastly, Bragelonne (which was consolidated in the Lagardère Group as from March 2022) reported sales growth thanks to the success of Ali Hazelwood's titles and the development of Mangetsu, its manga publishing specialist.

Larousse reported a fall in revenues, with a decline in the practical guides segment whose release schedule was intentionally reduced in 2023 in a bid to promote sales of backlist titles. Sales of dictionaries continued to fall in a contracting market.

Sales in the General Literature business lines enjoyed strong growth. Le Livre de Poche's paperback sales hit an all-time high, while Audiolib was boosted by a rise in downloads of its digital audiobooks. Publishers of large-format books also reported growth, albeit to a lesser extent and with uneven performances from one publisher to the next: Fayard (success of *Le Suppléant* (*Spare*) by Prince Harry and Florent Pagny's memoirs) and Stock (Cédric Sapin-Defour's *Son odeur après la pluie* and Panayotis Pascot's *La prochaine fois que tu mordras la poussière*) saw strong growth, while JC Lattès also advanced. On the other hand, Calmann-Lévy (no new Guillaume Musso titles in 2023) and Grasset (a lighter publication schedule in 2023 and the prior year success of Virginie Despentes' *Cher Connard*) experienced a decline in activity.

United Kingdom

Like-for-like revenues in the United Kingdom increased by 6.1% in 2023 compared to the prior period, outperforming the market.

This performance was mainly due to strong momentum in the adult trade segment sales. Little, Brown Book Group enjoyed a string of publishing successes, both in terms of new titles in 2023 (Rebecca Yarros' *Fourth Wing* and *Iron Flame*, Robert Galbraith's *The Running Grave* and Colleen Hoover's *Too Late*) and its backlist (titles by Ana Huang). Elsewhere, Bookouture put in a strong performance in 2023, led by titles by Freida McFadden (*The Housemaid* and *The Housemaid's Secret*), as did Headline (rebound in sales of Matthew Perry's autobiography, published at the end of 2022) and John Murray Press (success of Billy Connolly's *Rambling Man*). After a very good year in 2022, business stabilized at a high level in the Commonwealth, buoyed by a strong performance at Paperblanks.

In contrast, the lack of an equivalent success to Alice Oseman's Heartstopper saga, which had boosted 2022 sales, weighed on the children and young adult segment. Octopus also recorded a decline in business due to the slowdown in export sales.

Finally, the Education business line was up slightly on the back of robust export sales. Sales in the digital business enjoyed strong momentum, spurred by growth in audio books (up 16%) and e-books (up 11%).

United States

Like-for-like revenues in the United States decreased by 6.8% in 2023 compared to the prior period, reflecting a declining market.

This decline was mainly attributable to Grand Central Publishing, where the release of Colleen Hoover's *Too Late* only partly made up for the publishing success of *Verity* by the same author in 2022, which had driven a significant rise in sales in that year. Workman Publishing's sales of backlist titles were down on 2022 in a depressed market, as was the case with Little, Brown Adult, which had no equivalent to *Run, Rose, Run*, the 2022 novel cowritten by James Patterson and singer Dolly Parton. Lastly, sales also declined at Little, Brown Books for the young readers segment (owing to a less buoyant publication schedule and an unfavorable climate in the children and young adults segment) as well as at Nashville (more particularly Center Street, its division specializing in political essays) and Perseus.

Orbit, on the other hand, reported a slight rise in trading thanks to strong sales of backlist titles.

Lastly, sales of digital audio books rose 6% in an upbeat market, while sales of e-books were down (5% lower than in 2022, boosted by the success of Colleen Hoover's *Verity*) in a declining market.

Spain and Latin America

Like-for-like revenues in Spain and Latin America increased significantly by 17.9% in 2023 compared to the prior period.

In Spain, the business delivered significant growth supported by the Education business line, in line with the peak of the new national curriculum reform launched in 2022. Trade segment sales also grew, albeit at a slower pace, buoyed by the publication of a new Asterix album at Bruño, and by strong momentum at new commercial fiction (Contraluz) and "romantasy" (Faeris) publishing houses.

In Latin America, sales rose sharply in the trade segment, supported by notable successes in the General Literature business line, including works by Ali Hazelwood, and to a buoyant dictionary sales campaign in 2023.

Partworks

Like-for-like revenues from Partworks was down 7.0%.

Sales of Partworks were down in 2023, as the good performance of older collections and the promising start to launches in the second half of the year failed to offset a disappointing launch campaign in the first half. With the exception of Poland and, to a lesser extent, Germany, sales were down in all geographic areas.

Board Games

The Board Games business enjoyed robust growth in 2023, driven by the expansion of the Hachette Boardgames catalogue, an impressive publishing and distribution performance, and the ramp-up of marketing activities in the United States and the United Kingdom (rounded out by the creation of a new marketing structure for the French-speaking Benelux market). The division continued to expand, acquiring a majority stake in Catch Up Games, a French board games publisher, in 2023.

Lagardère Travel Retail

Revenues increased by €1,091 million, or 27.8%, to €5,018 million for the year ended December 31, 2023 from €3,927 million for the year ended December 31, 2022. There was a €183 million positive scope effect relating to the acquisition of Costa Coffee Poland (€36 million), Marché International (€149 million) and Tastes on the Fly (€27 million). There was also a €42 million negative currency impact for the period, primarily reflecting the depreciation of the U.S. dollar (€28 million negative impact) and Chinese yuan (€15 million negative impact).

Like-for-like revenues increased by 23.4%, reflecting the continued recovery in global air traffic. See Part B, Section 7.5.2.1, "*Market environment*".

The following table sets forth a breakdown of Lagardère Travel Retail's revenues by business line for the years ended December 31, 2023 and 2022:

	Year ended December 31,		**Change 2023 vs 2022**	
	2023	**2022**	**Amount**	**Percentage**
(in EUR millions, except percentages)				
Revenues:				
Travel Essentials	1,739	1,521	218	14.3%
Duty Free & Fashion	1,936	1,511	425	28.1%
Dining	1,343	895	448	50.1%

Revenues in the Travel Essentials business line increased by €218 million, or 14.3%, to €1,739 million for the year ended December 31, 2023 from €1,521 million for the year ended December 31, 2022. The Travel Essentials business line represented 34.7% of Lagardère Travel Retail's revenues in 2023, compared to 38.7% in 2022. As this business line proved more resilient during the Covid-19 pandemic, its share of the mix was rebalanced by the stronger recovery of the Duty Free & Fashion business line (which had been much harder hit by the pandemic) and acquisitions in the Dining business line.

Revenues in the Duty Free & Fashion business line increased by €425 million, or 28.1%, to €1,936 million for the year ended December 31, 2023 from €1,511 million for the year ended December 31, 2022. The Duty Free & Fashion business line accounted for 38.5% of Lagardère Travel Retail's revenues in 2023, stable versus 2022 (39.7% in 2019), reflecting the strong rally in international air traffic and increased purchasing power amongst travelers.

Revenues in the Dining business line increased by €448 million, or 50.1%, to €1,343 million for the year ended December 31, 2023 from €895 million for the year ended December 31, 2022. The Dining business line represented 26.8% of Lagardère Travel Retail's revenues in 2023, compared with 22.8% in 2022 (22.5% in 2019), driven by the recovery in air traffic in North America and Europe, and by the acquisitions of Creative Table Holdings Ltd in Dubai in April 2022, Marché in February 2023 and Tastes on the Fly in November 2023.

The following table sets forth a breakdown of Lagardère Travel Retail's revenues by geographic sales origin for the years ended December 31, 2023 and 2022:

	Year ended December 31,		**Change 2023 vs 2022**	
	2023	**2022**	**Amount**	**Percentage**
(in EUR millions, except percentages)				
Revenues:				
France	866	750	116	15.5%
EMEA (excluding France)	2,426	1,727	699	40.5%
Americas[(1)]	1,328	1,171	157	13.4%
Asia-Pacific	398	279	119	42.7%

(1) Includes the United States and Canada.

France

In France, revenues increased by €116 million, or 15.5%, to €866 million for the year ended December 31, 2023 from €750 million for the year ended December 31, 2022, driven primarily by the airport network (up 19.2% year on year), as air traffic rallied and spending per passenger increased. The increase in non-airport sales (up 8.9% versus 2022) reflects the recovery in train station traffic (long-distance and suburban lines) and greater footfall in hospitals after visitor restrictions were lifted at the end of 2022.

Against this backdrop of a gradual recovery, business in the Travel Essentials business line grew by 2.0% versus 2022 (up 26.1% versus 2022, excluding the impact of contracts transferred to the Lagardère & Connexions joint venture, which is accounted for by the equity method). This increase was driven by robust trading in the airport network (up 10.2% versus 2022) and at tourist attractions (Eiffel Tower), which saw a strong rally thanks to the return of international tourists (up 25.3% on 2022). To a lesser extent, this business line also benefited from the good momentum at train stations, with revenues up 14.6% excluding the impact of stores transferred to the joint venture with SNCF (down 13.3% on 2022), despite the recurring adverse impact of remote working on passenger numbers in commuter networks.

The Dining business line increased 22.6% compared to 2022, with a year-on-year rise of 18.8% in transit hubs (up 47.8% in airports and down 8.4% in train stations) and of 24.5% in the hospital network.

The Duty Free & Fashion business line delivered 19.0% year-on-year revenues growth, as air traffic rebounded in Paris (up 15.3% year on year, but still 7.6% down on 2019 in line with the slower recovery in traffic to and from China) and at regional hubs (up 17.6% year on year at Nice-Côte d'Azur airport).

EMEA (excluding France)

In EMEA (excluding France), revenues increased by €699 million, or 40.5%, to €2,426 million for the year ended December 31, 2023 from €1,727 million for the year ended December 31, 2022, benefitting from the favorable post-Covid-19 pandemic climate already observed in 2022 and from the sustained recovery in traffic. Revenues were buoyed by (i) the continued upturn in European traffic (up 20% on 2022), despite the slower recovery in Chinese passengers and the absence of Russian travelers (linked to the conflict in Ukraine), (ii) a favorable scope effect (acquisition of Marché in the first quarter of 2023 and full-year effect of the Creative Table Holdings Ltd acquisition at Dubai airport) and (iii) dynamic sales initiatives and new store openings across all countries in the region.

Revenues from operations in Italy increased by 44.1% year on year. The Duty Free & Fashion business, which in 2022 had been affected by international traffic that remained below 2019 levels, saw sales increase by 50% year on year in 2023. This performance was driven by the sustained recovery in international passenger traffic, which was almost back to 2019 levels at most airports, with the exception of Rome-Fiumicino (down 10% on 2019), and by network expansion at regional airports. The Travel Essentials and Dining businesses saw the strongest recovery in traffic, delivering year-on-year revenues growth of 33% and 36%, respectively.

In the United Kingdom, sales rose 32% year on year due to the recovery in traffic, the favorable impacts of Brexit on spending per passenger and the development of new ferry routes.

In Belgium, Duty Free revenues increased 26% in 2023 fueled by the recovery in intra-European and transatlantic air traffic and by a dynamic sales policy. However, traffic at Zaventem airport remained below 2019 levels (down 15% from 2019). Sales in the Netherlands were up 31% on 2022, boosted by the gradual return of international traffic at Schiphol airport (particularly to and from China). Passenger volumes in 2023 were at 86% of 2019 levels. The Dining and Travel Essentials businesses also benefited from the faster recovery in domestic traffic at transport hubs and the opening of new stores. Although also affected by the absence of Russian travelers, operations in Central Europe were buoyed by a more resilient non-airport business and higher inflation.

In Germany, excluding Marché (which had consolidated revenues of €88 million in 2023), business was up 28% year on year, exceeding 2019 levels (up 14%). This performance was notably due to the new food court opened at Nuremberg station and to the gradual recovery in air traffic. However, the recovery in traffic in Germany has been one of the slowest in Europe, as events and trade fairs remain below pre-Covid-19 levels.

In Poland, revenues grew 48% in 2023 driven by buoyant air traffic, high inflation and network expansion (acquisition of Costa Coffee). Growth in Duty Free & Fashion and Travel Essentials (up 26% on 2022 for each of the two segments) was driven by the robust recovery in air traffic, which benefited from the return of large numbers of workers between Poland and the United Kingdom, as well as Northern Europe. The Dining business had 130% revenues growth versus 2022, reflecting the takeover of Costa Coffee stores in mid-February 2023. Excluding this scope effect, revenues growth in this segment remained strong at 41%, supported by inflation and by the introduction of new concepts in the network.

Revenues in the Czech Republic was up by 19% year on year but was hampered by a sluggish rebound in air traffic in terms of both volumes and quality as a result of the Russia-Ukraine conflict. Despite this, revenues in 2023 outperformed 2019 levels (up 3%).

Business in Romania grew by 15.3% year on year due to the performance of the shopping mall network and to momentum in tobacco sales.

Revenues in Bulgaria increased by 30.6% year on year, lifted by tobacco sales in the Travel Essentials network, strong performance from the Dining business at airports during the summer months and the development of the network.

Dining revenues in Iceland was up 26.6% in 2023, reflecting the opening of new stores amid major extension work at Keflavík airport.

In West Africa (Senegal, Gabon, Mauritania and Gambia), revenues grew by 18% in 2023, led by the opening of new stores and optimized sales in the legacy scope, despite political turmoil in Senegal and Gabon. East Africa (Tanzania) had strong growth (up 33% year on year), with the continued improvement in legacy businesses and the increase in regional air traffic.

In the Middle East, revenues were up 77.2% in 2023, driven by favorable scope effects (acquisition of Creative Table Holdings Ltd in April 2022), the opening of eight new restaurants and growth in the Duty Free & Fashion business in line with the strong upsurge in traffic in Saudi Arabia, the inauguration of three stores at Dubai airport and the start of operations at the new Abu Dhabi airport terminal in November 2023.

Americas

In the Americas, revenues increased by €157 million, or 13.4%, to €1,328 million for the year ended December 31, 2023 from €1,171 million for the year ended December 31, 2022.

In the United States, which reported an 11.0% year-on-year rise in revenues, the growth was underpinned throughout the year by the sustained return of domestic traffic and the success of sales initiatives. The business also benefited from a favorable scope effect, with a full year of activity for stores opened in 2022, the inauguration of new stores in 2023 (mainly at the Nashville, Ronald Reagan Washington Airport, Oklahoma City, Grand Rapids and Detroit hubs) and the November 2023 acquisition of Tastes on the Fly (27 restaurant concepts across San Francisco, Boston, Denver, New York-Kennedy and Vancouver).

Canada, which is more exposed to international flights, saw a stronger recovery than the United States (up 27.8% year on year) and outperformed 2019 (19% higher).

Lagardère Travel Retail began operating in South America in January and February 2022 after it was awarded concessions at Santiago airport in Chile (Dining) and Lima airport in Peru (Duty Free & Fashion under a profit-sharing arrangement). In Chile, revenues surged 104.5% on 2022 (combined effect of a full year of operations and stores opened in Iquique and Punta Arenas regional airports and at Santiago airport). Lastly, in Peru, sales were up 33.5% on 2022.

Asia-Pacific

In Asia-Pacific, revenues increased by €119 million, or 42.7%, to €398 million for the year ended December 31, 2023 from €279 million for the year ended December 31, 2022.

In the Pacific region, traffic continued to recover, but was still down on 2019 levels. 2023 saw the transition of the duty-free concession at Auckland airport to a sole operator. However, since the merger of Lagardère Travel Retail Pacific with AWPL on May 1, 2022, these activities were accounted for under the equity method for the Lagardère Group. On a fully consolidated basis, revenues increased 117%, but was down 72% versus 2022.

In Singapore, an exclusively international airport hub, traffic continued its very gradual recovery in 2023 and in December stood at 85% of 2019 levels. 2023 figures include the acquired Marché restaurants. Revenues therefore improved sharply, soaring 242.2% on 2022.

In mainland China, China's "zero Covid" policy remained in place until the end of December 2022, with major lockdowns in Shanghai, Beijing and Hainan leading to a sharp fall in airport and rail traffic. In 2023, the recovery in traffic was very gradual and business grew more slowly than expected, in line with an economy losing steam compared to the pre-Covid-19 period. Despite this difficult environment, revenues advanced 31.2% year on year. On the island of Hainan, where Lagardère Travel Retail played a part in the opening of the island's second-largest duty-free shopping center in late 2020 (30,000 square meters spread over five levels) in partnership with Hainan Tourism Investment Development (HTI), the division continued to supply the HTI point of sale network.

In Hong Kong, traffic at airports and train stations gradually rallied following the end of restrictions linked to the Covid-19 pandemic, driving a 150.5% increase in revenues year on year.

Lagardère Travel Retail continued to expand in Japan through a new partnership signed on December 6, 2023 with Kansai Airports Retail & Services to supply the duty-free stores in Kansai International Airport's Terminal 1.

Other Activities

Other Activities remained unchanged at €254 million in each of the years ended December 31, 2023 and 2022. There was a €9 million positive scope effect related mainly to the acquisition of Euterpe Promotion by Lagardère Live Entertainment.

Like-for-like revenues decreased by 3.3%. See Part B, Section 7.5.2.1, "*Market environment*".

The following tables set forth a breakdown of revenues from Other Activities by business line and geographic sales origin for the years ended December 31, 2023 and 2022:

	Year ended December 31,		**Change 2023 vs 2022**	
	2023	**2022**	**Amount**	**Percentage**
(in EUR millions, except percentages)				
Revenues:				
Lagardère News[(1)]	101	109	(8)	(7.3)%
Lagardère Radio	81	87	(6)	(6.9)%
Other[(2)]	72	58	14	24.1%

(1) Includes revenues from *Paris Match*, which was sold to the LVMH group on October 1, 2024.
(2) Comprises Live Entertainment and Lagardère Paris Racing.

	Year ended December 31,		Change 2023 vs 2022	
	2023	2022	Amount	Percentage
(in EUR millions, except percentages)				
Revenues:				
France	209	210	(1)	NS
Asia-Pacific	17	16	1	6.3%
Western Europe	12	13	(1)	(7.7)%
United States and Canada	16	15	1	6.7%

Lagardère News revenues decreased 9.4% due to lower circulation at points of sale and through subscriptions. Revenues from the international Elle brand licenses were stable year on year.

Lagardère Radio revenues decreased 8.3% due to lower audience figures at Europe 1, Europe 2 and RFM, which affected revenues in the advertising sales brokerage activity.

Lagardère Live Entertainment revenues increased 8.0% due to a favorable scope effect in the first half of 2023.

Prisma Media Group

Revenues decreased by €11 million, or 3.4% (or 3.5% like-for-like), to €309 million for the year ended December 31, 2023 from €320 million for the year ended December 31, 2022. The decline in revenues was primarily driven by a non-recurring item which had a positive impact on revenues and the impact of the sale of Gala magazine in November 2023 in connection with the European Commission's approval of Vivendi's acquisition of its controlling stake in the Lagardère Group.

Distribution revenues decreased by €5 million, or 2.7% (or 2.8% like-for-like), to €178 million for the year ended December 31, 2023 from €183 million for the year ended December 31, 2022, due to slightly lower print subscriptions.

Advertising and BtoB decreased by €6 million, or 4.2% (or 4.3% like-for-like), to €131 million for the year ended December 31, 2023 from €137 million for the year ended December 31, 2022, due to certain non-recurring items.

7.5.2.4. *Pro forma cost of revenues, SG&A expenses*

The Group's pro forma cost of revenues, SG&A expenses increased by €1,086 million, or 15.6%, to €8,042 million for the year ended December 31, 2023 from €6,956 million for the year ended December 31, 2022.

The Lagardère Group's cost of revenues, SG&A expenses increased by €1,108 million, or 16.8%, to €7,708 million for the year ended December 31, 2023 from €6,600 million for the year ended December 31, 2022. The increase was primarily related to the growth in Lagardère Travel Retail's revenues leading to increased cost of goods sold, store payroll costs and rental expenses. As a percentage of the Lagardère Group's revenues, cost of revenues, SG&A expenses remained stable at 95.4% in 2023 compared with 95.3% in 2022.

The Prisma Media Group's cost of revenues, SG&A expenses were stable, reaching €283 million for the year ended December 31, 2023, compared to €289 million for the year ended December 31, 2022. As a percentage of the Prisma Media Group's revenues, cost of revenues, SG&A expenses increased slightly to 91.6% in 2023 from 90.3% in 2022.

7.5.2.5. *Pro forma operating income and expenses*

The Group's pro forma operating expenses, net, were €2 million for the years ended December 31, 2023 and 2022.

7.5.2.6. *Pro forma earnings before interest and income taxes (EBIT)*

The Group's pro forma EBIT increased by €55 million, or 18.9%, to €346 million for the year ended December 31, 2023 from €291 million for the year ended December 31, 2022.

The Lagardère Group's EBIT increased by €114 million, or 35.6%, to €434 million for the year ended December 31, 2023 from €320 million for the year ended December 31, 2022.

The Prisma Media Group's EBIT decreased by €2 million, or 7.4%, to €25 million for the year ended December 31, 2023 from €27 million for the year ended December 31, 2022.

7.5.2.7. *Pro forma financial income and expenses*

The Group's pro forma financial expenses, net, increased by €43 million, or 29.7%, to €188 million for the year ended December 31, 2023 from €145 million for the year ended December 31, 2022.

The increase reflected the increase in the Lagardère Group's financial expenses, net, which was primarily attributable to increased interest rates on variable-rate borrowings on commercial paper, part of its Schuldschein loans and drawdowns under its syndicated credit facility during 2023, as well as increases in the interest expense on lease liability due to the increase in the discount rate between 2022 and 2023.

7.5.2.8. *Pro forma income tax expense*

The Group's pro forma income tax expense increased by €39 million to €65 million for the year ended December 31, 2023 from €26 million for the year ended December 31, 2022.

The increase primarily reflected the increase in the Lagardère Group's income tax expense, attributable in part to a decrease in deferred taxes on tax loss carryforwards in 2023 compared to 2022 (which had been recognized by Lagardère Travel Retail as a result of the improved business performance in 2022) and the deferred tax effect relating to the gain on lease modifications further to the amendment of a concession agreement.

7.5.2.9. *Pro forma earnings*

The Group's pro forma earnings decreased by €57 million, or 36.8%, to €98 million for the year ended December 31, 2023 from €155 million for the year ended December 31, 2022.

The Lagardère Group's earnings decreased by €12 million, or 6.4%, to €175 million for the year ended December 31, 2023 from €187 million for the year ended December 31, 2022, which included earnings from discontinued operations of €5 million in 2023 compared to €35 million in 2022. Earnings from continuing operations increased by €18 million, or 11.8%, to €170 million for the year ended December 31, 2023 from €152 million for the year ended December 31, 2022.

The Prisma Media Group's earnings decreased by €4 million, or 23.5%, to €13 million for the year ended December 31, 2023 from €17 million for the year ended December 31, 2022.

7.5.3 Year ended December 31, 2022 compared with year ended December 31, 2021

7.5.3.1. *Market environment*

Publishing

After an exceptional year for the book publishing industry in 2021, particularly in the children and young adult and illustrated segments, the market took a downward turn in all geographic areas in 2022 amid economic conditions less conducive to the consumption of culture. France, which had posted growth of 22.1% in value terms in 2021 (*source: GFK survey, 2022*), driven by strong momentum in the children and young adult segment and illustrated books (comics and mangas) sales, saw a limited 2.9% decline in value terms in 2022. The situation in Spain was more uneven, with growth in the education publishing market on the back of a new round of curriculum reforms, but slowing momentum in the trade publishing market, which declined in children and young adult and non-fiction segments, whereas comics and mangas delivered double-digit growth. Overall, the market ended the year up 1.0%. In English-speaking markets, print book sales contracted by 0.6% (*source: Nielsen BookScan, 2022*) in the United Kingdom and by 5.8% (*source: NPD BookScan, 2022*) in the United States, on the back of dwindling momentum for online sales. Digital audiobooks continued to enjoy solid growth, while e-book sales declined after a strong performance in 2020 and 2021.

Travel retail

Despite the Covid-19 Omicron wave, which significantly hampered recovery in the first quarter of 2022, the year as a whole saw a strong rally in air traffic in Europe and North America. This followed the removal of travel restrictions and the gradual reopening of domestic, European and international flights during the first half of the year. The direct impact of the war in Ukraine on passenger traffic was fairly limited. The various regions in which the division operates benefited significantly, with the exception of Asia-Pacific where China was greatly impacted by the country's ongoing "zero-Covid" policy throughout 2022, although the Pacific saw a gradual recovery in domestic and then international flights.

More specifically, trends in air traffic (*source: ACI World, 2022*) during 2022 were as follows:

- in the second quarter, traffic was up by 66% on 2021, driven by strong growth in European traffic (up 215%), thus pushing global traffic to 75% of 2019 levels;
- the rebound continued into the third quarter, with traffic down just 20% on 2019 and up 41% on 2021;
- the fourth quarter saw the continued recovery of traffic in all regions, with the exception of North Asia, which remained heavily impacted by the so-called "zero-Covid" policy (China and Hong Kong in particular).

Magazines and other print media

Print magazines, trade press and regional weekly press were down by 3.6% in 2022 compared to 2021 (*source: Third-party market report*). This has been driven by the move to digital media. In France, nearly 60% of consumers stated that they read digital newspapers or magazines in 2021, up from around 40% in 2013 (*source: Statista; data not available after 2021*). In addition, raw material costs (paper, printing and postage) increased significantly in 2022 due to challenges in the global supply-chain which were exacerbated by the war in Ukraine as from the first quarter of 2022. Higher costs weighed on profits across the industry and further contributed to the trend in discontinued magazine publications since the beginning of the Covid-19 pandemic.

Advertising – offline media

Growth in the advertising market in 2021 (against a weak 2020 comparative period due to the health crisis) continued in the first nine months of 2022. However, the positive momentum appeared to wane as from June, with monthly spending levels lower than at the beginning of the year and below the 2019 base year. The slowdown was attributable to various factors, including a strong performance in the third-quarter 2021 comparative period, an unfavourable international climate shaped by the impacts of war in Ukraine, the raw materials and energy crisis, inflation and a weaker social fabric, among other factors. Business was mainly driven by digital. Overall, revenues for all offline media (TV, cinema, radio, press and outdoor advertising) increased, but were not back to pre-pandemic levels, rising by 4% year on year but down 6% versus 2019 (*source: BUMP, first nine months of 2022*). TV failed to continue the momentum experienced in 2021 (down 2% year on year and down 1% on 2019), unlike radio (up 1% year on year and down 3% on 2019) and press (up 2% year on year and down 21% on 2019) (*source: BUMP, first nine months of 2022*). Digital revenues advanced 13% year on year and 40% on 2019 (*source: BUMP, first nine months of 2022*).

Advertising revenue in print magazines increased slightly 0.7% compared to 2021 but declined 11.3% compared to 2019 (*source: IREP, Le marché publicitaire français 2022*), as print magazine usage continued to be affected by the transition to digital media.

Advertising – online media

Revenues in the display advertising segment grew by 11% in 2022 compared to 2021 (*source: Observatoire de l'e-pub, Oliver Wyman, Bilan 2023, 31e edition*). In addition, revenues in the information and content publisher sub-segment are estimated to have increased by 2% in 2022 compared to 2021. Revenues from videos published by information and content publishers grew by 13% in 2022 compared to 2021 (*source: Observatoire de l'e-pub, Oliver Wyman, Bilan 2023, 31e edition*).

The newsletters, affiliate marketing and content-to-commerce segments grew by approximately 2% in 2022 compared to 2021 (*source: Observatoire de l'e-pub, Oliver Wyman, Bilan 2023, 31e édition*).

Live music and entertainment

In 2019, Lagardère Live Entertainment took a new step forward in cementing its position as the French market leader in live entertainment, thanks to a year that saw outstanding attendance at its venues and record ticket sales for its artists. However, 2020 and 2021 saw a drastic drop in business due to the Covid-19 pandemic. During this period, various government-mandated health measures were put in place, directly and significantly impacting the live entertainment sector. Health restrictions also impacted the first quarter of 2022, with the limitations on audience capacity, prohibitions on the sale and consumption of food and drink, and mandatory face masks. Shows gradually resumed from March 2022 onwards as health measures were gradually phased out.

7.5.3.2. *Key figures*

The following table sets forth a summary of the Group's key figures on a pro forma basis for the years ended December 31, 2022 and 2021:

	Year ended December 31,		Change 2022 vs 2021	
(in EUR millions, except percentages)	**2022**	**2021**	**Amount**	**Percentage**
Revenue	**7,249**	**5,439**	**1,810**	**33.3%**
Cost of revenues, SG&A expenses	(6,956)	(5,330)	1,626	30.5%
Other operating income (expenses), net	(2)	(82)	(80)	(97.6)%
EBIT	**291**	**27**	**264**	**NA**
Financial income and expenses, net	(145)	(139)	7	4.8%
Earnings before taxes	**146**	**(112)**	**257**	**NA**
Income taxes	(26)	(12)	13	NA
Earnings from continuing operations	120	(124)	244	NA
Earnings from discontinued operations	35	2	33	NA
Earnings (loss)	**155**	**(122)**	**277**	**NA**

7.5.3.3. *Pro forma revenues*

The Group's pro forma revenues increased by €1,810 million, or 33.3%, to €7,249 million for the year ended December 31, 2022 from €5,439 million for the year ended December 31, 2021, which was driven by the increase in revenues of the Lagardère Group, as described below.

<u>Lagardère Group</u>

The following table sets forth a breakdown of the revenues of the Group's operating segments comprising the Lagardère Group's three operating segments for the years ended December 31, 2022 and 2021:

	Year ended December 31,		Change 2022 vs 2021	
	2022	**2021**	**Amount**	**Percentage**
(in EUR millions, except percentages)				
Revenues:				
Lagardère Publishing	2,748	2,598	150	5.8%
Lagardère Travel Retail	3,927	2,290	1,637	71.5%
Other Activities	254	242	12	5.0%
Total Lagardère Group	**6,929**	**5,130**	**1,799**	**35.1%**

Lagardère Publishing

Revenues increased by €150 million, or 5.8%, to €2,748 million for the year ended December 31, 2022 from €2,598 million for the year ended December 31, 2021.

Like-for-like revenues decreased by 1.9%, which was attributable to a positive foreign exchange effect of €87 million resulting from gains in the U.S. dollar, and to a €113 million positive scope effect due to the acquisitions of Workman Publishing and Paperblanks.

In 2022, digital audiobooks accounted for 4.3% of Lagardère Publishing's revenues (versus 3.8% in 2021) and e-books accounted for 7.8% of its revenues (versus 7.7% in 2021).

The following tables set forth a breakdown of Lagardère Publishing's revenues by business line and geographic sales origin for the years ended December 31, 2022 and 2021:

(in EUR millions, except percentages)	Year ended December 31, 2022	2021	Change 2022 vs 2021 Amount	Percentage
Revenues:				
General Literature	1,155	1,085	70	6.4%
Illustrated Books	524	443	81	18.3%
Education	293	325	(32)	(9.8)%
Partworks	282	297	(15)	(5.1)%
Other	494	448	46	10.3%

(in EUR millions, except percentages)	Year ended December 31, 2022	2021	Change 2022 vs 2021 Amount	Percentage
Revenues:				
France	746	767	(21)	(2.7)%
United Kingdom, Ireland and Oceania[(1)]	552	527	25	4.7%
United States and Canada	867	734	133	18.1%
Spain	139	136	3	2.2%
Other markets	444	432	12	2.8%

(1) Includes Australia and New Zealand.

The discussion below is based on Lagardère Publishing's revenues by geographic sales destination (other than for Partworks and Board Games).

France

In France, like-for-like revenues decreased by 5.8% in 2022 compared to the prior period, due to slower activity in all segments.

In the Education business line, Hachette Éducation, the Alexandre Hatier group and Le Livre Scolaire suffered from the lack of curriculum reform during the year and a decline in demand for extra-curricular works in a declining market. However, children and young adult publisher Rageot (Alexandre Hatier Group) enjoyed strong momentum, driven by the success of Holly Black's titles, particularly the release of the last book in her trilogy, *The Queen of Nothing*.

The Illustrated Books business line reported a slight dip in sales in 2022, excluding the effect of the Bragelonne integration, impacted by the lack of a new Asterix release. The practical guides business divisions also saw a decline in business on account of fewer bestselling titles. Mangas, and particularly the *Attack on Titan* series, were affected by lower restocking levels in 2022, with the launch of new series failing to fully offset this decline. In contrast, the tourism segment was able to recover, thanks to an upturn in sales of travel guides for European and global tourist destinations. Hachette Romans also saw sales growth, led by the success of titles such as Alice Oseman's *Heartstopper* series and Sarah Rivens' *Captive*.

Larousse also reported lower sales, with a marked decline in the practical guides segment, which had benefited from a string of bestsellers in 2021. Sales of dictionaries also continued to fall, although this was mitigated by the growth in sales of high-quality illustrated books, whose catalogue has gradually been expanded.

The General Literature business line sales were down, following an exceptional performance in 2021. Large-format publishers were affected by lighter publishing schedules, particularly at Fayard, Stock, Grasset (despite the notable success of Virginie Despentes' *Cher connard*) and JC Lattès. In contrast, Calmann-Lévy had a good year thanks to the success of the first book in Pierre Lemaitre's new *The Great World* saga and the publication of *Angélique*, the latest novel by Guillaume Musso.

Over the year, Le Livre de Poche's paperback sales rose slightly, reaching record heights, and Audiolib saw an increase in downloads of its audiobooks.

United Kingdom

Like-for-like revenues in the United Kingdom increased by 3.4% in 2022 compared to the prior period, outperforming the market.

The performance was mainly due to strong momentum in adult trade segment sales. Little, Brown Book Group enjoyed a string of publishing successes in 2022, both in terms of new releases (J.K. Rowling's *Fantastic Beasts 3*, Robert Galbraith's *The Ink Black Heart* and Colleen Hoover's *Verity*) as well as its back catalogue (Delia Owens' *Where the Crawdads Sing*, buoyed by the film adaptation released in July 2022, and Ali Hazelwood's *The Love Hypothesis*). Bookouture also had a strong performance in 2022. International sales rose during the year, particularly in Australia, thanks to Ali Hazelwood's *The Love Hypothesis* and Sally Thorne's *The Hating Game*, and in India, which saw a rebound in sales on the other side of lockdown measures that persisted throughout 2021.

In contrast, the lack of bestselling titles that had boosted 2021 hurt the children and young adult segment, despite strong sales of Alice Oseman's *Heartstopper* saga. Octopus also recorded a decline in sales due to the slowdown in the illustrated books segment.

Excluding the impact of the Illuminate Publishing and John Catt Educational integration, sales in the Education business line grew slightly.

Increased sales in the digital business were spurred by growth in audio books (up 9%), while e-book sales remained stable.

United States

Like-for-like revenues in the United States decreased by 2.2% in 2022 compared to the prior period, reflecting a declining market.

The decline in sales was largely due to the effect on Little, Brown and Company of a lighter publication schedule and fewer flagship titles than in 2021, despite the success of *Run, Rose, Run*, the novel co-written by Dolly Parton and James Patterson. Perseus was also down in a sluggish market, as was Little, Brown Books for Young Readers, which had enjoyed strong sales of its backlist in 2021. Nashville saw its sales decline on the back of a lighter publication schedule in its religious segment (FaithWords).

Grand Central Publishing, on the other hand, enjoyed robust growth led by the exceptional performance of Colleen Hoover's *Verity*, which was hugely popular on social networks. To a lesser extent, Orbit benefited from an upturn in sales of Andrzej Sapkowski's *The Witcher* saga, and from the publication of Nora K. Jemisin's *The World We Make*.

Sales of digital audio books were up 11% in an upbeat market, fueled by the success of several titles, including Dolly Parton and James Patterson's *Run, Rose, Run* and Andrzej Sapkowski's *The Witcher* saga.

E-book sales also advanced amid a downturn in the market, rising 4% on the back of the success in this format of Colleen Hoover's *Verity*.

Spain and Latin America

Like-for-like revenues in Spain and Latin America increased by 7.2% over the year, driven by the start of a new round of national curriculum reforms after a sluggish 2021 in the education publishing market.

Trade sales were stable, with the lack of a new Asterix album at Bruño and the withdrawal from university segments offset by robust sales at Alianza (Woody Allen's *Gravedad Cero*) and at Contraluz (Ali Hazelwood's *The Love Hypothesis*).

Latin America saw a sharp rise in sales, after its 2021 performance had been dampened by a high level of returns in the first half. Sales growth in the region was driven by trade, education and export.

<u>Partworks</u>

Like-for-like revenues from Partworks was down 3.4%.

Declines in revenue were due to a weaker contribution from backlist collections coupled with a slightly less dynamic launch campaign than in 2021. Sales of Partworks contracted after a strong 2021, particularly in Germany, the UK and France. There were fewer launches in 2022 than in the previous year, especially in the UK and Japan.

<u>Board Games</u>

The Board Games business enjoyed robust growth in 2022, driven by the gradual expansion of the Hachette Board Games catalogue and the development of marketing activities in the U.S. and the U.K. The division also continued to expand with its acquisition in 2022 of La Boîte de Jeu, publisher of It's a Wonderful World, at the beginning of the year.

Lagardère Travel Retail

Revenues increased by €1,637 million, or 71.5%, to €3,927 million for the year ended December 31, 2022 from €2,290 million for the year ended December 31, 2021. There was a €156 million positive foreign exchange effect, reflecting gains in the U.S. dollar and the Chinese yuan, and a negative impact of €3 million related to scope effect.

Like-for-like revenues increased by 65.4%, reflecting the beginning of recovery in global air traffic. See Part B, Section 7.5.3.1, "*Market environment*".

The following table sets forth a breakdown of Lagardère Travel Retail's revenues by business line for the years ended December 31, 2022 and 2021:

	Year ended December 31,		**Change 2022 vs 2021**	
	2022	**2021**	**Amount**	**Percentage**
(in EUR millions, except percentages)				
Revenues:				
Travel Essentials	1,521	998	523	52.4%
Duty Free & Fashion	1,511	795	716	90.1%
Dining	895	497	398	80.1%

Revenues in the Travel Essentials business line increased by €523 million, or 52.4%, to €1,521 million for the year ended December 31, 2022 from €998 million for the year ended December 31, 2021. The Travel Essentials business line represented 38.7% of Lagardère Travel Retail's revenues in 2022, compared to 43.6% in 2021.

Revenues in the Duty Free & Fashion business line increased by €716 million, or 90.1%, to €1,511 million for the year ended December 31, 2022 from €795 million for the year ended December 31, 2021. The Duty Free & Fashion business line accounted for 38.5% of Lagardère Travel Retail's revenues in 2022, compared to 34.7% in 2021 (39.7% in 2019).

Revenues in the Dining business line increased by €398 million, or 80.1%, to €895 million for the year ended December 31, 2022 from €497 million for the year ended December 31, 2021. The Dining business line represented 22.8% of Lagardère Travel Retail's revenues in 2022, compared with 21.7% in 2021 (22.5% in 2019).

The following table sets forth a breakdown of Lagardère Travel Retail's revenues by geographic sales origin for the years ended December 31, 2022 and 2021:

	Year ended December 31,		Change 2022 vs 2021	
	2022	**2021**	**Amount**	**Percentage**
(in EUR millions, except percentages)				
Revenues:				
France	750	427	323	75.6%
EMEA (excluding France)	1,727	887	840	95.0%
Americas[1]	1,171	690	481	69.8%
Asia-Pacific	284	286	(2)	(1.0)%

[1] Includes the United States and Canada.

France

In France, revenues increased by €323 million, or 75.6%, to €750 million for the year ended December 31, 2022, from €427 million for the year ended December 31, 2021, driven by increased air traffic due to the end of travel restrictions (with the exception of China), as well as higher non-airport sales (up 32.1% versus 2021), with rail station traffic (mainly domestic) being slightly less affected by travel restrictions than in 2021.

As demand gradually recovered, the Travel Essentials network delivered a 65.6% increase in revenues year on year (down 20.3% on 2019), buoyed by robust trading at airports, up 119.4% on 2021 (down 8.9% on 2019), and at other tourist destinations (for example, the Eiffel Tower), where sales rose sharply thanks to the return of international tourists (up 291.4% year on year and down 26.9% on 2019). To a lesser extent, the business also benefited from increased growth in the train station network, up 21.5% on 2021 (down 32.1% on 2019), despite the unfavorable long-term impact of remote working on commuter networks.

The Dining business line grew by 36.4% versus 2021 (down 26.9% versus 2019), with a 65.6% year-on-year rise in travel areas (up 106.2% at airports and up 28% at train stations) and a 25.3% year-on-year increase in the hospital network, where activity has been slower to recover due to ongoing measures restricting visits for a large part of the year.

The Duty Free & Fashion business line drove a 103.7% increase in revenues versus 2021 (down 19.9% on 2019), as air traffic rallied sharply in Paris (up 115.5% year on year, down 20.9% on 2019) and at regional hubs (up 72.9% year on year at Nice-Côte d'Azur airport).

EMEA (excluding France)

In EMEA (excluding France), revenues increased by €840 million, or 95.0%, to €1,727 million for the year ended December 31, 2022 from €887 million for the year ended December 31, 2021, benefitting from the favorable post-crisis climate which began at the end of 2021 with the acceleration of vaccination campaigns, the removal of health restrictions and the gradual recovery of traffic. Like-for-like revenues for the region increased by 91.2% year on year, which remained 7.6% lower than in 2019, due to the virulence of the Omicron variant in the first quarter of 2022 and the low number of international passengers, particularly from China (border closures still in force) and Russia (linked to the Ukrainian conflict).

Operations in Italy reported revenues up sharply by 167% year on year (down 20% on 2019). The Duty Free & Fashion business in 2022 remained the hardest hit as international traffic remains below 2019 levels, for example, at Rome-Fiumicino airport, where passenger traffic was 33% down on 2019. As a result, revenues were still below its pre-pandemic level (30% lower than 2019 based on a comparable network). Nevertheless, Duty Free & Fashion sales rose by 233% compared to 2021, fueled by new concessions awarded in Naples and Catania as well as the sustained recovery in intra-European tourist traffic since the spring. The Travel Essentials and Dining businesses were the biggest winners of this sharp recovery in traffic, delivering revenues growth of 155% and 90%, respectively, versus 2021 (down 8% and 10%, respectively, versus 2019).

In the United Kingdom, sales rose 177% year on year (up 27% on 2019) owing to the recovery in traffic, the favorable impacts of Brexit on spending per passenger, and the development of new ferry routes.

In Belgium, the upturn in European air traffic at the beginning of the second quarter helped drive a strong 120% increase in Duty Free & Fashion revenues for the year. However, revenues were still down by 21% versus 2019, mainly due to traffic at Zaventem airport remaining below 2019 levels (up 103% versus 2021, down 28% versus 2019).

Sales in the Netherlands increased by 102% year on year (down 27% versus 2019), but continued to be affected by the health crisis and by the low numbers of international passengers (mainly from China, Russia and the United States) at Schiphol airport. 2022 traffic represented 73% of the traffic observed in 2019. The Dining business was also hard hit by the decline in railway passenger footfall caused by the increase in working from home and the implementation of health restrictions (masks, shorter opening hours).

While also impacted by the spread of the Omicron variant in the first quarter, operations in Central Europe were supported by a more resilient non-airport business. In Germany, business volumes almost doubled compared to 2021 (up 80%) but remained 11% below 2019 levels, due notably to the gradual recovery in air traffic impacted by the health restrictions at the beginning of the year. Growth was steady throughout the year, however, with a gradual return to 2019 levels in the Travel Essentials and Dining businesses.

In Poland, consolidated revenues doubled year on year, but remained 10% down on 2019. Growth in the Duty Free & Fashion business (up 140% on 2021) was driven by the sharp rally in traffic in Warsaw and at regional airports (Krakow and Gdańsk), supported by the rebound in tourists, particularly from the UK (favorable impact of Brexit on spending per passenger). Duty Free & Fashion revenues for the year was almost back to its pre-pandemic level. The Travel Essentials and Dining business lines also saw strong revenue growth (up 91% on 2021, down 15% on 2019) as restrictions began to be lifted from the second half of the year.

Revenues in the Czech Republic was up by 63% year on year (down 14% on 2019) but was hampered by a sluggish rebound in air traffic and by the consequences of the Ukrainian conflict, with no Russian passengers (these represented 7% of traffic in 2019). However, Travel Essentials and Dining networks in train and underground stations returned to pre-crisis levels (up 6% on 2019).

Business in Romania grew by 20% year on year and even exceeded 2019 levels (24% increase), thanks to the performance of the shopping mall network and solid momentum in tobacco sales.

Revenues in Bulgaria was 35% higher year on year, and also outperformed 2019 (39% increase) thanks to tobacco sales in the Travel Essentials business line (driven by a strong recovery in traffic), a good performance from the Dining business in airports during the summer period and the development of the network.

In Iceland, revenues for the Dining business line tripled compared to 2021, returning to 2019 levels as a result of the robust recovery in air traffic from April onwards.

West Africa (Senegal, Gabon, Mauritania and Gambia) saw strong revenues growth (up 64% year on year and up 51% versus 2019), thanks to the recovery of its historical stores and the development of the network (diversification into Dining and Travel Essentials in Senegal, establishment of the Mauritania and Gambia branches in December 2021).

In East Africa, Lagardère Travel Retail has been operating the duty-free concession at Dar es Salaam airport (Tanzania) since 2021. The region enjoyed vigorous growth in 2022 thanks to the continued improvement in legacy businesses and the award of the Kilimanjaro airport concession. Lastly, in the Middle East, business was up 125.0% on 2021 (up 84.0% on 2019), buoyed by the integration of Creative Table Holdings Ltd activities (13 restaurants at Dubai airport) from April 1 and the sharp recovery in air traffic in Saudi Arabia (up 53.6%).

<u>Americas</u>

In the Americas, revenues increased by €481 million, or 69.8%, to €1,171 million for the year ended December 31, 2022 from €690 million for the year ended December 31, 2021.

A sustained recovery in North America in 2022 drove revenues for the region back to 2019 levels, led by the United States, which reported year-on-year revenues growth of 39.1%. The recovery was steady throughout the year, with the durable return of domestic traffic, the success of marketing initiatives, and favorable scope effects (41 new stores opened, mainly in the Oklahoma City, New York John F. Kennedy, Memphis, Columbus, Charlotte and San Antonio hubs).

Canada, which has more exposure to international flights, saw a slower recovery than the United States, with revenues increasing more than threefold year on year (down 13.8% versus 2019). 2022 revenues over the North America region as a whole broke down as follows among the various segments: Travel Essentials (62%), Duty Free & Fashion (6%) and Dining (32%). Lagardère Travel Retail began operating in South America in January and February 2022 after it was awarded concessions at Santiago airport in Chile (Dining) and Lima airport in Peru (Duty Free & Fashion under a profit-sharing arrangement) in 2021.

<u>Asia-Pacific</u>

In Asia-Pacific, revenues decreased by €2 million, or 1.0%, to €284 million for the year ended December 31, 2022 from €286 million for the year ended December 31, 2021.

Business in the Asia-Pacific region was durably impacted by the extremely strict and political decision in China to restrict both international and domestic travel as a result of the Covid-19 pandemic. Following the accelerated vaccination campaign in late 2021, domestic borders gradually reopened in the first quarter of 2022, followed by Australia’s international borders from February and New Zealand’s from August. Owing to the merger of Lagardère Travel Retail Australia and New Zealand with AWPL, the Travel Retail business in these two countries has been accounted for by the equity method since May, thereby removing the region’s revenues from the consolidated figures. As a result, revenues for the Pacific region were down 89% on 2019 and 35% on 2021.

Other Activities

Other Activities increased by €12 million, or 5.0%, to €254 million in the year ended December 31, 2022 from €242 in the year ended December 31, 2021.

Like-for-like revenues increased by 5.1%, driven by easing health restrictions later in the year. See Part B, Section 7.5.3.1, “*Market environment*”.

The following tables set forth a breakdown of revenues from Other Activities by business line and geographic sales origin for the years ended December 31, 2022 and 2021:

	Year ended December 31,		Change 2022 vs 2021	
	2022	**2021**	**Amount**	**Percentage**
(in EUR millions, except percentages)				
Revenues:				
Lagardère News[(1)]	109	108	1	1.0%
Lagardère Radio	87	96	(9)	(9.4)%
Other[(2)]	58	38	20	52.6%

(1) Includes revenues from *Paris Match*, which was sold to the LVMH group on October 1, 2024.
(2) Comprises Live Entertainment and Lagardère Paris Racing.

	Year ended December 31,		Change 2022 vs 2021	
	2022	**2021**	**Amount**	**Percentage**
(in EUR millions, except percentages)				
Revenues:				
France	210	199	11	5.5%
Asia-Pacific	16	15	1	6.7%
Western Europe	13	15	(2)	(13.3)%
United States and Canada	15	13	2	15.4%

Lagardère News revenues increased 1.0%.

Lagardère Radio revenues decreased 9.4% (7.1% like-for-like), also due to lower audience figures, while the international Elle licensing business grew by 3.8% on a like-for-like basis.

Lagardère Live Entertainment revenues increased 52.6% due to the reopening of live performance venues in the second half of the year.

Prisma Media Group

Revenues were €320 million for the year ended December 31, 2022 and €172 million for the year ended December 31, 2021 (reflecting only seven months of activity in 2021).

7.5.3.4. *Pro forma cost of revenues, SG&A expenses*

The Group's pro forma cost of revenues, SG&A expenses increased by €1,626 million, or 30.5%, to €6,956 million for the year ended December 31, 2022 from €5,330 million for the year ended December 31, 2021.

The Lagardère Group's cost of revenues, SG&A expenses increased by €1,616 million, or 32.4%, to €6,600 million for the year ended December 31, 2022 from €4,984 million for the year ended December 31, 2021. The increase was primarily related to the growth in Lagardère Travel Retail's revenues leading to increased cost of goods sold, store payroll costs and rental expenses. As a percentage of the Lagardère Group's revenues, cost of revenues, SG&A expenses was 95.3% in 2022, a slight decrease from 2021 (97.2%), due to a better absorption of fixed costs driven by a strong growth of activity, better cost management and expense optimization efforts resulting from the implementation of the LEaP Plan.

The Prisma Media Group's cost of revenues, SG&A expenses were €289 million for the year ended December 31, 2022 and €172 million for the year ended December 31, 2021 (reflecting only seven months of activity in 2021).

7.5.3.5. *Pro forma operating income and expenses*

The Group's pro forma operating expenses, net, decreased to €2 million for the year ended December 31, 2022 from €82 million for the year ended December 31, 2021 due to increased operating income from concession agreements in 2022 and lower restructuring charges.

7.5.3.6. *Pro forma earnings before interest and income taxes (EBIT)*

The Group's pro forma EBIT increased by €264 million to €291 million for the year ended December 31, 2022 from €27 million for the year ended December 31, 2021.

The Lagardère Group's EBIT increased by €254 million to €320 million for the year ended December 31, 2022 from €66 million for the year ended December 31, 2021.

The Prisma Media Group's EBIT was €27 million for the year ended December 31, 2022 and €20 million for the year ended December 31, 2021 (reflecting only seven months of activity in 2021).

7.5.3.7. *Pro forma financial income and expenses*

The Group's pro forma financial expenses, net, increased by €6 million, or 4.3%, to €145 million for the year ended December 31, 2022 from €139 million for the year ended December 31, 2021. The increase reflected the financial foreign exchange losses and impairment charged against financial assets at Lagardère Travel Retail.

7.5.3.8. *Pro forma income tax expense*

The Group's pro forma income tax expense increased by €14 million, or more than doubled, to €26 million for the year ended December 31, 2022 from €12 million for the year ended December 31, 2021.

The increase was primarily due to the business upturn in the year, particularly at Lagardère Travel Retail, which led to an €11 million increase in the income tax expense.

7.5.3.9. *Pro forma earnings / (loss)*

The Group's pro forma earnings were €155 million for the year ended December 31, 2022, compared to a pro forma loss of €122 million for the year ended December 31, 2021.

The Lagardère Group's earnings were €187 million for the year ended December 31, 2022, compared to loss of €86 million for the year ended December 31, 2021, which included earnings from discontinued operations of €35 million in 2022 compared to €2 million in 2021. Earnings from continuing operations were €152 million for the year ended December 31, 2022, compared to losses of €88 million for the year ended December 31, 2021.

The Prisma Media Group's earnings were €17 million for the year ended December 31, 2022 and €14 million for the year ended December 31, 2021 (reflecting only seven months of activity in 2021).

7.6 Liquidity and capital resources

7.6.1 Overview

The Group's principal cash needs include lease payments due under concession agreements, investment projects in connection with expanding operations and IT infrastructure, investments in joint ventures, company acquisitions, payments to suppliers, payroll expenses and tax expenses.

The Group's main sources of liquidity are cash generated from the operating activities of the Lagardère Group and the Prima Media Group and funds from borrowings by the Lagardère Group.

Cash and cash equivalents amounted to €366 million as of June 30, 2024.

The Lagardère Group's principal financings are a €2 billion senior credit facility pursuant to a senior facilities agreement entered into with a syndicate of credit institutions (the "**Facilities Agreement**"). The Facilities Agreement consists of (i) a €700 million term loan, (ii) a €600 million term loan and (iii) a €700 million multicurrency revolving credit facility. As of June 30, 2024, both term loans were fully drawn, the proceeds of which were used to repay €1,300 million of the then outstanding €1,900 million under an existing shareholder loan extended by Vivendi in December 2023 (which was amended in June 2024 to reduce the outstanding amount to €500 million following the repayment) in connection with the refinancing of Lagardère SA's debt in connection with Vivendi's acquisition of the Lagardère Group. In connection with the entry into the Facilities Agreement, Vivendi extended a new shareholder loan to Lagardère SA in the amount of €150 million, the purpose of which is to finance Lagardère SA's working capital needs through December 31, 2024, to be repaid by such date, with any remaining balance being added to the then outstanding amount under the existing shareholder loan.

As of June 30, 2024, the revolving credit facility was undrawn.

See Part B, Section 7.12, "*Principal financings*" for more detailed information regarding the Group's borrowings.

7.6.2 Pro forma cash flows

The following table provides an overview of the Group's cash flow statement on a pro forma basis for the years ended December 31, 2023, 2022 and 2021, and the six months ended June 30, 2024 and 2023:

	Year ended December 31,			**Six months ended June 30,**	
	2023	**2022**	**2021**	**2024**	**2023**
(in EUR millions)					
Net cash provided by operating activities	982	742	836	423	229
Net cash used in investing activities	(578)	(345)	(332)	(159)	(236)
Net cash used in financing activities	(784)	(481)	(257)	(357)	(436)
Effect of exchange rate changes on net cash	(3)	(3)	4	(9)	(8)
Net increase/(decrease) in net cash	(383)	(87)	251	(102)	(451)
Net cash at opening	852	938	687	468	851
Net cash at closing	468	852	938	366	400

7.6.3 Pro forma net cash provided by operating activities

Comparison of six months ended June 30, 2024 and 2023

Pro forma net cash provided by operating activities amounted to €423 million for the six months ended June 30, 2024 compared to €229 million for the six months ended June 30, 2023, primarily reflecting an increase in the Group's EBIT and a decrease in the Group's working capital. Changes in working capital represented an outflow of €128 million for the six months ended June 30, 2024 compared to an outflow of €176 for the six months ended June 30, 2023, primarily due to movements at the Lagardère Group. Lagardère Publishing experienced a €53 million positive impact in the United States due to a smaller decrease in trade payables and a favorable impact on payables due to the signing of multi-year contracts in 2023. At Lagardère Travel Retail, changes in working capital represented a net outflow, primarily due to the effects of the strong uptick in business in 2023 and the opening of duty-free concessions in the first half of 2024.

Comparison of years ended 2023 and 2022

Pro forma net cash provided by operating activities amounted to €982 million for the year ended December 31, 2023, compared to €742 million for the year ended December 31, 2022, primarily reflecting the Lagardère Group's increased EBIT. Changes in working capital represented an outflow of €31 million for the year ended December 31, 2023, compared to an outflow of €67 for the year ended December 31, 2022, primarily due to movements at the Lagardère Group. Lagardère Publishing experienced a €55 million positive impact, mainly in connection with reduced inventory levels, which had risen sharply in 2022 because of issues in securing supplies, even though changes in the division's working capital during the year continued to represent a net outflow. At Lagardère Travel Retail, changes in working capital represented a net inflow, an improvement on 2022 despite stronger business growth during that year which had a favorable impact on trade payables, due to improved management of inventory and tax receivables.

Comparison of years ended 2022 and 2021

Pro forma net cash provided by operating activities amounted to €742 million for the year ended December 31, 2022 compared to €836 million for the year ended December 31, 2021, primarily reflecting a decrease in working capital at the Lagardère Group. Changes in working capital represented an outflow of €67 million for the year ended December 31, 2022, compared to an inflow of €280 for the year ended December 31, 2021, primarily due to movements at the Lagardère Group. Lagardère Publishing experienced a €324 million outflow, which saw a significant fall in trade payables, with a particularly high level of payables to third-party publishers at end-2021 due to exceptionally high business levels during that year. Lagardère Publishing also reported a sharp rise in inventories as a result of the need to secure supplies as well as the effects of higher prices for raw materials and services. Working capital was €32 million higher at Lagardère Travel Retail, with lower levels of payables in 2022 and higher inventories in line with the business upturn.

7.6.4 Pro forma net cash used in investing activities

Comparison of six months ended June 30, 2024 and 2023

Pro forma net cash used in investing activities totaled €159 million for the six months ended June 30, 2024 compared to €236 million for the six months ended June 30, 2023. The decrease reflected in particular lower outlays for acquisitions (€52 million in the first half of 2024, compared to €146 million in the same period in 2023). In the first half of 2024, acquisitions related mainly to the purchase of a 50% equity stake in Extime Essentials Paris and the financing of Lagardère Travel Retail's joint ventures in Asia-Pacific. Acquisitions in the first half of 2023 related mainly to the acquisition of a 49% stake in Extime Duty Free Paris, the acquisition of Marché International, the financing of Lagardère Travel Retail's joint ventures in Asia-Pacific and the consolidation of NEI CEDA at Lagardère Publishing.

Comparison of years ended December 31, 2023 and 2022

Pro forma net cash used in investing activities totaled €578 million for the year ended December 31, 2023, compared to €345 million for the year ended December 31, 2022. The increase reflected in particular purchases by the Lagardère Group of property, plant and equipment and intangible assets of €269 million (an increase of €92 million year on year, which consisted mainly of €72 million from Lagardère Travel Retail in line with the business recovery and investment projects implemented in response to tender wins and €16 million from Lagardère Publishing in connection with the logistics and IT infrastructure transformation plan in France). Purchases of investments amounted to €383 million in 2023 (€210 million in 2022), mainly corresponding to Lagardère Travel Retail and the acquisition of a 49% stake in Extime Duty Free Paris, the acquisitions of Tastes on the Fly and Marché International and the financing of joint ventures in the Pacific and in Asia.

Comparison of years ended December 31, 2022 and 2021

Pro forma net cash used in investing activities totaled €345 million for the year ended December 31, 2022, compared to €332 million for the year ended December 31, 2021. The increases reflected in particular purchases by the Lagardère Group of property, plant and equipment and intangible assets of €177 million (€41 million higher than in 2021). The increase in this item compared to the prior year was mainly driven by Lagardère Travel Retail (€124 million) following the business recovery and the rollout of investment projects that had been postponed in light of the uncertain environment in 2021, including primarily €49 million related to Lagardère Publishing's investment in a transformation plan for its logistics and IT systems. Purchases of investments amounted to €210 million in 2022 (€279 million in 2021), mainly corresponding to the acquisition of Creative Table Holdings Ltd and capital increases at Société de Distribution Aéroportuaire and Lagardère & Connexions (Lagardère Travel Retail), as well as to the acquisition of Welbeck Publishing Group, Paperblanks and Bragelonne (Lagardère Publishing).

7.6.5 Pro forma net cash used in financing activities

Comparison of six months ended June 30, 2024 and 2023

Pro forma net cash used in financing activities amounted to €357 million for the six months ended June 30, 2024 compared to €436 million for the six months ended June 30, 2023.

With respect to by Lagardère Group, these reflected in particular:

- dividends paid to shareholders in the first half of each of 2024 and 2023 (€130 million and €214 million, respectively);
- repayments of short-term debt in the first half of each of 2024 and 2023 (€1,581 million and €385 million, respectively), largely offset by increased long-term financings in the first half of 2024 (€1,315 million) as well as increased short-term financings in the first half of each of 2024 and 2023 (€369 million and €428 million, respectively);
- the repayment of lease liabilities under IFRS 16 in the first half of each of 2024 and 2023 (€282 million and €204 million, respectively); and
- interest payments in the first half of each of 2024 and 2023 (€61 million and €42 million, respectively).

With respect to the Prisma Media Group, these reflected in particular:

- an increase in loans from Vivendi in the first half of 2024 in the amount of €17 million, compared to repayments of Vivendi loans in the same period in 2023 for €10 million;
- interest income in the first half of each of 2024 for €1 million relating to a loan to Vivendi as part of cash pooling arrangement entered into between the Prisma Media Group and Vivendi; and
- the repayment of lease liabilities under IFRS 16 in the first half of each of 2024 and 2023 (€4 million and €5 million, respectively).

Comparison of years ended 2023, 2022 and 2021

Pro forma net cash used in financing activities amounted to €784 million for the year ended December 31, 2023, compared to €481 million for the year ended December 31, 2022.

Pro forma net cash used in financing activities amounted to €481 million for the year ended December 31, 2022, compared to €257 million for the year ended December 31, 2021.

With respect to by Lagardère Group, these reflected in particular:

- dividends paid to shareholders (which amounted to €230 million, €105 million and €22 million in 2023, 2022 and 2021, respectively);

- repayments of short-term debt (€757 million in 2023), almost entirely offset by increased short-term financings (€810 million in 2023), and repayments of long-term debt (€73 million in 2022), more than offset by increased long-term debt financings (€74 million in 2022);

- the repayment of lease liabilities under IFRS 16 (€453 million, €328 million and €236 million in 2023, 2022 and 2021, respectively); and

- interest payments for €100 million, €79 million and €81 million in 2023, 2022 and 2021, respectively.

With respect to the Prisma Media Group, these reflected in particular:

- repayments of Vivendi loans (€30 million, €13 million and €12 million in 2023, 2022 and 2021, respectively); and

- the repayment of lease liabilities under IFRS 16 (€9 million, €8 million and €5 million in 2023, 2022 and 2021, respectively).

7.7 Capital expenditures

Lagardère Group's material capital expenditures relate to buildings, logistics, IT systems and equipment, as well as rollout of store investment projects for Lagardère Travel Retail.

The Prisma Media Group's material capital expenditures relate to capitalization of software and internal development costs, website development and IT equipment.

7.8 Financial debt

Borrowings and other financial liabilities (excluding lease liabilities) amounted to €2,917 million and €2,791 million as of June 30, 2024 and December 31, 2023, respectively. The table below sets forth the components of borrowings and other financial liabilities (excluding lease liabilities) in each period.

(in EUR millions)	**June 30, 2024**	**December 31, 2023**
Vivendi loans	**781**	**476**
Bonds	57	1,300
Bank credit facilities	1,300	-
Short-term marketable securities	481	560
Schuldschein loans	35	226
Bank overdrafts	121	54
Accrued interest to be paid	4	8
Cumulative effect of amortized cost	(19)	-
Other	63	74
Borrowings at amortized cost	**2,042**	**2,222**
Commitments to purchase non-controlling interests	86	83
Derivative financial instruments	8	10
Total financial debt[(1)]	**2,917**	**2,791**

(1) Excludes lease liabilities.

The main components of the Group's financial liabilities include:

- €1,300 million outstanding as of June 30, 2024 (compared to nil as of December 31, 2023) under the Term Loans. See Part B, Section 7.12, "*Principal financings*" for a description of the Term Loans extended under the Facilities Agreement;

- €781 million outstanding as of June 30, 2024 (compared to €476 million as of December 31, 2023) under shareholder loans extended by Vivendi to Lagardère SA (€571 million outstanding, compared to €271 million as of December 31, 2023) and Prisma S.A.S. (€210 million outstanding, compared to €205 million as of December 31, 2023). Lagardère SA entered into a loan agreement with Vivendi in December 2023 for an aggregate amount of up to €1,900 million, of which €1,800 million was drawn in the first half of 2024. €1,300 million was repaid with the proceeds from the Term Loans in June 2024. A second shareholder loan of up to €150 million was added, of which €70 million was drawn as of June 30, 2024. Following the disposition of Paris Match on October 1, 2024, amounts outstanding under the second shareholder loan were repaid in full and the amount available to be drawn thereunder was reduced to €40 million. See Part B, Section 7.12, "*Principal financings*" for a description of the Term Loans extended under the Lagardère Shareholder Loans. The amounts outstanding under Prima Group S.A.S. shareholder loan were converted into share capital on October 18, 2024;

- €481 million of the Lagardère Group's outstanding short-term marketable securities as of June 30, 2024 (compared to €560 million as of December 31, 2023), comprising principally outstanding commercial paper issuances under its Negotiable European Commercial Paper program (with an aggregate capacity of €850 million). €10 million was outstanding under the Lagardère Group's Negotiable European Medium-Term Notes program (with an aggregate capacity of €200 million);

- €57 million outstanding as of June 30, 2024 (compared to €1,300 million outstanding as of December 31, 2023) under three series of bonds issued by Lagardère SA between 2016 and 2019 in an aggregate principal amount of €1,300 million. €1,243 million of the outstanding principal amount was repaid in January 2024 after the change in control clauses were triggered in connection with Vivendi's acquisition of a controlling stake in the Lagardère Group (the "**Refinancing**"). The bonds were repaid with proceeds from drawings under the Initial Shareholder Loan;

- as of June 30, 2024, €35 million of the Lagardère Group's outstanding German law private placement loans (so-called Schuldschein loans) (compared to €226 million outstanding as of December 31, 2023). A portion of the outstanding Schuldschein loans were partially repaid in January 2024 in connection with the Refinancing due to the triggering of the change in control clauses, and an additional amount matured and was repaid in June 2024. The loans were repaid with proceeds from drawings under the Initial Shareholder Loan;

- as of June 30, 2024, €86 million relating to obligations under put options exercisable by the minority investors between 2026 and 2028 requiring the Lagardère Group to buy out the minority investments (compared to €83 million as of December 31, 2023); and

- €63 million as of June 30, 2024 of other financial debt at the Lagardère Group (compared to €74 million as of December 31, 2023).

See Note 15, "*Borrowings and Other Financial Liabilities and Financial Risk Management*" to the Unaudited Interim Combined Financial Statements and Note 22, "*Borrowings and Other Financial Liabilities and Financial Risk Management*" to the Combined Financial Statements.

7.9 Cash position

The Group's cash position primarily includes cash and cash equivalents and cash management financial assets classified as current financial assets (which do not satisfy the criteria for classification as cash equivalents set forth in IAS 7). The Group's primary sources of cash are cash generated from business operations, bank borrowings and shareholder loans.

The following table provides an overview of the Group's cash position as of June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
(in EUR millions)		
Cash	184	250
Term deposits and current accounts	182	218
Cash and cash equivalents	**366**	**468**
Vivendi loans[1]	23	40
Cash position	**389**	**508**

[1] Represents cash balance surpluses under the Prisma Media Group's cash pooling arrangement with Vivendi.

7.10 Net financial debt

The following table presents the calculation of net financial debt as of June 30, 2024 and December 31, 2023.

	June 30, 2024	December 31, 2023
(in EUR millions)		
Vivendi loans	781	476
Bonds	57	1,300
Bank credit facilities	1,300	-
Short-term marketable securities	481	560
Schuldschein loans	35	226
Bank overdrafts	121	54
Accrued interest to be paid	4	8
Other	63	74
Borrowings at amortized cost	**2,042**	**2,222**
Commitments to purchase non-controlling interests	86	83
Derivative financial instruments	8	10
Borrowings and other financial liabilities	**2,917**	**2,791**
Cash position	389	508
Net financial debt/(Net cash position)	**2,528**	**2,283**

7.11 Off-balance sheet commitments

The Group's off-balance sheet commitments relate to the Lagardère Group's guarantee and performance bond obligations and stand-by letters of credits by the Lagardère Group.

7.12 Principal financings

A description of the Group's principal financings is set forth below.

Facilities Agreement

On June 7, 2024, Lagardère SA entered into a French-law governed unsecured and unguaranteed €2 billion senior facilities agreement with a syndicate of credit institutions ("**Facilities Agreement**"). The Facilities Agreement consists of (i) a €700 million term loan (the "**Term Loan A**"), (ii) a €600 million term loan B (the "**Term Loan B**" and together with the Term Loan A, the "**Term Loans**") and (iii) a €700 million multicurrency revolving credit facility (the "**Revolving Facility**", and together with the Term Loans, the "**Facilities**").

The proceeds of the Term Loans were used to refinance in part the Lagardère Shareholder Loans (as defined below). The Revolving Facility is available to finance the general corporate purposes of the Group.

The Facilities' terms are as follows:

1. Term Loan A matures on June 7, 2026, subject to two extension options at the discretion of Lagardère SA (one of 12 months, then six months), with payment due in full at the relevant termination date;

2. Term Loan B matures on June 7, 2029, with payments to be made in installments of €75 million on each of December 31, 2025, December 31, 2026, December 31, 2027, and December 31, 2028, and of €300 million at the relevant terminate date; and

3. Revolving Facility matures on June 7, 2029.

The interest rate under each loan is the percentage rate *per annum* equal to the aggregate of (1) the applicable margin which will be adjusted throughout the maturity of the Facilities, including on the basis of the applicable leverage ratio, and (2) (i) in relation to loans under the Facilities denominated in EUR, EURIBOR (with a zero floor), (ii) in relation to the loans denominated in US dollars under the Revolving Facility, the adjusted Term SOFR (with a zero floor), or (iii) in relation to loans under the Revolving Facility denominated in GBP, the adjusted daily non-cumulative compounded SONIA (with a zero floor).

In addition to customary mandatory prepayment and cancellation events, the Facilities Agreement includes a mandatory prepayment obligation (i) in the event of a change of control of Lagardère SA, other than as a result of the Partial Demerger or the acquisition of control by Bolloré SE and/or its subsidiaries, or (ii) in the event Bolloré SE and its subsidiaries' ownership stake or voting rights in Lagardère SA falls below 15% and 25%, respectively.

The Facilities Agreement contains a leverage ratio of 3.75x that decreases over time to 3.00x, tested at June 30th and December 31st of each year (calculated in accordance with the IFRS but excluding the impact of IFRS 16 on lease liabilities).

The Facilities Agreement contains customary provisions, such as: (i) negative pledge restrictions applicable to Lagardère SA and its material subsidiaries on granting security and (ii) restrictions on any substantial change made to the general nature of the business of the Group on disposal, acquisitions, minority investments, mergers, capital expenditure and financial indebtedness (subject to customary exceptions and qualifications for a financing of this type).

Once the Term Loans have been repaid in full, the covenants restricting the acquisitions, minority investments and incurrence of financial indebtedness will cease to apply, provided that the leverage ratio (calculated on a pro forma basis for the repayment of the Terms Loans) does not exceed 3.0x at the testing date immediately preceding the date on which the Term Loans are fully repaid.

The Facilities Agreement also provides for specific covenants with respect to the Lagardère Shareholder Loans (as described below) restricting, amongst other things, the ability of Lagardère SA to reduce their maturity or make prepayments thereunder subject to certain exceptions.

Shareholder Loans

Lagardère SA entered into a loan agreement with Vivendi in December 2023 for an aggregate amount of up to €1,900 million (the "**Initial Shareholder Loan**"), of which €1,800 million was drawn in the first half of 2024. €1,300 million was repaid with the proceeds from the Term Loans in June 2024. The Initial Shareholder Loan was amended and extended in June 2024, reducing the aggregate amount to up to €500 million (due in December 2029). A second shareholder loan in a principal amount of up to €150 million was extended, the purpose of which is to finance Lagardère SA's working capital needs through December 31, 2024, to be repaid by such date, with any remaining balance being added to the then outstanding amount under the Initial Shareholder Loan (the "**Second Shareholder Loan**", and together with the Initial Shareholder Loan, the "**Lagardère Shareholder Loans**"). Following the disposition of Paris Match, amounts outstanding under the Second Shareholder Loan were repaid in full and the amount available to be drawn under the Second Shareholder Loan was reduced to €40 million.

The Initial Shareholder Loan bears interest at a rate equal to the aggregate of (1) the applicable EURIBOR (with a zero floor) and (2) a margin equal to the margin applicable to the Term Loan B reduced by 30 basis points. The Second Shareholder Loan bears interest at a rate equal to the aggregate of (1) the 1-month EURIBOR (with a zero floor) and (2) an agreed margin.

Once the Term Loans have been repaid in full, Lagardère SA must repay the Lagardère Shareholder Loans in instalments of (i) €100 million as from December 31, 2027, inclusive, (ii) €100 million as from December 31, 2028, inclusive, and (iii) an amount equal to the then outstanding principal amount at maturity (such date, December 7, 2029); provided that the leverage ratio (calculated on a pro forma basis for such repayment) does not exceed the leverage ratio under the Facilities Agreement for the test date immediately preceding the relevant repayment.

In addition, Vivendi is entitled to accelerate and terminate the Lagardère Shareholder Loans if (i) Lagardère SA does not pay any amount due thereunder (subject to certain conditions and a cure period) and (ii) any of the Facilities is declared or become due and payable prior to its maturity.

See Note 15, "*Borrowings and Other Financial Liabilities and Financial Risk Management*" to the Unaudited Interim Combined Financial Statements and Note 22, "*Borrowings and Other Financial Liabilities and Financial Risk Management*" to the Combined Financial Statements.

8. PROFIT FORECASTS OR ESTIMATES

8.1 Trend information

The outlook presented below do not constitute forecast data or estimates of consolidated profit but instead are based on the Group's strategic goals and plans. The objectives are based on data, assumptions and estimates that the Group considers to be reasonable as at the date of the Information Document. These data, assumptions and estimates may change over time or be modified due to uncertainties related to the economic, financial, competitive, regulatory and tax environment, as well as other factors. The objectives result from and depend upon the success of the Group's strategy, as described in Part B, Section 5.1.2, "Description of the Issuer's business strategy and objectives" and do not constitute forecasts or estimates of the Group's earnings.

Furthermore, the occurrence of one or more risks described in Part B, Section 3, "Risk Factors" could have an impact on the Group's business, financial condition, results or outlook and could therefore adversely affect these objectives. Consequently, the Group makes no commitment and gives no guarantee that it will achieve the objectives presented below.

The following table summarizes the Group's revenues for the nine months ended September 30, 2024 and 2023:

	Nine months ended September 30,		**Change 2024 vs 2023**	
	2024	**2023**	**Amount**	**Percentage**
(in EUR millions, except percentages)				
Revenues:				
Lagardère Publishing[1]	2,074	2,014	60	3.0%
Lagardère Travel Retail[1]	4,344	3,719	625	16.8%
Other Activities[1][2]	192	181	11	6.7%
Lagardère Group[1]	**6,610**	**5,914**	**696**	**11.8%**
Prisma Media Group[3]	**214**	**224**	**(10)**	**(4.2)%**

(1) Derived from the Lagardère Group's unaudited financial information for the nine months ended September 30, 2024.
(2) Comprises Lagardère News (*Paris Match*, *Le Journal du Dimanche* and the *Elle* brand licence), Lagardère Radio (Europe 1, Europe 2, RFM), Lagardère Live Entertainment, Lagardère Paris Racing and the Group Corporate function.
(3) Derived from the Vivendi's unaudited financial information for the nine months ended September 30, 2024.

8.1.1 Lagardère Group

8.1.1.1. *Lagardère Publishing*

Revenues for Lagardère Publishing amounted to €2,074 million for the first nine months ended September 30, 2024, increasing by 3.0% on a reported basis (up 2.8% like-for-like). The difference between reported and like-for-like revenues is essentially attributable to a €3 million positive currency effect.

Revenues for the third quarter of 2024 amounted to €765 million, stable compared to the same year-ago period.

In France, Lagardère Publishing recorded a slight decrease in revenues, reflecting lower business levels in the Education segment due to the absence of curriculum reform, and less sales in the General Literature segment.

In the United Kingdom, revenues were up slightly, supported notably by good momentum in General Literature, in particular with the Rebecca Yarros, Ana Huang and Freida McFadden book series, in both backlist and frontlist and across all formats. The digital segment experienced good momentum, driven by the same authors.

In the United States, business grew strongly thanks to a publication schedule that included a new Malcolm Gladwell novel (*Revenge of the Tipping Point*) and strong backlist sales of Freida McFadden's *The Housemaid*, together with rising digital sales and a solid performance in the Children and Young Adult segment (Peter Brown's *The Wild Robot* series).

In Spain and Latin America, business suffered from an unfavorable comparison basis with the third quarter of 2023, which represented the peak period for national curriculum reform in Spain.

Revenues from Partworks was up, driven mainly by France and the United Kingdom. Board Games maintained the strong momentum experienced since the beginning of 2024.

E-books represented 10.2% of total Lagardère Publishing revenues in the third quarter of 2024, compared to 9.0% in the third quarter of 2023, while digital audiobooks represented 5.9% in the third quarter of 2024 of revenues compared to 4.1% in the third quarter of 2023.

8.1.1.2. *Lagardère Travel Retail*

Revenues for Lagardère Travel Retail amounted to €4,344 million for the first nine months ended September 30, 2024, increasing by 16.8% on a reported basis (up 12.8% like for like). The difference between reported and like-for-like revenues is primarily attributable to a €134 million positive scope effect resulting from the acquisition of Tastes on the Fly.

Revenues for the third quarter of 2024 amounted to €1,596 million, up 14.8% on a reported basis (up 11.7% like-for-like). The difference between reported and like-for-like revenues is attributable to a €39 million positive scope effect resulting from the acquisition of Tastes on the Fly.

In France, revenues increase was driven by concept upgrades and the beneficial impact of the Olympic Games in Paris.

In the EMEA region (excluding France), growth was propelled by increased air traffic, network expansion, in particular in Romania, and very strong performances in Italy, Spain, and the United Kingdom.

In the Americas, Lagardère Travel Retail maintained its growth trajectory, supported by the return to normal air traffic levels in the United States and strong momentum in Canada.

In the Asia-Pacific region, revenues was down due to lackluster activity in northern Asia, which was held back by China's economic slowdown.

8.1.1.3. *Other Activities*

Revenues for Other Activities amounted to €192 million for the nine months ended September 30, 2024, increasing by 6.7% on a reported basis (up 0.3% like-for-like). The difference between reported and like-for-like revenues is attributable to an €11 million positive scope effect resulting from the acquisitions of Euterpe Promotion and Funkshion Labs.

Revenues for the third quarter of 2024 amounted to €56 million, up 1.2% on a reported basis (up 1.1% like-for-like), with the difference attributable to the acquisition of Funkshion Labs. Revenues growth over the quarter was mainly driven by the News unit.

8.1.2 Prisma Media Group

Revenues for Prisma Media amounted to €214 million for the first nine months ended September 30, 2024, stable at constant currency and perimeter[6] compared to the same period of 2023.

Prisma Media is the leading bi-media editor with nearly 40 million people (representing almost two out of three French people) reading Prisma Media articles every month, an increase of 1% compared to the same period of 2023 despite the sale of the Gala magazine in November 2023[7]. *Télé-Loisirs* (21 million readers) remains the top magazine brand. *Capital* is the leading economic brand, consulted by over 9 million people and reaching more than one out of five upper socio-professional (CSP+) individuals per month. Prisma Media and the publisher Mr Tan & Co experienced a great success with *Mortelle Adèle le Mag*, launched in June 2023, of which 140,000 copies were sold (a release every two months and special issues) in summer 2024, twice as much as last year at the same time.

Digital affiliation (e-commerce) and advertising revenues on social media increased by more than 15% compared to the same period of 2023. At the end of August 2024, Prisma Media's social media audiences increased by 30% in number of followers compared to the end of August 2023). At that time, Prisma Media brands retained their leading positions in digital audiences (in terms of number of unique visitors): *Télé Loisirs* is leading the Entertainment segment, *Voici* is leading the People segment, Femme Actuelle remains a leader in the Women's segment, and *Capital* is the leading media site in the Economy/Finance segment.

Prisma Media continues the development of an important "Luxury and Art of Living" division. Over the first nine months of 2024, Harper's Bazaar increased its market share by five percentage points and continued its development on social media. Prisma Media strengthened this division with the acquisition on April 22, 2024, of the magazines *Ideat* (design and interior decoration) and *The Good Life* (lifestyle). The new quarterly magazine, *Harper's Bazaar Interieurs*, the first brand extension of *Harper's Bazaar* France in luxury decoration, was launched on October 17, 2024.

8.2 Profit forecasts

None.

6 Constant currency and perimeter reflect the impacts of the sale of Gala which occurred on November 21, 2023.
7 According to the latest audience results for One Next Global S1 2024.

9. BOARD, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

This section summarizes information concerning the Company's corporate governance as are expected to be applicable upon completion of the Louis Hachette Group Partial Demerger. It is based on and discusses relevant provisions of French law as in effect on the date of the Information Document, and of the Articles of Association and the board regulations of the Company (the "**Board Regulations**"), as these are expected to be in effect on the Listing Date.

This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the relevant provisions of French law as in force on the date of the Information Document, as well as the Articles of Association and the Board Regulations, as these are expected to be in effect on the Listing Date. The Articles of Association in the (governing) French language are available on the Company's website (www.louishachettegroup.com).

9.1 Description of the Board and the Management of the Issuer

As of the date of the Information Document, the Company is a limited liability company (*société anonyme*) with a board of directors (*conseil d'administration*), governed by French law.

Prior to the Listing Date, the Company intends to adopt new Articles of Association which will be effective upon the Admission. A description of the main provisions of the Articles of Association that the Company will adopt, effective upon the Admission, is included in Part B, Section 15, of the Information Document.

9.1.1 Composition of management and supervisory bodies

9.1.1.1. *Board*

The table below sets forth the composition of the Board as at the Listing Date.

Name	Age	Nationality	Position (Title)	Independent[(1)]	Date of appointment	End of current term
Jean-Christophe Thiery	57	French	Chairman of the Board & Chief Executive Officer	No	October 22, 2024	Annual General Meeting to be held in 2028
Yannick Bolloré	44	French	Director	No	October 22, 2024	Annual General Meeting to be held in 2028
Arnaud de Puyfontaine	60	French	Director	No	October 22, 2024	Annual General Meeting to be held in 2028
Sophie Chassat	46	French	Director	Yes	December 9, 2024	Annual General Meeting to be held in 2028
Maud Fontenoy	47	French	Director	Yes	December 9, 2024	Annual General Meeting to be held in 2028

(1) The applicable independence criteria are described below in this Section 9.1.1.1.

It is expected that the Board will propose the implementation of a staggered board in connection with the annual shareholders' meeting to take place in 2025, by way of a decision of the Board among the Directors (other than the Chairman and Chief Executive Officer).

On October 22, 2024, the shareholders of the Company resolved to appoint Ms. Sophie Chassat and Ms. Maud Fontenoy as Director (*Administrateur*) subject to, and with effect immediately upon, approval of the Vivendi Spin-Off by the Company's shareholders general meeting and by the Vivendi General Meeting.

Accordingly, on the Listing Date, two of the five Directors will be independent directors. As at the date of the Information Document, the Board contemplates proposing the appointment of a third independent director at the annual General Meeting to be held in 2025.

The business address of all Directors will be 4, rue de Presbourg, 75116 Paris, France.

Biographies

The following is a summary of the business experience of the members of the Board:

Jean-Christophe Thiery – Mr. Jean-Christophe Thiery is a graduate of the Ecole Nationale d'Administration and joined the administration (*corps préfectoral*) in 1997. After two years in Perpignan as Chief of Staff of the Prefect of Pyrénées-Orientales, he joined the French Ministry of the Economy and Finance in 1999 as Chief of Staff of the Head of Public Accounts (*Directeur Général de la Comptabilité Publique*). In 2001, Mr. Jean-Christophe Thiery joined the Bolloré Group to create and develop its media business. He became Chief Executive Officer of Bolloré Media, and launched French TV channel Direct 8, and the French free daily newspaper Direct Matin. The successive acquisitions of TNT Virgin 17 channels, of the CSA polling institute, of wifi services provider Wifirst, the stakes acquired in technical services provider Euromedia-SFP and French video games leader Bigben-Nacon, completed the assets of Bolloré Media. Following the sale of TV channels Direct 8 and Direct 17 to Groupe Canal+ in 2012, and the concurrent acquisition of a stake in Vivendi by the Bolloré group, Mr. Jean-Christophe Thiery became Chairman of the Management Board of Groupe Canal+ in 2015. In 2018, Mr. Jean-Christophe Thiery was appointed Chairman of the Supervisory Board (*Conseil de surveillance*) of Groupe Canal+ SA. In connection with the Vivendi Spin-Off, in October 2024, Mr. Jean-Christophe Thiery was appointed Vice-Chairman of the Supervisory Board (*Conseil de surveillance*) of Canal+ SA. In October 2024, Mr. Jean-Christophe Thiery was appointed Deputy CEO of Hachette Livre, the holding company of Lagardère Publishing. Mr. Jean-Christophe Thiery is also President of Lagardère Paris Racing and of Lagardère Ressources, which employs the Lagardère Group's central functions.

Yannick Bolloré – Mr. Yannick Bolloré is a graduate of Paris-Dauphine University in 2001. He co-founded the production company WY Productions in 2002. In 2006, he joined his family group, the Bolloré Group, to launch and develop its media division. Within five years, Bolloré Média became a leading independent French TV group and was subsequently sold to Canal+, making the Bolloré Group a shareholder in Vivendi. He then joined the Havas Group in 2011 and became Chairman and Chief Executive Officer (*Président-Directeur général*) of Havas S.A. in 2013. Mr. Yannick Bolloré was appointed Chairman of the Supervisory Board (*Conseil de surveillance*) of Vivendi in April 2018. In connection with the Vivendi Spin-Off, in October 2024, Yannick Bolloré was appointed Chairman of the Supervisory Board (*Conseil de surveillance*) of Canal+ SA and Chairman and Chief Executive Officer of Havas NV. Mr. Yannick Bolloré was named a Young Global Leader in 2008 by the World Economic Forum. He has received numerous honors and awards from international associations and the business press. He is also a Chevalier de l'Ordre des Arts et des Lettres.

Arnaud de Puyfontaine – Mr. Arnaud de Puyfontaine is a graduate of the ESCP Business School (1988), the Multimedia Institute (1992) and Harvard Business School (2000). Mr. Arnaud de Puyfontaine started his career as a consultant at Arthur Andersen and then in 1989 worked as a project manager at Rhône-Poulenc Pharma in Indonesia. In 1990, he joined Le Figaro as Deputy Director. In 1995, as a member of the founding team of the Emap Group in France, he headed Télé Poche and Studio Magazine, managed the acquisition of Télé Star and Télé Star Jeux, and launched the Emap Star Division, before becoming Chief Executive Officer of Emap France in 1998. In 1999, he was appointed

Chairman and Chief Executive Officer of Emap France, and, in 2000, joined the Executive Board of Emap plc. He led several M&A deals, and concomitantly, from 2000 to 2005, served as Chairman of EMW, the Emap/Wanadoo digital subsidiary. In August 2006, he was appointed Chairman and Chief Executive Officer of Editions Mondadori France. In June 2007, he became General Manager of all digital business for the Mondadori Group. In April 2009, Mr. Arnaud de Puyfontaine joined the US media group Hearst as Chief Executive Officer of its UK subsidiary, Hearst UK. In 2011, on behalf of the Hearst Group, he led the acquisition from the Lagardère Group of 102 magazines published abroad, and, in June 2011, was appointed Executive Vice President of Hearst Magazines International. In August 2013, he was appointed Managing Director of Western Europe. He has also been Chairman of ESCP Europe Alumni. From January to June 2014, Mr. Arnaud de Puyfontaine was a member of the Management Board (*Directoire*) of Vivendi and Senior Executive Vice President in charge of its media and content operations. Since June 24, 2014, he has been Chairman of the Management Board (*Directoire*) of Vivendi. In connection with the Vivendi Spin-Off, in October 2024, Mr. Arnaud de Puyfontaine was appointed Director of Canal+ SA and Chair of the Board (*voorzitter*) of Havas NV.

Sophie Chassat – An alumna of the École Normale Supérieure-Rue d'Ulm and a professor of philosophy, Ms. Sophie Chassat has taught for seven years (including four years at the university level) and has published several works. She specializes in issues relating to corporate purpose, engagement and positive impact. Having headed the Verbal Identity Department at the agency Angie for three years, she is President of Intikka – a consulting firm dedicated to corporate and brand philosophy –, and was also a founding member of Wemean, a consulting firm specializing in helping companies boost the sustainability of their operations. She is currently serving as Partner with strategy and finance consulting firm Accuracy.

Maud Fontenoy – Ms. Maud Fontenoy is a sailor, known for her multiple accomplishments and firsts for women in solo navigation, both in rowing and sailing. She is an Ambassador to the French Education and Youth Ministry, dedicated to ocean and coastline conservation and coastal school trips. She is President of the Maud Fontenoy Foundation, a former spokeswoman of Unesco's oceanographic commission, an expert in sustainable development, a lecturer and an author of books and documentaries devoted to the oceans and conservation. Ms. Maud Fontenoy seeks to hand down values to the younger generation and give them a straightforward "user's manual" so that sustainable development can become part of everyone's daily life and ecology can go hand in hand with the economy. She currently advises a number of companies on these issues and advocates a realistic and pragmatic approach to ecology. In 2007, she was named Chevalier de l'Ordre national du Mérite and Chevalier de l'Ordre du Mérite maritime, and in January 2024, Chevalier de la Légion d'honneur.

Principal activities performed by members of the Board

The table below sets forth the names of all companies and partnerships of which a director has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, other than a subsidiary of the Company.

Name	Current directorships/partnerships	Past directorships/partnerships (last five years)
Jean-Christophe Thiery	<u>Listed companies</u>: **Canal+**: Vice-Chairman of the Supervisory Board **Bigben Interactive**: Director **Nacon**: Director <u>Other companies</u>: **SESI SNC (Cnews)**: Manager **Bolloré Media Regie**: President **Bolloré Telecom**: Chief Executive Officer and Member of the Executive Committee **Perla**: President	<u>Other companies</u>: **Studio Canal SAS**: Chairman and member of the Supervisory Board **Société d'Édition de Canal+ SA**: Chairman of the Board of Directors **2ème Regard**: Member of the Strategy Committee

Name	Current directorships/partnerships	Past directorships/partnerships (last five years)
	Compagnie de Treboul: President **Rivaud Loisirs Communication**: President **Matin Plus**: Chairman of the Board of Directors **Gameloft SE**: Director **Groupe Canal+**: Chairman of the Supervisory Board Other entities: **APGI (French free press association)**: Secretary General, SESI's representative **Association des Amis de la Croix Catelan:** Director, General Secretary, and Treasurer **Association Lagardère Paris Racing support:** General secretary, member of executive committee	
Yannick Bolloré	Listed companies: **Compagnie de l'Odet**: Director **Bolloré SE**: Vice-Chairman and Director **Vivendi SE**: Chairman of the Supervisory Board **Canal +**: Chairman of the Supervisory Board **Havas NV**: Chairman of the Board of Directors and Chief Executive Officer Other companies: **Sofibol**: Member of the Supervisory Board **Bolloré Participations SE**: Director **Financière V**: Director **Havas SA**: Chairman of the Board of Directors and Chief Executive Officer **Havas North America, Inc.**: Chairman **Havas Worldwide LLC**: Chairman and Executive Vice-President **Havas Middle East FZ, LLC**: Director **Omnium Bolloré**: Director **Happn SAS**: Member of the Consultative Committee **L'Expansion Scientifique Française**: Director Other entities: **Musée Rodin**: Director **Fonds de dotation de la Fédération Française de Tennis**: Director	Other companies: **Havas Media France**: Director **W & Cie**: Permanent representative of Havas on the Board of Directors
Arnaud de Puyfontaine	Listed companies: **Vivendi SE**: Chairman of the Management Board **Canal +**: Member of the Supervisory Board **Havas NV**: Chairman of the Board	Listed companies: **Telecom Italia SpA**: Executive Chairman and Director Other companies: **Antinea 6**: Chairman of the Board of Directors

Name	Current directorships/partnerships	Past directorships/partnerships (last five years)
	of Directors (*voorzitter*) Other companies: **Gameloft SE**: Chairman of the Board of Directors **Dailymotion SA**: Director **Innit:** Member of the Advisory Committee Other entities: **French-American Foundation**: Honorary Chairman	**Editis Holding**; Chairman of the Board of Directors **Gameloft SE**: Chief Executive Officer **Universal Music France (SAS)**: Chairman of the Supervisory Board **Universal Music Group, Inc.**: Director
Sophie Chassat	Listed companies: **LVMH Moët Hennessy Louis Vuitton SE**: Director and Member of the Governance and Compensation Committee Other companies: **Accuracy SAS**: Senior Vice-President Sustainability **Le Coq Sportif Holding – LCSH SA**: Director **Lafuma Mobilier**: Director **Groupe Rocher – Laboratoires de Biologie Végétale Yves Rocher SA**: Member of the Mission Committee **Intikka SAS**: President	Other companies: **Wemean SAS**: Founding Partner
Maud Fontenoy	Listed companies: **Vivendi SE**: Member of the Supervisory Board Other companies: **Miss Maud**: President Other entities: **Maud Fontenoy Foundation**: Chairwoman **Fondation pour la Gastronomie Humaniste d'Alain Ducasse**: Founder and member of the Board of Directors	None.

Independent members of the Board

It is expected that the Board will assess the independence of the above-mentioned Directors, in light of the independence criteria set forth below.

In light of such criteria, the Company believes that two members of the Board, namely Ms. Sophie Chassat and Ms. Maud Fontenoy, will sit on the Board as independent members on the Listing Date.

The table below summarizes the review of the above-referred independence criteria, as assessed by the Company.

Independence of Directors(1)	Sophie Chassat	Maud Fontenoy
Criterion 1: Not to be or have been an employee or corporate officer during the previous five years	✓	✓
Criterion 2: Not to hold conflicting positions	✓	✓
Criterion 3: Not to have significant business relationships	✓	✓

Independence of Directors[1]	Sophie Chassat	Maud Fontenoy
Criterion 4: Not to have any close family ties with any corporate officer	✓	✓
Criterion 5: Not to have been an auditor of any entity of the Group during the previous five years	✓	✓
Criterion 6: Not have been a director of any entity of the Group for more than 12 years	✓	✓
Criterion 7: Not to receive variable compensation in cash or securities or any compensation linked to the performance of the Company or the Group	✓	✓
Criterion 8: No to represent a significant shareholder that participates in the control of the Company	✓	✓

(1) In this table: "✓" signifies that an independence criterion is satisfied and "×" signifies that an independence criterion is not satisfied.

9.1.1.2. *Executive Management*

In accordance with Article 14 of the Articles of Association that are expected to be in effect on the Listing Date, the Board may resolve to separate the offices of Chairman of the Board (*Président du conseil d'administration*) and Chief Executive Officer (*Directeur général*) of the Company.

Upon the Conversion of the Company into a limited liability company with a board of directors, on October 22, 2024, the Board decided to combine the offices of Chairman of the Board and Chief Executive Officer and to appoint Mr. Jean-Christophe Thiery as Chairman of the Board and Chief Executive Officer *(Président-Directeur général*) of the Company.

In addition, on October 22, 2024, upon the recommendation of the Chairman of the Board and Chief Executive Officer, the Board decided to appoint Mr. Grégoire Castaing as Deputy Chief Executive Officer (*Directeur général délégué*) of the Company.

The table below sets forth the composition of the Executive Management as at the Listing Date.

Name	Age	Nationality	Position (Title)	Date of appointment	End of current term
Jean-Christophe Thiery	57	French	Chairman and Chief Executive Officer	October 22, 2024	Annual General Meeting to be held in 2028
Grégoire Castaing	48	French	Deputy Chief Executive Officer	October 22, 2024	Annual General Meeting to be held in 2028

The business address of all the members of the Executive Management will be 4, rue de Presbourg, 75116 Paris, France.

Biography

The following is a summary of the business experience of the members of members of the Executive Management:

For the biography of Jean-Christophe Thiery, see Part B, Section 9.1.1.1, "*Composition of management and supervisory bodies – Board*".

Grégoire Castaing – Mr. Grégoire Castaing holds a degree in economics and management, a DEA in finance and is an alumnus of the Ecole Normale Supérieure Paris-Saclay. Mr. Grégoire Castaing began his career with Arthur Andersen before joining Ernst & Young. He joined the Canal+ Group in 2007 as Deputy Director of Internal Audit, and was successively promoted to Director of Financial Services, then Group Chief Financial Officer, and finally Deputy Chief Executive Officer in charge of Finance and Strategy and member of the Executive Board. Mr. Grégoire Castaing was appointed Deputy Chief Executive Officer of the Lagardère Group in charge of Finance on June 3, 2024. Reporting to the Chairman and CEO, he joined the Executive Committee of the Lagardère Group on the same date.

Principal activities performed by members of the Executive Management

The table below sets forth the names of all companies and partnerships of which a member of the Executive Management has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, other than a subsidiary of the Company.

For the principal activities performed Jean-Christophe Thiery, see Part B, Section 9.1.1.1, "*Composition of management and supervisory bodies – Board*".

Name	**Current directorships/partnerships**	**Past directorships/partnerships (last five years)**
Grégoire Castaing	Other companies: **Dailymotion SA**: Director	Other companies: **Groupe Canal+ SA**: Deputy Chief Executive Officer in charge of Finance and Strategy and Member of the Executive Board **Studio Canal**: Director **OCS**: Director **Canal+ Polska SA:** Member of the Supervisory Board **VSTV**: Director **M7 Group SA**: Director **Viu International Limited**: Director **Viaplay Group**: Chairman of the Nomination Committee

9.1.2 Equity holdings of Directors and Executive Management

As at the date of the Information Document, Vivendi and Compagnie Hoche are the only shareholders of the Company and the Directors and members of the Executive Management do not hold any Louis Hachette Shares. In connection with the Louis Hachette Group Partial Demerger, the Directors and the members of the Executive Management, to the extent that they hold shares in Vivendi, will, in accordance with the Allocation Ratio and similar to all other Vivendi Shareholders, receive one (1) Share for each Vivendi Share they hold prior to the Ex Date, *i.e.*, as of the Effective Date.

The following table sets out the shareholdings in Vivendi held by each Director and member of the Executive Management as at the date of the Information Document and specifies the expected shareholdings in the Company immediately after the Louis Hachette Group Partial Demerger.

Name	**Number of shares in Vivendi held as at the date of this Information Document**	**Expected number of Louis Hachette Shares held immediately after the Louis Hachette Group Partial Demerger**
Jean-Christophe Thiery	67,620	67,620
Yannick Bolloré	134,016	134,016
Arnaud de Puyfontaine	363,853	363,853
Sophie Chassat	0	0
Maud Fontenoy	1,000	1,000
Grégoire Castaing	104,549	104,549

9.1.3 Statements relating to the Board

9.1.3.1. *Fraud, bankruptcy, sanctions, disqualifications*

To the Company's knowledge, over the course of the past five years, (i) none of the members of the Board has been convicted of fraud; (ii) none of the members of the Board has been associated with any bankruptcy, receivership, judicial liquidation or company put into administration (*i.e.*, not including any voluntary, early dissolution of a company), (iii) no official public incriminations or sanctions have been brought against any members of the Board by statutory or regulatory authorities (including designated professional bodies), (iv) none of the members of the Board has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer, or from being involved in the management or performance of business of any issuer.

9.1.3.2. *Family relationships among members of the Board*

To the Company's knowledge, there are no family relationships among members of the Board.

9.1.3.3. *Nationality of members of the Board*

It is contemplated that no member of the Board on the Listing Date will be a foreign national.

9.1.3.4. *Balanced representation of men and women*

The Board will comprise three men and two women, *i.e.*, at least 40% of directors of each gender.

9.2 Potential conflicts of interests and restrictions applicable to the Issuer

9.2.1 Conflicts of interest

To the Company's knowledge, there are no potential conflicts between the personal interests or other duties of Directors, on the one hand, and the duty that Directors have to the Company, on the other hand.

9.2.2 Restrictions applicable to the Issuer

To the Company's knowledge, as of the date of the Information Document, the members of the Board have not agreed to any restrictions on their right to transfer shares of the Company, with the exception of applicable laws and regulations relating to the prohibition of insider trading.

10. BOARD PRACTICES IN RELATION TO THE ISSUER'S LAST COMPLETED FINANCIAL YEAR

Since its incorporation by Vivendi on January 14, 2015, the Company did not conduct any material operations other than the legal, tax and administrative filings, proceedings and other activities necessary for purposes of the preparation of the Conversion, the Louis Hachette Group Partial Demerger and the Admission, and compliance with applicable law. In addition, from its incorporation date to October 22, 2024, the Company was a simplified joint-stock company (*société par actions simplifiée*), and the Company's governance structure only included a President (*president*), in accordance with applicable law. As a result, the Company cannot describe the practices of its Board or committees thereof in relation to the last financial year.

From the Effective Date, the Company will become the parent company of Lagardère SA and Prisma S.A.S. Since the Board of Lagardère has already established an audit committee and an Appointments, Remunerations and CSR committee, each of which is chaired by an independent Director and comprises more than a majority of independent members, the Board considered that it was not necessary to formally set up an audit committee or an appointments or remuneration committee also at the Company's level. The Board intends to carry out itself the duties generally allocated to an audit committee, such as the following:

- monitoring the financial reporting process, including monitoring questions regarding the preparation and control of accounting and financial information;
- monitoring the effectiveness of internal control, internal audit and risk management systems relating to financial and accounting information;
- monitoring the statutory audit of the financial statements and consolidated financial statements by the Company's statutory auditors;
- monitoring the independence of the Company's statutory auditors and their selection and appointment procedures; and

examining and monitoring the systems and procedures in place to ensure the dissemination and application of policies and rules of good practice in the areas of ethics, competition, fraud and corruption and, more generally, compliance with the regulations in force.

11. DESCRIPTION OF THE WORKFORCE OF THE ISSUER

11.1 Number and breakdown of employees

As of December 31, 2023, the Group has 32,462 employees (around 20.9% of whom are employed in France), an increase of nearly 13.9% from December 31, 2022 where 28,494 individuals were employed by the Group and 13.5% from December 31, 2021, where 28,595 individuals were employed by the Group.

The table below shows the evolution, over the past three years, of the Group's headcount by business line:

	Headcount as of December 31,		
Business line	**2023**	**2022**	**2021**
Lagardère Publishing	7,601	7,479	6,919
Lagardère Travel Retail	22,619	18,893	19,337
Other Activities	1,096	1,101	1,103
Prisma Media Group	1,146	1,111	1,236
Total	**32,462**	**28,494**	**28,595**

The table below shows the evolution, over the past three years, of the Group's headcount by geographic area:

Lagardère Group

	Headcount as of December 31,		
Geographic area	**2023**	**2022**	**2021**
France	5,637	5,532	7,385
Europe (excluding France)	11,406	8,876	8,291
Americas	10,676	10,146	8,763
Asia-Pacific	3,307	2,502	2,747
Africa	290	327	173
Total	**31,316**	**27,383**	**27,359**

Prisma Media Group

	Headcount as of December 31,		
Geographic area	**2023**	**2022**	**2021**
France	1,146	1,111	1,236
Total	**1,146**	**1,111**	**1,236**

An important target for the Group is gender diversity. As of December 31, 2023, the representation of women in the Lagardère Group's workforce was 63%, with 60% of women in management positions (including 46% of the Lagardère Group's top executives), whereas the representation of women in Prisma Media was 63%, with 56% of women in management positions (including 50% of the Prisma Media Group's top executives).

11.2 Share-based incentive programs of the Group

Following the Admission, the Company intends to adopt one or several equity incentive plans to provide equity incentives to eligible officers, employees and executives of the Group from time to time. As at the date of the Information Document, the Board has not made any decision with respect to such equity incentive plans. Before the Admission, the Board will be authorized by the shareholders' meeting of the Company to grant equity incentives to officers, employees and executives of the Group within the limits set out in the relevant authorizations described in Part B, Section 18.1.3.1, "*Shareholders' decisions in the context of the Admission*". While the exact number of ordinary shares of the Company that may be granted under equity awards is not determinable, such number may not exceed the maximum amount set out in such authorizations.

11.3 Treatment of unvested Vivendi performance shares

Vivendi has implemented several share-based compensation plans (share purchase plans, performance share plans and bonus share plans) based on the value of the Vivendi Share price aiming at incentivize and retain its executive management and key employees. These share-based compensation plans are settled either in equity instruments or in cash. The definitive allocation of stock options and performance shares is contingent upon the achievement of specific performance objectives set by Vivendi's Management Board (*Directoire*) and Supervisory Board (*Conseil de surveillance*). Moreover, all allocation plans are conditional upon active employment at the vesting date.

On the Effective Date, certain performance shares of Vivendi (or rights thereto) granted under Vivendi's performance share plans in 2020, 2022 and 2023 will not have been delivered to the relevant Vivendi Group beneficiaries. Consequently, for such beneficiaries, including employees of the Group, these performance share rights will not be eligible to receive any shares of Louis Hachette Group in the Louis Hachette Group Partial Demerger, nor any Havas ordinary shares in the Havas Distribution or any shares of Canal+ in the Canal+ Partial Demerger, resulting, following completion of the Vivendi Spin-Off, in a decrease of the value of their Vivendi performance share rights, unrelated to any decline in the Vivendi Group's performance. For further information on the Vivendi Spin-Off, see Part B, Section 18.1, "*The Spin-Off.*"

In order to compensate this decrease in value of these beneficiaries' rights, the Supervisory Board of Vivendi, on the recommendation of the Vivendi corporate governance, nomination and remuneration committee, and the Management Board of Vivendi, will consider in 2025 putting in place a mechanism to take into account the impact of the Vivendi Spin-Off on the value of these Vivendi performance share rights, in accordance with applicable laws and the regulations of the relevant plans, with all or part of the cost of implementing this mechanism being borne by the relevant parent company of the beneficiaries' employers.

With respect to beneficiaries holding positions within the Company or one of its subsidiaries, the Supervisory Board of Vivendi, at its meeting of July 25, 2024, on the recommendation of the Vivendi corporate governance, nomination and remuneration committee, and the Management Board of Vivendi, at its meeting of July 24, 2024, decided to maintain their 2022 and 2023 performance share rights in their vesting period, subject to (i) the completion of the Vivendi Spin-Off, and in particular the opinion of the relevant employee representative bodies, (ii) the level of achievement of the performance conditions of the relevant plans, and (iii) the condition of presence within the Company or one of its subsidiaries at the end of the vesting period.

12. MAJOR SHAREHOLDERS

The information below describes the beneficial ownership of Vivendi Shares immediately prior to completion of the Louis Hachette Group Partial Demerger and the expected beneficial ownership of Louis Hachette Shares immediately after completion of the Louis Hachette Group Partial Demerger, in each case, by each person or entity that the Company knows beneficially owns 5% or more of the outstanding Vivendi Shares or expects to, immediately following the Louis Hachette Group Partial Demerger will (based on the assumptions described below) beneficially own 5% or more of Louis Hachette Shares and/or voting rights.

Vivendi Shareholders	Number of Vivendi Shares	% of share capital(1)	% of theoretical voting rights(2)	% of exercisable voting rights(3)
Bolloré Group(4)	307,964,110	29.90%	29.83%	30.94%
Employees of Vivendi	26,195,244	2.55%	3.66%	3.80%
Vivendi(5)	38,106,631	3.70%	3.59%	0.00%
Public	657,652,140	63.85%	62.92%	65.27%
Total	**1,029,918,125**	**100%**	**100%**	**100%**

(1) The calculation of the percentage of ownership of Vivendi Shares is based on 1,029,918,125 Vivendi Shares outstanding as of October 15, 2024.

(2) The calculation of the percentage of theoretical voting rights of Vivendi is based on 1,061,295,318 theoretical voting rights as of October 15, 2024. Theoretical votes represent the exercisable voting rights and the non-exercisable voting rights, including, *e.g.*, voting rights attached to treasury shares.

(3) The calculation of the percentage of exercisable voting rights of Vivendi Shares is based on 1,023,188,687 exercisable voting rights in Vivendi as of October 15, 2024.

(4) Including, pursuant to Article L. 233-10 of the French *Code de commerce*, (i) 301,869,191 Vivendi Shares held by Bolloré SE; (ii) 5,995,559 Vivendi Shares held by Compagnie de l'Odet SE; (iii) 48,000 Vivendi Shares held by Mr. Vincent Bolloré; (iv) the underlying 22,360 Vivendi Shares corresponding to the equity interests subscribed by Mr. Vincent Bolloré in Vivendi's employee funds (FCPE); (v) 24,000 Vivendi Shares held by Mr. Cyrille Bolloré; and (vi) 5,000 Vivendi Shares held by Mr. Sébastien Bolloré. Bolloré SE is controlled by Compagnie de l'Odet SE, itself controlled by Sofibol SCA, which is controlled at the highest level by Bolloré Participations SE. Bolloré Participations SE is controlled by Mr. Vincent Bolloré, who holds, directly and indirectly 93.05% of the share capital and 71.55% of the theoretical voting rights of Compagnie de l'Odet SE.

(5) Vivendi Shares held directly by Vivendi in treasury. Voting rights of treasury shares are suspended in accordance with Article L. 225-210 of the French *Code de commerce*.

Upon completion of the Louis Hachette Group Partial Demerger, Bolloré SE will be the reference shareholder of the Company. Based on Vivendi's shareholding structure as presented in the above table and in accordance with the Allocation Ratio, the table below sets forth, to the Company's knowledge, the expected ownership of the Louis Hachette Shares immediately before the Admission.

Company shareholders	Number of Louis Hachette Shares(1)	% of share capital	Number of voting rights	% of exercisable voting rights
Vivendi(2)	185,000	0.02%	185,000	0.02%
Bolloré Group(3)	307,941,750	31.04%	307,941,750	31.04%
Public(4)	683,869,744	68.94%	683,869,744	68.94%
Total	**991,996,494**	**100%**	**991,996,494**	**100%**

(1) Assuming that the Allocation Ratio remains unchanged until the Listing Date and the number of Excluded Vivendi Shares remains equal to 38,106,631 and each Vivendi Shareholder is allotted one (1) Louis Hachette Share for each Vivendi Share it holds.

(2) The 184,999 Louis Hachette Shares held by Vivendi and the single Louis Hachette Share held by Compagnie Hoche at the date of the Information Document will be sold on the market following completion of the Louis Hachette Group Partial Demerger, on or after the Admission.

(3) Including, pursuant to Article L. 233-10 of the French Code de commerce, (i) 301,869,191 Louis Hachette Shares held by Bolloré SE; (ii) 5,995,559 Louis Hachette Shares held by Compagnie de l'Odet SE; (iii) 48,000 Louis Hachette Shares held by Mr. Vincent Bolloré; (iv) 24,000 Louis Hachette Shares held by Mr. Cyrille Bolloré; and (v) 5,000 Louis Hachette Shares held by Mr. Sébastien Bolloré.

(4) Including the underlying Louis Hachette Shares corresponding to the equity interests subscribed by Mr. Vincent Bolloré in Vivendi's employee funds (FCPE), the exact number of which cannot be determined before completion of the Vivendi Spin-Off and the reorganization transactions involving Vivendi's employee funds in this context.

13. PRESENTATION OF ANY RELATED PARTY TRANSACTIONS

13.1 Transitional Services Agreement

13.1.1 Introduction and services

The Company and Prisma S.A.S. intend to enter into transitional services agreements with Vivendi (the "**Transitional Services Agreements**") in connection with the separation pursuant to the Louis Hachette Group Partial Demerger in terms of which Vivendi will provide to the Company and Prisma S.A.S., various limited services and support on an interim transitional basis, effective as of the Louis Hachette Group Partial Demerger. The services covered by the Transitional Services Agreements, include, but are not limited to: (i) a limited selection of finance and treasury related services and applications; (ii) a limited selection of accounting services and accounting software related services and applications; (iii) taxation related services; (iv) legal, sustainability and compliance related services; (v) limited information technology related applications and cybersecurity related services.

13.1.2 Charges

The Company and Prisma S.A.S. will pay to the service provider an agreed-upon monthly fee ("**Charges**") for such services, excluding any cost or expenses related to specific or additional developments incurred by Vivendi to provide the Services, during the first twelve months (the "**Minimum Service Period**") of the Transitional Services Agreements. During the Minimum Service Period, the amount of the Charges could be modified subject to certain conditions. After the Minimum Service Period the monthly charge will be adjusted to reflect the scope and duration of services which may continue after the Minimum Service Period, if any.

13.1.3 Term

The Transitional Services Agreements provide that the services will commence on the Louis Hachette Group Partial Demerger date and shall expire upon the earliest of (i) the last day of the period applicable for the last service provided by Vivendi, which cannot extend beyond 24 months after the Listing Date and (ii) the mutual agreement between the Company and Vivendi, on the one hand, and between Prisma S.A.S. and Vivendi, on the other hand, to terminate the Transitional Services Agreements.

Under the Transitional Services Agreements, the Company and Prisma S.A.S. may cease to use any service at any time.

Under the Transitional Services Agreements, each party may terminate any service (in whole or in part) at any time in the event of breach by the other party of any of its material obligation with respect to such service, and such failure has not been remedied within the cure period.

Upon termination in whole or in part, Vivendi shall have no further obligation to provide the terminated service, and the Company and Prisma S.A.S. shall have no obligation to pay any Charges related to the terminated service (except in case of termination during the Minimum Service Period) but shall remain liable for the Charges owed and paying any applicable wind-down charges.

13.1.4 Limitations

Subject to certain exceptions, the liabilities of each party under the Transitional Services Agreements will generally be limited to the aggregate charges actually paid or payable by the Company and/or Prisma S.A.S. under the Transitional Services Agreements.

14. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES

14.1 Historical financial information

VIVENDI SE

Société Européenne

42, avenue de Friedland

75008 PARIS

FRANCE

Audit report on Louis Hachette Group combined financial statements

For the years ended December 31, 2023, 2022 and 2021

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Audit report on Louis Hachette Group combined financial statements

For the years ended December 31, 2023, 2022 and 2021

To the Management Board of Vivendi SE,

Opinion

In our capacity as one of the statutory auditors of Vivendi SE in the context of the contemplated admission of the shares of Louis Hachette Group S.A. to trading on Euronext Growth Paris, we have audited the accompanying combined financial statements of Louis Hachette Group (which combine mainly the Vivendi's stakes in Lagardère and in Prisma Group and their respective subsidiaries), prepared for the purpose of inclusion in the information document and which comprise the combined statements of financial position of Louis Hachette Group as at December 31, 2023, 2022 and 2021, and the combined statements of earnings, the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for the years then ended, and notes to the combined financial statements, including a summary of significant accounting policies (thereafter the « Combined Financial Statements »).

In our opinion, the Combined Financial Statements present fairly, in all material respects, the combined assets and liabilities and combined financial position of Louis Hachette Group as at December 31, 2023, 2022 and 2021 and the results of its combined operations for the years then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France and the professional guidance of the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) applicable to such engagement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are described in the "Statutory auditor's responsibilities for the audit of the Combined Financial Statements" section of our report.

Independence

We conducted our audit in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors.

Emphasis of matter

We draw attention to the Note 4 "Basis of preparation of the Combined Financial Statements" of the Combined Financial Statements, and in particular the "Accounting conventions used when preparing the Combined Financial Statements" section. Our opinion is not modified in respect of this matter.

Responsibilities of Vivendi SE's Management Board and those charged with governance for the Combined Financial Statements

Vivendi SE'S Management Board is responsible for the preparation and fair presentation of the Combined Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the Combined Financial Statements, Vivendi SE'S Management Board is responsible for assessing Louis Hachette Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate Louis Hachette Group or to cease operations.

These Combined Financial Statements were examined on October 21 2024 by the Management Board of Vivendi SE and approved on October 25, 2024 by two empowered members of the Management Board of Vivendi SE.

Statutory auditor's responsibilities for the audit of the Combined Financial Statements

Our role is to issue a report on the Combined Financial Statements. Our objective is to obtain reasonable assurance about whether the Combined Financial Statements as a whole are free from material misstatement.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of Statutory Auditors will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit of the Combined Financial Statements does not include assurance on the viability of Louis Hachette Group or the quality of management of the affairs of Louis Hachette Group.

As part of an audit conducted in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of Statutory Auditors, the statutory auditor exercises professional judgement throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the Combined Financial Statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the Combined Financial Statements;

- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Louis Hachette Group 's ability to continue as a going concern.
  This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause Louis Hachette Group to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the Combined Financial Statements or, if such disclosures are not provided or are inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the Combined Financial Statements and assesses whether these Combined Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Louis Hachette Group to express an opinion on the Combined Financial Statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the Combined Financial Statements and for the opinion expressed on these financial statements.

This report shall be governed by, and construed in accordance with, French law and professional standards applicable in France. The Courts of France shall have exclusive jurisdiction in relation to any claim, difference or dispute which may arise out of or in connection with our engagement letter or this report.

Paris-La Défense, October 25, 2024

One of Vivendi SE statutory auditors

Deloitte & Associés

Frédéric SOULIARD

Frédéric SOULIARD

LOUIS HACHETTE GROUP

Audited Combined Financial Statements for the years ended December 31, 2023, 2022 and 2021

Audited Combined Financial Statements for the years ended December 31, 2023, 2022 and 2021

Combined Statement of Earnings

(in millions of euros)	Note	Year ended December 31, 2023	2022	2021
Revenues	4	**979**	**320**	**194**
Cost of revenues		(480)	(194)	(113)
Selling, general and administrative expenses		(465)	(93)	(61)
Restructuring charges	4	(3)	(4)	(2)
Income from equity affiliates - operational	14	124	98	20
Earnings before interest and income taxes (EBIT)		**155**	**127**	**38**
Interest	6	(15)	(2)	(1)
Income from investments		-	-	-
Other financial income	6	1	-	-
Interest expenses on lease liabilities		(8)	(1)	-
Other financial charges	6	(13)	-	(5)
		(35)	***(3)***	***(6)***
Earnings before provision for income taxes		**120**	**124**	**32**
Provision for income taxes	7	(20)	(9)	(5)
Earnings from continuing operations		**100**	**115**	**27**
Earnings from discontinued operations		-	-	-
Earnings		**100**	**115**	**27**
Of which				
Earnings attributable to shareowners		**110**	**115**	**27**
Non-controlling interests		(10)	-	-

The accompanying notes are an integral part of the Combined Financial Statements.

Combined Statement of Comprehensive Income

(in millions of euros)	Note	Year ended December 31, 2023	2022	2021
Earnings		**100**	**115**	**27**
Actuarial gains/(losses) related to employee defined benefit plans, net	9	(12)	3	-
Financial assets at fair value through other comprehensive income		-	-	-
Comprehensive income from equity affiliates, net	14	(4)	(5)	(4)
Items not subsequently reclassified to profit or loss		**(16)**	**(2)**	**(4)**
Foreign currency translation adjustments		(2)	-	-
Unrealized gains/(losses), net		(1)	-	-
Comprehensive income from equity affiliates, net	14	(13)	9	15
Other impacts, net		-	-	-
Items to be subsequently reclassified to profit or loss		**(16)**	**9**	**15**
Charges and income directly recognized in equity	9	**(32)**	**7**	**11**
Total comprehensive income		**68**	**122**	**38**
Of which				
Total comprehensive income attributable to shareowners		**85**	**122**	**38**
Total comprehensive income attributable to non-controlling interests		(17)	-	-

The accompanying notes are an integral part of the Combined Financial Statements.

Combined Statement of Financial Position

(in millions of euros)	Note	December 31, 2023	December 31, 2022	December 31, 2021	January 1, 2021
ASSETS					
Goodwill	10	1,202	176	176	
Intangible assets	11	3,948	89	92	
Property, plant and equipment	12	1,169	2	3	
Rights-of-use relating to leases	13	2,403	10	14	
Investments in equity affiliates	14	148	1,965	1,469	
Non-current financial assets	15	186	1	1	784
Deferred tax assets	7	227	4	13	
Non-current assets		**9,283**	**2,247**	**1,768**	**784**
Inventories	16	848	6	7	
Current tax receivables	7	61	5	-	
Trade accounts receivable and other	16	1,818	81	76	
Other current financial assets	15	14	-	-	
Loans to Vivendi SE	17	40	11	-	
Cash and cash equivalents	17	468	1	2	
Current assets		**3,249**	**104**	**85**	**-**
TOTAL ASSETS		**12,532**	**2,351**	**1,853**	**784**
EQUITY AND LIABILITIES					
Retained earnings and other		2,040	1,994	1,477	784
Shareowners' equity		**2,040**	**1,994**	**1,477**	**784**
Non-controlling interests		788	-	-	
Total equity		**2,828**	**1,994**	**1,477**	**784**
Non-current provisions	19	287	9	12	
Borrowings from Vivendi SE	17	271	-	-	
Long-term borrowings and other financial liabilities	22	124	-	-	
Deferred tax liabilities	7	1,092	20	20	
Long-term lease liabilities	13	1,989	7	15	
Other non-current liabilities		57	-	-	
Non-current liabilities		**3,820**	**36**	**47**	**-**
Current provisions	19	129	10	29	
Borrowings from Vivendi SE	17	205	177	177	
Short-term borrowings and other financial liabilities	22	2,191	-	-	
Trade accounts payable and other	16	2,858	125	110	
Short-term lease liabilities	13	434	9	11	
Current tax payables	7	67	-	2	
Current liabilities		**5,884**	**321**	**329**	**-**
TOTAL LIABILITIES		**9,704**	**357**	**376**	**-**
TOTAL EQUITY AND LIABILITIES		**12,532**	**2,351**	**1,853**	**784**

The accompanying notes are an integral part of the Combined Financial Statements.

Combined Statement of Cash Flows

(in millions of euros)	Note	Year ended December 31, 2023	2022	2021
Operating activities				
EBIT		155	127	38
Adjustments	23.1	(54)	(106)	(16)
Gross cash provided by operating activities before income tax paid		***101***	***21***	***22***
Other changes in net working capital		144	12	3
Net cash provided by operating activities before income tax paid		***245***	***33***	***25***
Income tax (paid)/received, net		(25)	(8)	(4)
Net cash provided by operating activities		**220**	**25**	**21**
Investing activities				
Capital expenditures		(47)	(3)	(2)
Purchases of consolidated companies, after acquired cash		320	-	(175)
Investments in equity affiliates		-	-	-
Increase in financial assets	15	(2)	(2)	-
Investments		**271**	**(5)**	**(177)**
Proceeds from sales of property, plant, equipment and intangible assets	11;12	-	-	-
Proceeds from sales of consolidated companies, after divested cash		(1)	-	-
Decrease in financial assets	15	41	-	-
Divestitures		**40**	**-**	**-**
Dividends received from equity affiliates		-	-	-
Dividends received from unconsolidated companies		-	-	-
Net cash provided by/(used for) investing activities	23.2	**311**	**(5)**	**(177)**
Financing activities				
Other transactions with shareowners		1	-	-
Dividends paid by consolidated companies to their non-controlling interests		-	-	-
Transactions with shareowners		**1**	**-**	**-**
Setting up of long-term borrowings and increase in other long-term financial liabilities		1	-	-
Principal payment on long-term borrowings and decrease in other long-term financial liabilities		-	-	-
Principal payment on short-term borrowings	22	(276)	-	-
Other changes in short-term borrowings and other financial liabilities		276	(11)	163
Interest paid, net	6	(15)	(2)	(1)
Other cash items related to financial activities		-	-	-
Transactions on borrowings and other financial liabilities		**(14)**	**(13)**	**162**
Repayment of lease liabilities and related interest expenses	13	(51)	(8)	(5)
Net cash provided by/(used for) financing activities of continuing operations	23.2	**(64)**	**(21)**	**157**
Foreign currency translation adjustments of continuing operations		1	-	-
Change in cash and cash equivalents		**468**	**(1)**	**1**
Cash and cash equivalents				
At beginning of the period	17	-	1	-
At end of the period	17	468	-	1

The accompanying notes are an integral part of the Combined Financial Statements.

Combined Statements of Changes in Equity

Year ended December 31, 2023

(in millions of euros)	Note	Combined retained earnings	Charges and income directly recognized in equity	Total equity attributable to shareowners	Retained earnings attributable to Non-controlling interests	Charges and income directly recognized in equity	Total non-controlling interests	**Total equity**
BALANCE AS OF DECEMBER 31, 2022		**1,976**	**18**	**1,994**	**-**	**-**	**-**	**1,994**
Contributions by (distributions to) shareowners		**(106)**	**-**	**(106)**	**-**	**-**	**-**	**(106)**
Dividends distributed by Lagardère SA to Vivendi SE		*(106)*	-	*(106)*	-	-	-	*(106)*
Changes in ownership interest in subsidiaries and equity affiliates		**71**	**-**	**71**	**804**	**-**	**804**	**875**
Acquisition of Lagardère shares by Vivendi SE	14	*71*	-	*71*	-	-	-	*71*
Non-controlling interests upon consolidation of Lagardère	3	-	-	-	*804*	-	*804*	*804*
Other		**7**	**(11)**	**(4)**	**1**	**-**	**1**	**(3)**
Total (A)		**(28)**	**(11)**	**(39)**	**805**	**-**	**805**	**766**
Earnings		110	-	**110**	(10)		**(10)**	**100**
Charges and income directly recognized in equity	9	-	(25)	**(25)**	-	(7)	**(7)**	**(32)**
TOTAL COMPREHENSIVE INCOME (B)		**110**	**(25)**	**85**	**(10)**	**(7)**	**(17)**	**68**
TOTAL CHANGES OVER THE PERIOD (A+B)		**82**	**(36)**	**46**	**795**	**(7)**	**788**	**834**
BALANCE AS OF DECEMBER 31, 2023		**2,058**	**(18)**	**2,040**	**795**	**(7)**	**788**	**2,828**

The accompanying notes are an integral part of the Combined Financial Statements.

Year ended December 31, 2022

(in millions of euros)	Note	Combined retained earnings	Charges and income directly recognized in equity	Total equity attributable to shareowners	Total non-controlling interests	**Total equity**
BALANCE AS OF DECEMBER 31, 2021		**1,466**	**11**	**1,477**	**-**	**1,477**
Contributions by (distributions to) shareowners		**(32)**	**-**	**(32)**	**-**	**(32)**
Dividends distributed by Lagardère SA to Vivendi SE		*(32)*	-	*(32)*	-	*(32)*
Changes in ownership interest in equity affiliates		**443**	**-**	**443**	**-**	**443**
Acquisition of Lagardère shares by Vivendi SE	14	*443*	-	*443*	-	*443*
Other		**(16)**	**-**	**(16)**	**-**	**(16)**
Total (A)		**395**	**-**	**395**	**-**	**395**
Earnings		115	-	**115**	-	**115**
Charges and income directly recognized in equity		-	7	**7**	-	**7**
TOTAL COMPREHENSIVE INCOME (B)		**115**	**7**	**122**	**-**	**122**
TOTAL CHANGES OVER THE PERIOD (A+B)		**510**	**7**	**517**	**-**	**517**
					-	
BALANCE AS OF DECEMBER 31, 2022		**1,976**	**18**	**1,994**	**-**	**1,994**

The accompanying notes are an integral part of the Combined Financial Statements.

Year ended December 31, 2021

(in millions of euros)	Note	Combined retained earnings	Charges and income directly recognized in equity	Total equity attributable to shareowners	Total non-controlling interests	**Total equity**
BALANCE AS OF JANUARY 1, 2021		**784**	**-**	**784**	**-**	**784**
Contributions by (distributions to) shareowners		**-**	**-**	**-**	**-**	**-**
Dividends distributed by Lagardère SA to Vivendi SE		*-*	*-*	*-*	*-*	*-*
Changes in ownership interest in equity affiliates		**612**	**-**	**612**	**-**	**612**
Acquisition of Lagardère shares by Vivendi SE	14	*612*	*-*	*612*	*-*	*612*
Other		**43**	**-**	**43**	**-**	**43**
Total (A)		**655**	**-**	**655**	**-**	**655**
Earnings		27	-	**27**	-	**27**
Charges and income directly recognized in equity		-	11	**11**	-	**11**
TOTAL COMPREHENSIVE INCOME (B)		**27**	**11**	**38**	**-**	**38**
TOTAL CHANGES OVER THE PERIOD (A+B)		**682**	**11**	**693**	**-**	**693**
					-	
BALANCE AS OF DECEMBER 31, 2021		**1,466**	**11**	**1,477**	**-**	**1,477**

The accompanying notes are an integral part of the Combined Financial Statements.

Notes to the Combined Financial Statements

Vivendi SE ("Vivendi") is a European company which, since January 7, 2020, has been subject to the provisions of French commercial company law that are applicable to it in France, including Council Regulation EC No. 2157/2001 of October 8, 2001 on the statute for a European company (SE) and the French Commercial Code (Code de commerce). Vivendi was incorporated on December 18, 1987, for a term of 99 years expiring on December 17, 2086, except in the event of an early dissolution or unless its term is extended. Its registered office is located at 42 avenue de Friedland - 75008 Paris (France). Vivendi's shares are listed on Euronext Paris (Compartment A).

The Combined Financial Statements present the financial and accounting situation of Louis Hachette Group, which comprises Lagardère and Prisma Media (see below), together with their respective equity interests. Amounts are reported in euros and all values are rounded to the nearest million.

On October 21, 2024, the Management Board of Vivendi SE examined Louis Hachette Group's Combined Financial Statements for the years ended December 31, 2023, 2022 and 2021, and granted power to two of its members to approve such Combined Financial Statements. On October 25, 2024, Louis Hachette Group's Combined Financial Statements for the years ended December 31, 2023, 2022 and 2021 were approved by those members of Vivendi's Management Board.

Note 1 Basis of preparation of the Combined Financial Statements

At its meetings held on December 13, 2023 and January 30, 2024, Vivendi's Supervisory Board, upon the recommendation of the Management Board, authorized the possibility to study the feasibility of a proposed Vivendi spin-off into several entities, each of which would be listed on the stock market and would be structured around Canal+ Group, Havas Group, Louis Hachette Group, which brings together Vivendi's publishing and distribution assets, i.e. Vivendi's 63.5% stake in Lagardère SA (formerly Lagardère SCA) and its subsidiaries (together, "Lagardère"), and its 100% stake in Prisma Group S.A.S (formerly "SIG 123") and its subsidiaries (together, "Prisma Media"), and an investment company that would own shareholdings in listed and unlisted companies in the culture, media and entertainment sectors.

In this context, Vivendi SE would contribute to Louis Hachette Group, a legal entity, all of the ordinary shares it holds in the share capital of Lagardère and Prisma Media. Louis Hachette Group would issue and allocate new ordinary shares directly to the shareholders of Vivendi. These Louis Hachette Group shares would be listed on Euronext Growth.

In connection with the contemplated admission of Louis Hachette Group securities to trading on Euronext Growth, Vivendi management has prepared these Combined Financial Statements as of and for the fiscal years ended December 31, 2023, 2022 and 2021 and the opening Combined Statements of Financial Position on January 1, 2021, in accordance with IFRS Accounting Standards, which reflect the legal reorganization of share ownership in the legal entities mentioned above.

These combined financial statements for the years ended December 31, 2023, 2022 and 2021 have been drawn up based on the accounting data of Lagardère and Prisma Media, included in the Vivendi Group's consolidated financial statements for the relevant fiscal years.

These combined financial statements of the years ended December 31, 2023, 2022 and 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and published by the International Accounting Standards Board (IASB), with mandatory application as of December 31, 2023 with retrospective effect from January 1, 2021, which had no impact on these combined financials statements. The accounting policies described below have been consistently applied over all reporting periods including the opening financial position as of January 1, 2021.

Context

As of November 30, 2023, Vivendi held 84,326,511 Lagardère shares, representing 59.75% of the share capital of Lagardère for a total cash outflow of €1,723 million. Vivendi's interest in Lagardère resulted from the following transactions:

- the purchases of Lagardère shares on the market for €597 million, including €595 million in 2020, representing 27.1% of Lagardère's share capital as of January 1, 2021;
- the purchase of a block of Lagardère shares from Amber Capital in the second half of 2021 for €611 million;
- the public tender offer for Lagardère shares by Vivendi in the second quarter of 2022 for €433 million; and
- the exercise of 3,382,743 Lagardère share transfer rights, for a cash outflow of €82 million, including €71 million in 2023.

As of December 31, 2022, Vivendi held 81,380,480 Lagardère shares, representing 57.66% of Lagardère share capital and 48.35% of the theoretical voting rights (compared to 45.13% of the share capital and 22.3% of the theoretical voting rights as of December 31, 2021). Pursuant to Article 7(2) of Regulation (EC) No. 139/2004 on the control of concentrations between undertakings, Vivendi could not exercise the voting rights attached to the 25,305,448 Lagardère shares acquired from Amber Capital in 2021 and the 17,687,241 Lagardère shares acquired in

Vivendi's public tender offer, until the approvals required for the acquisition of control of Lagardère were received from the European Commission, which approvals were received on November 21, 2023.

As of December 31, 2023, following the exercise of transfer rights as from November 30, 2023, Vivendi held 84,399,064 Lagardère shares, representing 59.80% of the share capital and 50.62% of voting rights of Lagardère.

As from December 1, 2023, Vivendi has fully consolidated Lagardère, which until that date had previously been accounted for under the equity method since July 1, 2021 and in financial assets at fair value through other comprehensive income in accordance with IFRS 9 as for the first share acquisition in 2020 to July 1,2021.

Scope of combination

The scope of combination mainly includes entities owned directly and indirectly by Prisma Media and entities owned directly and indirectly by Lagardère.

As a reminder:

- as from June 1, 2021, Vivendi fully consolidated Prisma Media, whose acquisition was completed on May 31, 2021;
- as from December 1, 2023, Vivendi fully consolidated Lagardère, which until that date had previously been accounted for under the equity method since July 1, 2021 and in financial assets at fair value through other comprehensive income in accordance with IFRS 9 from January 1 to July 1, 2021.

The combination scope of Louis Hachette Group is presented in Note 27 "List of the main combined entities" to the Audited Combined Financial Statements for the years ended December 31, 2023, 2022 and 2021.

Core business

Prisma Media

Founded originally as Prisma Presse by Axel Ganz in 1978, the company was renamed Prisma Media in 2012.

With a portfolio of 30 leading brands, Prisma Media is present in the main general public and luxury segments and is the leader of crossmedia groups (periodicals with print and electronic versions) in France. The essence of Prisma Media lies in creating concepts and editorial content that reflect its history and expertise. In 2023, Prisma Media sold over 130 million copies of its magazines.

Lagardère

Created in 1992, Lagardère is an international group. The group is structured around two main branded businesses: Lagardère Publishing (books, e-publishing, partworks, stationary, board games and mobile games) and Lagardère Travel Retail (Travel Essentials, Duty Free & Fashion and Foodservice).

Lagardère Publishing, whose main brand is Hachette Livre, founded in 1826, is the world's third-largest publisher of trade and educational books. Represented directly or indirectly in more than 70 countries, the branch comprises more than 200 publishing brands and publishes over 15,000 new titles a year in a dozen languages, with a strong presence in the three main language groups (English, Spanish and French). With nearly 8,000 employees, Hachette Livre has a well-balanced, diversified portfolio serving every segment of the publishing market, including textbooks and extracurricular works, literature, illustrated books, partworks, dictionaries, children and young adult titles, paperbacks, travel guides and more.

Lagardère Travel Retail is the world's third-largest Travel Retail operator and the world's second largest airport Travel Retail operator. It conducts its activities within transit hubs and concessions across three segments: Travel Essentials, Duty Free & Fashion and Foodservice. At year-end 2023, with operations in more than 40 countries on five continents and nearly 27,000 employees, the Lagardère Travel Retail network comprised 5,122 stores, of which 3,679 in France, Europe, the Middle East and Africa, 582 in Asia-Pacific and 861 in the Americas. Its network, established in more than 290 airports as well as 700 train and underground stations.

The group's business base also includes the assets of Lagardère News (Paris Match, Le Journal du Dimanche, JDD Magazine and the Elle brand license), Lagardère Live Entertainment (venue management, production of concerts and shows, hosting and local promotional services) and Lagardère Paris Racing (sports club).

In addition, it consolidates Lagardère Radio, which it wholly owns, and Lagardère Radio's subsidiaries (Europe 1, Europe 2, RFM and the Advertising Sales Brokerage).

Accounting conventions used when preparing the combined financial statements

Since IFRS provides no specific guidelines for the preparation of the Combined Financial Statements, in accordance with the requirements of the Conceptual Framework and IAS 8 Accounting policies, certain accounting conventions commonly used for the preparation of combined historical financial information have been applied.

The combined financial statements are the first IFRS financial statements of Louis Hachette Group in which IFRS 1 (First-time Adoption of International Financial Reporting Standards). As this set of Combined Financial Statements were based on a date of transition to IFRS as of January 1, 2021, the opening statement of financial position only included: the statement of financial position of Prisma Group, which was a shell company, and the shares held by Vivendi SE in Lagardère recognized as financial assets at fair value through profit or loss.

As Prisma Group fully acquired share ownership in Prisma Media on May 31, 2021, the allocation of the purchase price was reflected on that date in the Combined Financial Statements according to IFRS 3 Business combination.

Since July 1, 2021, Lagardère has been accounted for by Vivendi under the equity method, in compliance with IAS 28 Investments in Associates and Joint Ventures, Vivendi having a significant influence on Lagardère following the Shareholders' Meeting of the general partners and limited shareholders of Lagardère SCA, held on June 30, 2021, which approved the conversion of the company into a French limited liability company (société anonyme) with a Supervisory Board and appointed new members of Lagardère SA's Supervisory Board, including Mr. Arnaud de Puyfontaine, Chairman of Vivendi's Management Board

On November 21, 2023, Vivendi obtained control over Lagardère as a result of the different transactions developed above and following the closing of the sale of the entire issued share capital of Editis to International Media Invest, which occurred on November 14, 2023, and the sale of Gala magazine to Groupe Figaro, which occurred on November 21, 2023, representing the committed by Vivendi for the obtention of approval from the European Commission.

As of December 31, 2023, Vivendi did not make any preliminary purchase price allocation. The acquisition price allocation work began in the first half of 2024, and was reflected in the Combined Financial Statements and accounted for retrospectively on the date of consolidation of Lagardère, being December 1, 2023. As of the date of preparation of these combined financial statements, this allocation work is still ongoing and shows a preliminary goodwill of €1 019 million (please refer to Note 3).

The combined group thus determined does not form a separate legal group of legal entities in all years presented. While Lagardère issued consolidated financial statements as a listed entity on Euronext Paris, Prisma Media has never issued standalone financial statements and together they have never issued combined financial statements. As a result, the accompanying combined financial statements may not necessarily be indicative of the Louis Hachette Group financial position, results of operations, or cash flows had the Louis Hachette Group operated as a separate entity during the periods presented.

The Combined Financial Statements of Louis Hachette Group have been prepared on the basis of and consistent with estimates reflected in the Vivendi SE Consolidated Financial Statements as of and for years ended December 31, 2023, December 31, 2022, December 31, 2021 and December 31, 2020, authorized for issue by the Board Management of Vivendi SE as of March 7, 2024, March 6, 2023, March 7, 2022, March 3, 2021, respectively. Subsequent developments from March 7, 2024 to October 25, 2024 did not result in adjusting events in the Consolidated Financial Statements.

Intercompany transactions between Lagardère, Prisma Media and other Vivendi Group entities

Balances pertaining to current transactions between Lagardère, Prisma Media and other entities in the Vivendi Group have been presented as third-party assets or liabilities in the combined financial statements.

All loans and borrowings between Lagardère, Prisma Media and other Vivendi Group entities have been presented as financial assets or liabilities in the combined financial statements.

Transactions between other Vivendi Group entities are presented in Note 24 "Related Parties".

Earnings per share

As the combined group is not a legal entity, the number of shares outstanding is not determinable and therefore no earning per share data is presented.

Corporate tax

In accordance with Article 223-A of the French Tax Code, given the date of acquisition of Prisma Media by Vivendi SE (May 31, 2021), losses and profits of French companies within the scope of Prisma Media's combination, which are directly or indirectly controlled by Vivendi SE by at least 95%, are tax integrated by Vivendi SE as from January 1, 2022.

Given Vivendi SE's ownership interest in Lagardère SA (59,75% as of December 1, 2023), losses and profits of French companies within the scope of Lagardère SA are not tax integrated by Vivendi SE.

Note 2 Accounting policies and valuation methods

2.1 Compliance with accounting standards

In application of European Commission Regulation (EC) 1606/2002 of July 19, 2002, the combined financial statements of Louis Hachette Group have been prepared in accordance with the IFRS published by the IASB with mandatory application as of December 31, 2023 with retroactive effect as of January 1, 2021, and as part of the basis of preparation of the combined financial statements.

All IFRS standards and interpretations of the IFRS Interpretation Committee (IFRS-IC) endorsed by the EU as of December 31, 2023 have been applied. They can be viewed on the website of the European Commission at https://ec.europa.eu/ info/business-economy-euro/company-reporting-and-auditing/ company-reporting_en.

The new standards and/or amendments to IFRS adopted by the EU that are effective for periods beginning on or after January 1, 2023, are as follows:

- amendments to IAS 1 – Definition of Material as part of the Disclosure Initiative;
- amendments to IAS 8 – Definition of Accounting Estimates;
- amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction; and
- amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules.

Safeguard measures were applied on the scope using 2022 data to assess its potential exposure upon taking effect of these new regulations, which is expected to be in 2024.

Lagardère and Prisma Media did not elect to adopt the following new amendments which were endorsed by the European Union, but which will only be effective for periods starting after December 31, 2023:

- amendments to IAS 1 – Classification of Liabilities as Current or Noncurrent and Noncurrent Liabilities with Covenants; and
- amendments to IFRS 16 – Lease Liability in a Sale and Leaseback.

The new standards and amendments to existing standards published by the IASB as of December 31, 2023 which have not yet been endorsed by the EU and which will be effective for periods starting after December 31, 2023 are as follows:

- amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangement; and
- amendments to IAS 21 – Lack of Exchangeability.

Lagardère and Prisma Media are currently analyzing the potential impact on their financial statements of applying the above amendments.

2.1.1 Measurement principles

Unless otherwise mentioned in the basis of preparation, the combined financial statements have been prepared using the historical cost method, except for certain financial assets and liabilities which have been measured at fair value where applicable under IFRS.

2.1.2 Use of estimates and judgements

The preparation of combined financial statements requires the use of estimates, judgement and assumptions to determine the value of assets and liabilities and contingent amounts at year-end, as well as the value of income and expenses for the year. Management's judgement of Louis Hachette Group is intended to classify transactions or situations where an item in the financial statements cannot be accurately measured. Significant judgement may be involved in assessing the risk to the going concern, the level at which certain goodwill is tested for impairment, the highly probable nature of a plan to sell assets or groups of assets and whether or not the assets qualify as discontinued operations, and the recovery period for deferred tax assets. Significant estimates made relate mainly to:

- valuing return rights granted to distributors at Lagardère Publishing and Prisma Media, based partly on sales forecasts;
- calculating the forecast cash flows and determining the time frame, discount and perpetuity growth rates to be used in impairment tests. Note 10 provides further details of the estimates and judgements used in impairment tests;
- measuring assets, in particular goodwill and intangible assets with regard to their identification and valuation, as well as liabilities acquired in a business combination;
- methods used to amortize intangible assets;
- measuring share-based payment plans (free share plans);
- measuring provisions and liquidity clauses granted to non-controlling interests; and
- in the context of Lagardère's strategic refocusing completed in 2020, measuring earn-outs and vendor warranties resulting from disposals of assets held by the former Lagardère Active and Lagardère Sports. These estimates are reviewed at each reporting date.

Management of Louis Hachette Group review these estimates and assumptions at regular intervals, based on past experience and various other factors considered as reasonable, which form the basis of its assessment of the carrying amount of assets and liabilities. Actual amounts may differ from these estimates due to changes in assumptions or circumstances. The accounting principles and valuation methods applied by Louis Hachette Group are described in full in Note 2.3 to the combined financial statements.

2.1.3 Accounting for climate risks in the financial statements

Based on the analyses performed in 2022 and 2023 on the exposure and vulnerability of Lagardère's activities to climate risks, the group's balance sheet – notably goodwill but also right-of-use assets under leases or concession agreements and directly owned buildings – shows limited vulnerability to such risks.

The analyses highlighted the resilience of Lagardère's activities to these risks, even under the extreme scenarios tested. Detailed information is presented in Note 10.

As of December 31, 2023, based on the results of the stress tests, the effects of global warming did not result in an indication of impairment.

2.2 Scope and methods of combination

2.2.1 Scope

In accordance with IFRS 10, subsidiaries are all controlled entities. Control results from the following three elements, regardless of the ownership interest held in an entity: (i) the power to direct the entity's key activities (operating and financial activities), (ii) exposure, or rights, to variable returns from the involvement with the entity, and (iii) the ability to use power over the entity to affect the amount of returns from the investment in the entity. For the purpose of assessing power, only substantive rights and rights that are not protective are considered. Substantive rights, such as those conferred by shareholders' agreements, are rights that are exercisable when decisions about the direction of the relevant activities need to be made.

A joint venture is an arrangement over which the Group and another party, or parties, have contractually agreed joint control and have rights to the assets, and obligations for the liabilities, relating to the arrangement. Decisions regarding the key activities of a joint venture require a unanimous vote from Lagardère and Prisma Media and its joint venture partners.

Associates are entities over which Lagardère and Prisma Media exercise significant influence, i.e., when it has the power to participate in financial and operating decisions, but does not have control or joint control. Significant influence is deemed to exist when the Group holds, directly or indirectly, 20% or more of the entity's share capital.

2.2.2 Methods of combination

Full consolidation

All subsidiaries controlled by Lagardère and Prisma Media are fully consolidated. The full consolidation method consists of combining the financial statements line by line and recognizing minority interests in the net assets of each subsidiary on a separate line in equity and on separate lines in the income statement and comprehensive statement of income. Any change in Lagardère's or Prisma's ownership interest in a subsidiary that does not result in a loss of control is recognized directly in equity (please refer to Note 2.3.7).

Equity method for joint venture and associates

This method consists of including in the combined financial statements only the share of equity corresponding to the percentage held by the combined group. If the combined group's share of losses of an equity-accounted entity equals or exceeds its interest in that entity, its interest is reduced to nil. After the combined group's interest has been reduced to nil, additional losses are provided for only to the extent that the combined group has incurred legal or constructive obligations in relation to such losses.

2.2.3 Closing date

The financial statements of all combined subsidiaries were closed as of December 31.

2.2.4 Translation of financial statements of foreign subsidiaries

The financial statements of foreign subsidiaries are translated into euros as follows:

- balance sheet items are translated using official year-end exchange rates; and
- income statement items are translated using average exchange rates for the year.

The resulting exchange differences are recognized as a separate component of equity, under "Translation reserve". Goodwill and fair value adjustments resulting from the acquisition of foreign subsidiaries are considered as assets and liabilities of the subsidiary concerned. They are therefore measured in the subsidiary's functional currency and translated at the year-end exchange rate. When a foreign subsidiary is sold, cumulative exchange differences recognized in equity are reclassified to profit or loss.

2.2.5 Intra-group balances and transactions

Intra-group balances and transactions between Lagardère and Prisma Media are eliminated from the date Vivendi acquired control of Lagardère. Impairment losses deducted from the investments in and receivables from combined companies are cancelled by adjusting equity, and movements for the year are neutralized in the income statement.

2.3 Accounting rules and valuation methods

2.3.1 Revenues

Revenue includes sales of products and services resulting from contracts with customers and is recognized whenever control of the promised goods or services is transferred to the customer in an amount that reflects the consideration to which the entity expects to be entitled for those goods or services. Revenue recognition methods vary depending on the division, as summarized below:

Lagardère

Lagardère Publishing

Revenues from contracts of Lagardère Publishing with customers correspond mainly to sales of goods and circulation of publications. Sales are shown net of rebates, commissions paid to e-broadcasters and the right of return. When an entity acts solely as agent, sales represent the net margin.

When a right of return is granted to clients for unsold items, estimates of the amount of returns are recognized as a refund liability within trade accounts payable and other for the portion relating to the decrease in revenue, and as a refund asset within inventories and trade accounts receivable and other, respectively for the portions relating to inventories and advances paid to authors. The refund liability recognized as a deduction from revenue is estimated on the basis of sales during the year and of historical data regarding returns. This estimate is calculated on a statistical basis using the actual rate of returns for the previous year, adjusted for fluctuations in sales volumes and changes in the operating environment during the current year.

Lagardère Travel Retail

Revenues from contracts of Lagardère Travel Retail mainly comprises retail sales in travel areas and concessions in the Travel Essentials, Duty Free & Fashion and Foodservice segments, as well as retail sales in convenience stores. Revenue is recognized at the point in time of the retail sale. For certain goods and services (e.g., sales of prepaid telephone cards and press distribution), the entity acts as agent and recognizes the net amount of consideration received as revenue.

Other activities

Revenues from contracts of Lagardère's other activities mainly relate to the sale of advertising space, magazine circulation, income from licenses and digital services, revenue related to live entertainment and live performance venues, as well as a site dedicated to sports activities. For all of these activities, revenue corresponds to advertising receipts, sales of editions and subscriptions, and digital services, ticketing generated by live entertainment and live performance venues. Revenue is recognized at the time adverts are broadcast, editions are published and live entertainment is performed. Revenue from licenses for the Press business is recognized when the sale is completed by the license holder during the period covered by the contract. For certain businesses – for example, Advertising Sales Brokerage and ticketing for live performance venues – the division acts as an agent in the sale transaction with radios and/or press publication and revenue corresponds solely to the commission received.

Prisma Media

Press and magazine distribution

Revenues from sales related to the distribution of press and magazines on physical and/or digital media, net of a provision for estimated returns (see Note 2.1.2) are accounted for on the publication date of the issue, commonly on the delivery date, these two dates being generally concomitant.

Sales of advertising spaces

The display of an advertising item in an issue or on a digital medium constitutes an advertising impression corresponding to a separate performance obligation, satisfied at a point in time, when the advertisements are published.

Revenue from the sale of advertising space, net of rebates if any, are accounted for when the advertising impressions are produced, i.e., when the advertisements are published. Prisma Media is usually the "principal" in the sale transaction with the customer, notably when Prisma Media is responsible for the execution and setting the price.

Sales of advertising spaces can be made through non-monetary exchange transactions and are accounted for in the balance sheet at their fair value and are reversed on the date on which the performance obligation is satisfied.

2.3.2 Other

Selling, general and administrative expenses primarily include salaries and employee benefits, consulting and service fees, insurance costs, travel and entertainment expenses, administrative department costs, provisions for receivables and other operating expenses.

2.3.3 Indicators used to measure performance

Lagardère and Prisma Media consider Adjusted Earnings Before Interest and Tax (EBITA), a non-GAAP measure, to be relevant indicator of the combined group's operating and financial performance.

EBITA

Louis Hachette Group consider EBITA, a non-GAAP measure, to be a relevant measure to assess the performance of its operating segments as reported in the segment data. It enables the comparison of operating segments' performance, regardless of whether it is driven by organic growth or acquisitions. In the Lagardère Travel Retail activity, royalties paid to concession grantors are either variable, fixed or variable with a guaranteed minimum. The application of IFRS 16 to these contracts creates a discrepancy in interpreting of the segment's performance by applying only to the fixed portion of the rent, thereby creating a disconnect between the financial statements and operational monitoring. To maintain a relevant indicator that reflects the economics of these contracts, the group has decided to neutralize the effect of IFRS 16 on EBITA for concession agreements only.

To calculate EBITA, the accounting impact of the following items is excluded from the income from EBIT:

- the amortization of intangible assets acquired through business combinations;
- impairment of goodwill, other intangibles acquired through business combinations and other rights catalogs acquired by media and content businesses;
- other income and charges related to transactions with shareowners (except when these transactions are recognized directly in equity); and
- items related to concession agreements (IFRS 16): excluding gains or losses on leases and depreciation of right-of-use assets, including decreases in lease liabilities under concession agreements, interest paid on lease liabilities under concession agreements, and changes in working capital relating to lease liabilities under concession agreements.

When the companies over which Vivendi exercises a significant influence engage in operations that are similar in nature to the group's operations, income from equity affiliates is classified as "Adjusted Earnings Before Interest and Tax" (EBITA).

2.3.4 Translation of currency transactions

In the balance sheet, foreign currency receivables and payables are translated into euros at the year-end exchange rate. The resulting exchange differences are recognized in profit or loss, except for those related to long-term financing of the Group's net investment in foreign operations, which are recognized directly in equity.

2.3.5 Share-based compensation

Free shares were granted to certain executives and employees of Lagardère and Prisma Media. In accordance with IFRS 2 – Share Based Payment, an expense is recognized in payroll costs representing the benefit granted to beneficiaries as of the grant date, and a matching entry is recognized directly in equity. The fair value of the share-based payment is calculated by using the share market price less expected dividends, taking into account the plan's features (exercise price and period) and market factors at the grant date (risk-free interest rate, share price, volatility, projected dividends).

Performance shares definitively vest at the end of a three-year period (vesting period) subject to the satisfaction of performance criteria and the presence of the beneficiaries within the group. Following vesting, the shares are subject to a two-year holding period. The compensation cost is recognized on a straight-line basis over the vesting period.

This expense is recorded over the vesting period and may be adjusted during that period if beneficiaries leave the Group or if share grants are forfeited. It is not adjusted to reflect subsequent fluctuations in the share price.

2.3.6 Deferred taxes

Deferred taxes are recognized for temporary differences between the carrying amount of assets and liabilities and their tax base. In accordance with the liability method, they are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Adjustments to deferred taxes for changes in tax rates are recognized in profit for the year in which the change is announced. In accordance with IAS 12 - Income Taxes, deferred tax assets and liabilities are not discounted.

2.3.7 Business combinations and Goodwill

Business combinations are accounted for in accordance with IFRS 3, which has been effective since 1 January 2010, and IFRS 10, which superseded the consolidation requirements in IAS 27, effective from 1 January 2014.

Goodwill generally corresponds to the excess of the acquisition cost over the fair value of the acquirer's interest in the net identifiable assets acquired and liabilities assumed at the date of acquisition. This is defined as the "partial goodwill" method, as minority interests are measured based on their share in the assets and liabilities of the acquired entity.

Minority interests may also be measured at fair value, which results in the recognition of goodwill on minority interests, as well as goodwill on the portion acquired by the majority shareholder. This is known as the "full goodwill" method.

If the acquirer's interest in the net fair value of the identifiable assets and liabilities exceeds the price paid for the business combination, the excess is recognized immediately in profit or loss.

Where there is a change in ownership interest in a subsidiary that does not result in loss of control, the transaction is accounted for as an equity transaction with owners, leading to a new allocation of equity between owners of the parent and minority interests. Consequently, the goodwill initially recognized when the Louis Hachette Group took control of the subsidiary is not remeasured and the difference between the price paid/consideration received for the new transaction and the change in minority interests is recognized directly in equity.

Where a change in ownership interest results in a loss or gain of control of an entity, the Louis Hachette Group's interest in the entity concerned prior to the disposal/acquisition is remeasured at fair value and the resulting gain or loss on the disposal/acquisition is recognized in profit or loss. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Acquisition-related expenses are recognized in the income statement in the year in which they are incurred. Any adjustments to the purchase price of a business combination – including earn-out payments – occurring more than 12 months after the acquisition date are recorded in profit or loss.

Goodwill is not amortized, but is tested for impairment at each year- end or whenever there is an indication that its value may be impaired. The method used to test goodwill for impairment is described in Note 2.3.12. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the disposal gain or loss. Goodwill related to equity-accounted companies is included in the carrying amount of the investment.

2.3.8 Intangible assets

Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. They are amortized over their probable useful life. Intangible assets with an indefinite useful life are not amortized, but are tested regularly for impairment in the same way as goodwill (please refer to Note 2.3.12 below). In the Lagardère and Prisma Media operating activities, no development costs meeting the balance sheet capitalization criteria are incurred.

Concession agreements in Lagardère Travel Retail and publishing rights for Lagardère Publishing acquired through business combinations are valued based on the estimated cash flow forecasts over the residual term of the contract acquired plus any renewal period, to take into account the ability of the acquired entity to renew these agreements with the concession grantors.

2.3.9 Lease contracts

IFRS 16 does not distinguish between finance leases and operating leases. As a result, a lease liability is recognized in the lessee's balance sheet, representing the present value of lease payment commitments including fixed lease payments and guaranteed minimum payments for Lagardère Travel Retail. This lease liability is recognized against a right-of-use asset corresponding to the items under lease (e.g., retail premises and office buildings).

Louis Hachette Group's main leases correspond to concession agreements in transport hubs and hospitals, and, to a lesser extent, building leases. Vehicles and equipment account for only a small part of leased assets.

Louis Hachette Group have decided not to restate contracts with an initial term of less than 12 months and leases with a low-value underlying asset. The Group sub-lets retail premises and office space under operating leases in which it acts as lessor. The associated income from sub-leasing such premises continues to be included within EBITA. In certain cases, sub-leases cover substantially all of the risks and rewards of the principal lease, and are recognized as finance leases. Right-of-use assets relating to the principal lease are derecognized and a financial receivable booked.

Special terms of concession agreements in Lagardère Travel Retail

In the ordinary course of its business operations, Lagardère Travel Retail enters into concession agreements with concession grantors (e.g., airports, railway stations and hospitals). These agreements grant the concession operator access to certain passenger flows and to the resulting revenue, against the payment of fees (rent) in respect of the leased retail premises and the right to use those premises. These fees are either variable, fixed, or variable with a guaranteed minimum payment. They can be renegotiated with the concession grantor in the event of changes in the economic terms and conditions of the contract or in applicable regulations.

The formulae used to calculate these variable payments are generally based on a percentage of revenue earned by product category and/or on trends in passenger flows and/or on changes in various external indices including inflation.

Guaranteed minimum payments may be fixed by the concession agreement and/or calculated based on a minimum percentage of fees paid in the previous year and may include a minimum amount. In this case, the fees are considered as fixed payments in substance, since, despite including a variable component, they are unavoidable.

Measurement of the right-of-use asset and the lease liability

The lease liability and the right-of-use asset are equal at the start of the lease, and adjusted where applicable for:

- prepayments, which are recognized as an increase in the right-of-use asset;
- incentives granted by lessors, which are recognized as a deduction from the right-of-use asset;
- initial direct costs incurred to obtain the contract, which are recognized as an increase in the right-of-use asset, and
- penalties due in respect of early termination or non-renewal options, if these options are reasonably certain to be exercised, which are recognized as an increase in the lease liability.

The right-of-use asset is then depreciated on a straight-line basis until the date the contract is reasonably certain to expire. Where ownership of the leased asset is transferred at the end of the lease, or where the lessee has a purchase option, the depreciation period represents the useful life of the underlying asset.

The lease liability is measured and recognized at amortized cost using the effective interest rate method.

Temporary differences relating to the right-of-use asset and to the lease liability give rise to the recognition of deferred tax. The date on which lease contracts are reasonably certain to expire, which is used to calculate the term of the lease, is determined by local management for each individual lease, and is reassessed on the occurrence of a significant event or change in circumstances that is within the entity's control. In December 2019, IFRS-IC published an agenda decision regarding:

- the enforceable period of renewable leases and cancellable leases where either party can give notice to terminate; and
- the relationship between the useful life of any related non-removable leasehold improvements and the lease term determined applying IFRS 16.

The agenda decision did not affect the Louis Hachette Group's financial statements. The useful lives of non-removable leasehold improvements are generally aligned with the term of the leases to which they relate.

For concession agreements, which account for the bulk of the Group's leases, the term is fixed by the concession grantor. The concession operator (lessee) does not generally have the ability to extend the term of the concession. Similarly, most concessions are extended through a tender process.

The discount rates used, calculated at the start of each lease term, reflect the lessee's incremental borrowing rate. Discount rates applied to euro-denominated leases are determined based on the yield curve for EUR swaps plus the financing component. Discount rates applied to foreign currency leases are determined based on the yield curve for the currency concerned, plus the financing component in the same currency. The rate applied for each lease takes into account the lease payment profile.

Lease modifications and remeasurements

In the event of a reduction in the lease term or in the surface area leased, the right-of-use asset and lease liability are reduced accordingly in line with the percentage decrease, with the offsetting entry posted to gains and losses on leases in the income statement. The residual lease liability is then adjusted against the right-of-use asset, after discounting the asset at the discount rate revised as of the date of the modification.

Increases in the lease term or in the surface area leased do not generate gains or losses on lease modifications, but rather lead to a remeasurement of the lease liability using a discount rate revised as of the date of the modification, which is recognized against an adjustment to the right-of-use asset.

Changes in the amount of the lease stipulated in the lease contract that do not involve modification of the leased surface area or lease term will lead to a remeasurement of the lease liability with no revision of the discount rate, which is recognized against an adjustment to the right of-use asset.

Impact on the statement of earnings and statement of cash flows

The depreciation of right-of-use assets is included in EBITA with the exception of Lagardère Travel Retail concession agreements, for which the effect of IFRS 16 is neutralized in EBITA. The variable portion of lease payments, along with rental expenses under leases with a term of less than 12 months or with a low-value underlying asset, continue to be recorded directly in EBITA.

The resulting impact on profit is negative at the commencement of the lease and positive at the end of the lease. The cumulative impact on the lease term is nil in the income statement.

In the combined statement of cash flows, the fixed portion of lease payments is presented as a decrease in the lease liability and associated interest expense within net cash flow from financing activities. The variable portion of lease payments is recorded in cash flow from operating activities. IFRS 16 has no impact on the change in net cash and cash equivalents.

2.3.10 Property, plant and equipment

Property, plant and equipment are measured using the historical cost method. Furthermore, as the Louis Hachette Group's assets do not qualify for capitalization of borrowing costs under IAS 23 (revised), which applies to assets requiring a long period of preparation before they can be used or sold, borrowing costs are directly charged to the income statement. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets.

The ranges of useful lives applied to the main categories of property, plant and equipment are as follows (in years):

- Buildings: 6 to 50 years;
- Machinery and equipment: 3 to 20 years; and
- Other equipment, furniture, fixtures and fittings: 2 to 10 years.

The depreciable amount corresponds to the cost of the asset less any residual value at the end of its useful life.

2.3.11 Inventories

Inventories are stated at the lower of cost and net realizable value. The carrying amount of inventories does not include any borrowing costs as they do not meet the requirements for capitalization under IAS 23 (revised) (please refer to Note 2.3.10).

2.3.12 Impairment tests

Louis Hachette Group review the carrying amount of property, plant and equipment and intangible assets at least once a year at the reporting date to determine whether there is any indication that their value may be impaired. One such indication is evidence that an asset's economic performance is, or will be, below expectations. If such an indication exists, the recoverable amount of the asset is estimated and compared with its carrying amount. The recoverable amount of goodwill and intangible assets with an indefinite useful life is estimated at the end of each reporting period, irrespective of whether there is any indication of impairment. When the recoverable amount of an asset is lower than the carrying amount, an impairment loss is recognized in the income statement. Impairment losses recognized on goodwill are irreversible. If it is not possible or pertinent to estimate the recoverable amount of an individual asset, the estimate is performed at the level of the cash-generating unit to which the asset belongs.

Recoverable amount corresponds to the higher of:

- the value in use calculated using the discounted cash flows method, applied to the individual asset or to the cash-generating unit to which the asset belongs; and
- the fair value less costs to sell calculated using the market comparables method or a method based on the price of recent transactions involving comparable assets.

Cash flow projections are based on business plans drawn up at the reporting date, generally covering a period of five years, and are presented to the Louis Hachette Group's Board of Directors. For some Lagardère Travel Retail CGUs, the projection periods used may be extended beyond the five years of the business plan to take into account the term of the agreements.

They are approved by the Louis Hachette Group's Board of Directors. Cash flow projections beyond that period are estimated using a growth rate that reflects the average long-term growth rate observed in the industry (please refer to Note 10). This process involves the use of key assumptions and judgements to determine trends in the markets in which the Louis Hachette Group operates, and actual future cash flows may vary from the estimates used to calculate the value in use.

The discount rates used are post-tax rates determined separately for each business, applied to post-tax cash flows.

2.3.13 Contract assets and liabilities

Estimating the amount of revenue earned in a given reporting period results in a time lag between the date the services are rendered and the date the company has the right to receive payment from the customer. This difference results in the recognition of contract assets.

Conversely, payments received from customers before the corresponding services have been fully provided give rise to contract liabilities.

2.3.14 Financial assets

Non-consolidated investments

Non-consolidated investments are carried at fair value through profit or loss, except for certain equity instruments which may be carried at fair value through other comprehensive income, where at the first-time application date for IFRS 9 or initial recognition, the Louis Hachette Group has made an irrevocable election to do so on initial recognition. In this case, changes in fair value carried in other comprehensive income are not reclassified to profit or loss even when the related instruments are sold (only dividend income is included in profit or loss). Since shares in venture capital funds (FCPR) do not meet the criteria for classification at fair value through other comprehensive income that may not subsequently be reclassified, they are carried at fair value through profit or loss.

Loans and receivables

Loans and receivables are measured at amortized cost, calculated using the effective interest method. Upon initial recognition, impairment is systematically recognized to the extent of any credit losses expected to result from events that could occur in the next 12 months. If there has been a significant deterioration in the counterparty's credit quality, the initial impairment loss is increased to cover the full amount of expected losses over the remaining term of the receivable.

Trade receivables and operating receivables are carried at amortized cost and are impaired based on the IFRS 9 simplified model. Impairment amounts are determined differently for each business:

- individual impairment assessed on a case-by-case basis taking into account (i) the counterparty's risk profile; (ii) historical probabilities of default; (iii) probabilities of default supplied by rating agencies; (iv) any credit insurance; and (v) estimated losses for receivables in respect of which a credit event has been identified; and
- collective impairment assessed on a statistical basis (primarily in Lagardère Publishing) using an impairment matrix based on an aged receivables analysis and expected losses.

Cash and cash equivalents

Cash and cash equivalents include:

- cash and demand deposits;
- deposits and loans with maturities of less than three months; and
- marketable securities, such as money market funds, which are not exposed to a significant risk of value fluctuation and are readily convertible into fixed cash amounts. These are recognized at fair value through profit or loss.

Shares, bonds, deposits and loans with maturities of more than three months are excluded from cash and cash equivalents and reported in the balance sheet as investments.

2.3.15 Financial liabilities

Financial liabilities include borrowings, trade payables and other liabilities. They are measured at amortized cost using the effective interest method.

Specific measurement rules apply to financial liabilities hedged by derivative instruments. These rules are described below in Note 2.3.15.2.

2.3.15.1 Put options granted to minority shareholders

In its operating activities, Louis Hachette Group has granted put options to the minority shareholders of certain fully consolidated subsidiaries for the sale of their investments on defined terms. For some of these options, the exercise price was not fixed initially and will be determined based on independent valuations.

In compliance with IAS 32, the put options are recognized in financial liabilities at their estimated present value.

In the income statement, consolidated profit for the year is presented on two separate lines: profit attributable to shareowners and profit attributable to non-controlling interests, based on the legal rights effectively held.

For put options granted prior to 1 January 2010 – the effective date of IFRS 3 (revised) relating to business combinations – any change in the estimated amount of the debt is recognized as an adjustment to goodwill. For put options granted after 1 January 2010, changes in the value of the debt are recorded in equity.

2.3.15.2 Derivative financial instruments

Louis Hachette Group uses derivative financial instruments to hedge currency and interest rate risks. These instruments are initially recognized in "Other current assets" or "Other current liabilities" at fair value, which generally corresponds to their acquisition price. They are marked to market at the end of each reporting period, with the resulting fair value remeasurement gains or losses recognized in the income statement.

However, certain derivative instruments are classified as fair value hedges (mainly of currency and interest rate risks on debt) or cash flow hedges (on future sales and purchases).

These instruments qualify for hedge accounting if the following conditions are met:

- at the inception of the hedge, there is formal designation and documentation of the hedging relationship; and
- the hedge is expected to be highly effective and its effectiveness can be reliably measured from its inception.

The accounting impacts of applying hedge accounting are described below:

Fair value hedges

Derivative instruments and hedged items are measured at fair value. Changes in the fair value of the derivative instrument and the hedged item are recognized in profit or loss on a symmetrical basis. When the hedge is effective, the change in the fair value of the hedged item offsets an opposite change in the fair value of the hedging instrument.

Cash flow hedges

Derivative instruments used as cash flow hedges are measured at fair value and no specific accounting treatment is applied to the hedged items. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in equity and the ineffective portion is recognized in profit or loss. The cumulative gains and losses recognized in equity are reclassified into profit or loss when the hedged transaction takes place.

Net investment hedges

Louis Hachette Group hedges exchange gains and losses generated by certain net investments in foreign operations. The corresponding hedging instruments are measured at fair value. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in other comprehensive income and the ineffective portion is recognized in profit or loss. Cumulative gains and losses recognized in equity are reclassified into profit or loss when the net investment is sold.

2.3.16 Treasury shares

Lagardère SA shares held by the Louis Hachette Group or other Group entities are deducted from consolidated equity. When treasury shares are sold outside Louis Hachette Group, the after-tax income or expense is also recognized directly in equity.

2.3.17 Provisions for pensions and other post-employment benefit obligations

Louis Hachette Group recognizes provisions to cover the present value of its obligations for benefits payable to employees at the time of their retirement and after retirement, when the plans concerned qualify as defined benefit plans. For defined contribution plans, the Group's obligation consists solely of payment of premiums or contributions to external organizations, and these premiums and contributions are charged to expenses as incurred.

The defined benefit plans to which the Group subscribes are principally pension plans outside France, while in France they cover end-of-career bonuses paid to employees upon their retirement.

The present value of obligations is calculated by the projected unit credit method, under which each period of service gives rise to an additional unit of benefit entitlement.

The Group applied the IFRS IC agenda decision – Attributing Benefit to Periods of Service with effect from January 1, 2021. Employee benefits are attributed taking into account the existing tiers and/or caps in benefit allocation. Under the terms of the benefit plan described in the agenda decision: (i) employees are entitled to a benefit payment when they reach a specified retirement age provided they are employed by the entity when they reach that retirement age, and (ii) the amount of the retirement benefit to which an employee is entitled depends on the length of employee service before the retirement age and is capped at a specified number of years of service.

The method takes into account inputs such as:

- expected salary increases;
- employee turnover;
- mortality rates; and
- a financial discount rate.

These calculations are performed in full at least every three years, and updated annually, unless a more in-depth review is required due to exceptional events such as substantial amendments to the terms of the plan, or to the categories of employees covered.

Gains and losses resulting from changes in actuarial assumptions are recognized directly in other comprehensive income in the period in which they arise. The same applies to the difference between the expected return on plan assets – which is recognized in the income statement using the discount rate applied for calculating the obligations – and the actual return on these assets.

2.3.18 Other provisions

A provision is recognized when Louis Hachette Group has an obligation as a result of a past event that is likely to result in an outflow of economic benefits that can be reasonably estimated. The amount recognized as a provision corresponds to the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Provisions for expected contract losses are recognized when firm commitments given – notably guaranteed minimum payments – are higher than the profit that the contract is expected to generate. Restructuring provisions are recorded when Louis Hachette Group has a detailed formal plan and has announced its details to concerned parties.

2.3.19 Assets held for sale, associated liabilities and discontinued operations

An asset or group of assets and directly associated liabilities is considered to be held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to apply, the asset must be available for immediate sale and its sale must be highly likely. When assessing whether a sale is highly likely, Louis Hachette Group take into account, on a case-by-case basis, the applicable decision- making and authorization process, whether the price proposed is reasonable and acceptable, the prevailing market conditions and any legal, regulatory or employee-related restrictions.

Such assets or groups of assets and related liabilities are recorded at the lower of their carrying amount and the estimated fair value, less costs to sell, and are no longer amortized. Assets held for sale and the related liabilities are respectively presented on specific lines in the combined balance sheet.

When the disposal group held for sale constitutes a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale, it is accounted for as a discontinued operation, with the associated profit or loss and each category of cash flows shown on separate lines in the combined income statement and statement of comprehensive income.

Note 3 Combination of Lagardère and Prisma Media

3.1 Acquisition of Lagardère

Prior to business combination

During fiscal year 2020, Vivendi started investing in Lagardère SCA.

On August 10, 2020, Vivendi and Amber Capital, not acting in concert, entered into a shareholders' agreement providing for a five-year reciprocal first offer and pre-emption rights relating to Lagardère SCA shares.

As of December 31, 2020, Vivendi held 38.3 million Lagardère SCA shares, representing 29.20% of the share capital, acquired for a total consideration of €595 million.

As of January 1, 2021, Vivendi's interest in Lagardère SCA was classified and accounted for as a financial investment in accordance with IFRS 9 - Financial Instruments.

On June 30, 2021, Lagardère SCA's held the Shareholders' Meeting of the general partners and limited shareholders, which approved the conversion of the company into a French limited liability company (société anonyme) with a Supervisory Board and appointed new members of Lagardère SA's Supervisory Board, including Mr. Arnaud de Puyfontaine, Chairman of Vivendi's Management Board.

As of July 1, 2021, Lagardère SA ("Lagardère") was accounted for by Vivendi under the equity method, Vivendi having a significant influence on Lagardère from that date.

On September 14, 2021, Vivendi and Amber Capital entered into a conditional sale and purchase agreement pursuant to which Vivendi agreed to acquire 25.3 million Lagardère shares from Amber Capital at a price of €24.10 per share.

Further to the announcement made on September 15, 2021, on September 28, 2021, Vivendi completed the acquisition of a minority portion of these shares, i.e., 0.6 million Lagardère shares from Amber Capital for a total consideration of €15 million.

On December 9, 2021, Vivendi announced that its Management Board had authorized the acquisition of the remaining Lagardère shares from Amber Capital and that authorizations to acquire the control of Lagardère would be applied for by Vivendi with the European Commission and other relevant competition authorities in the course of 2022.

On December 16, 2021, Vivendi completed the acquisition of the remaining 24.7 million Lagardère shares from Amber Capital, representing 17.5% of Lagardère's share capital, at a price of €24.10 per share, i.e., €595 million. Pursuant to this acquisition, Vivendi owned 45.13% of Lagardère's share capital. As a result of the completion of this acquisition, in compliance with applicable rules and regulations, Vivendi announced on December 16, 2021, its intention to file with the Autorité des marchés financiers (the "AMF", the French securities regulator), a proposed public tender offer for all Lagardère shares not yet owned by it at a price of €24.10 per share, the same price paid to Amber Capital. The filing of this proposed tender offer was made as of February 21, 2022. This offer was not conditioned upon obtaining any regulatory authorization other than the conformity statement by the French securities regulator.

As of December 31, 2021, Vivendi held 63.7 million Lagardère shares, representing 45.13% of the share capital of Lagardère, taking into account the 24.7 million shares acquired from Amber Capital on December 16, 2021, pursuant to the agreement entered into by and between Vivendi and Amber Capital on September 14, 2021. In accordance with Article 7(2) of Regulation (EC) No 139/2004 on the control of concentrations between undertakings, Vivendi will not exercise the voting rights attached to all of the Lagardère shares acquired from Amber Capital or as part of the public tender offer, until the authorization required for the takeover of Lagardère by the competition authorities is obtained. During this period, Vivendi's interest in Lagardère amounted to 22.3% of the theoretical voting rights.

On February 21, 2022, Vivendi filed a draft public tender offer document for the shares of Lagardère with the French securities regulator (Autorité des marchés financiers). On that same date, Vivendi, which held 63.7 million Lagardère shares with an equal number of voting rights, representing 45.13% of the share capital and 37.10% of the voting rights of this company, irrevocably undertook:

- as a Principal Offer, to acquire, at a price of €25.50 per share (dividend attached), all the outstanding Lagardère shares that it did not own, i.e., a total of 77.4 million shares, representing 54.87% of the share capital of Lagardère, as well as shares that may be issued as a result of the vesting and delivery of free shares (i.e., a maximum of 345,960 Lagardère shares); and
- as a Subsidiary Offer, to grant Lagardère shareholders, subject to a proration and allocation adjustment, for each Lagardère share tendered into the Subsidiary Offer and not withdrawn until the closing date (inclusive) of the public tender offer, or if applicable, the reopened offer, a right (a transfer right) to sell such share to Vivendi at a price of €24.10 until December 15, 2023 (inclusive). These transfer rights are transferable but not tradable. Transfer rights not exercised by the end of the exercise period will lapse. Each transfer right entitles its holder to transfer to Vivendi only one Lagardère share and may only be exercised once.

On April 14, 2022, Vivendi's friendly public tender offer for Lagardère's shares was opened for an initial period of 25 trading days, i.e., until May 20, 2022. The public tender offer was then reopened from May 27 to June 9, 2022, under the same terms and conditions as those set forth in the initial offer period. Pursuant to the public tender offer, Vivendi acquired 17,250,529 Lagardère shares for a cash consideration of €433 million, and granted 31.1 million transfer rights. At the end of the public tender offer, Vivendi held 80.9 million Lagardère shares, representing an equal number of voting rights, or 57.35% of the capital and 47.33% of the theoretical voting rights of Lagardère.

Since the closing of the public tender offer, 436,712 transfer rights have been exercised, representing a €11 million cash outflow. As of December 31, 2022, 30,702,569 transfer rights remain exercisable at a price of €24.10 up to and including December 15, 2023, recognized as an off-balance sheet financial commitment of €740 million for 21.75% of Lagardère's share capital.

As of December 31, 2022, Vivendi held 81.4 million Lagardère shares, representing 57.66% of Lagardère's share capital and 48.35% of the theoretical voting rights as of that date. However, pursuant to Article 7(2) of Regulation (EC) No. 139/2004 on the control of concentrations between undertakings, Vivendi could not exercise the voting rights attached to the 25.3 million Lagardère shares acquired from Amber Capital in 2021 and the 17.7 million Lagardère shares acquired in Vivendi's public tender offer until the approvals required for the acquisition of control of Lagardère were received from the European Commission.

Business combination

On June 9, 2023, Vivendi announced that it had received approval from the European Commission to proceed with its proposed combination with Lagardère, subject to fulfilling Vivendi's two proposed commitments, i.e., the sale of 100% of the share capital of Editis and the sale of Gala magazine. On November 21, 2023, Vivendi announced that it had completed the acquisition of control of Lagardère following the closing of the sale of the entire issued share capital of Editis to International Media Invest, which occurred on November 14, 2023, and the sale of Gala magazine to Groupe Figaro, which occurred on November 21, 2023.

As of November 30, 2023, 27,756,538 transfer rights were oustanding, representing a financial commitment of €669 million for 19.67% of Lagardère's share capital. In addition, on December 11, 2023, the general meeting of the beneficiaries of Lagardère transfer rights approved the extension of the exercise period up to June 15, 2025. The other terms and conditions of the transfer rights remain unchanged, in particular the exercise price of €24.10.

As from December 1, 2023, Vivendi has fully consolidated Lagardère.

As of December 31, 2023, following the exercise of transfer rights as from November 30, 2023, Vivendi held 84.4 million Lagardère shares, representing 59.80% of the share capital and 50.62% of the voting rights. At that date, 27,683,985 transfer rights were outstanding, representing a financial commitment of €667 million in return for 19.62% of Lagardère's share capital.

In accordance with IFRS 3, since the business combination was achieved without a transfer of consideration, the fair value of the consideration transferred on the acquisition date is equal to the fair value of the interest in Lagardère held at that date.

(in millions of euros)	
Cash investment as of November 30, 2023	1,723
Impact of the equity method from July 1, 2021 to November 30, 2023	326
Net carrying amount of equity affiliates as of November 30, 2023	**2,049**
IFRS 3 revaluation during full consolidation as of December 1, 2023 (a)	(17)
Fair value of interest (59.75%) as of December 1, 2023	**2,032**

a. Vivendi used the purchase price of the Lagardère share transfer rights as the reference price for valuing the acquisition price of 59.75% of Lagardère, being €24.10 per share.

The acquisition price allocation work began during the first half of 2024 and was accounted for retrospectively on the date of consolidation of Lagardère. As of the date of preparation of these financial statements, this work is still ongoing and the preliminary goodwill amounts to €1,019 million corresponding to Vivendi share of Lagardère's consolidated net assets as of December 1, 2023, after revaluation at fair value at that date of identifiable assets and assumed liabilities, in accordance with IFRS 3 (partial goodwill approach).

Lagardère's identifiable assets and liabilities were measured at fair value on the acquisition date. The preliminary allocation of the purchase price of Lagardère to the acquired assets and assumed liabilities is as follows:

(in millions of euros)	Note	Fair value as of December 1, 2023
Concession contracts		*1,639*
Publishing rights		*1,152*
Brands		*893*
Other intangibles assets		*201*
Intangible assets	11.2	3,885
Property, plant and equipment	12.2	1,147
Rights-of-use relating to leases	13.1	2,415
Investments in equity affiliates	14.2	151
Inventories	16.1	870
Cash and cash equivalents		355
Lease liabilities	13.2	(2,435)
Other net assets and liabilities		(1,032)
Pensions and post-retirement benefits liabilities	20.2.2	(78)
Borrowings and other financial liabilities		(2,603)
Deferred net taxes	7.3	(858)
Non-controlling interests	(a)	(804)
Fair value of assets/(liabilities) attributable to the shareowners		**1,013**
Fair value of interest (59.75%) as of December 1, 2023	14.1	(2,032)
Provisional Goodwill	10.1	**(1,019)**

a. Comprised of (i) the share attributable to non-controlling interests (€932 million) of fair value adjustments related to the purchase price allocation and (ii) the carrying amount of non-controlling interests (-€128 million) in Lagardère's statement of financial position as at the purchase date.

The fair values of the acquired intangible and tangible assets have been determined with the assistance of third-party appraisers, using the following methods:

- the Relief from royalty method for Travel Retail brands, and other brands of Lagardère Group, using royalty rates determined based on market reference;
- the Excess earnings method for publishing rights and distribution contracts of Lagardère Publishing, concessions of Lagardère Travel Retail, and broadcasting rights ; and
- market comparables and the cost method for real estate assets.

In accordance with IFRS 3, deferred taxes resulting from the revaluation of acquired assets and assumed liabilities have been assessed and recognized in accordance with IAS 12 (Income Taxes) considering the applicable tax rate of each relevant territory. The recognized amounts as of June 30, 2024 are still considered as preliminary and may be adjusted if additional information is obtained regarding facts and circumstances that existed prior to the acquisition within 12 months following the acquisition date in accordance with IFRS 3. If applicable, these adjustments will be retrospectively recognized against goodwill.

The provisional goodwill of €1,019 million relates to the value of future profits anticipated by the acquirer and to non identifiable intangible assets, including (i) the company's ability to renew its concessions, (ii) potential synergies or any other developments, and (iii) the fair value of the workforce.

3.2 Acquisition of Prisma Media

On December 14, 2020, Vivendi announced that it had entered into exclusive negotiations to acquire 100% of Prisma Media. On December 23, 2020, Vivendi announced that it had entered into a put option agreement to acquire 100% of Prisma Media share capital, following exclusive negotiations with Gruner+Jahr/Bertelsmann and the favorable opinion of Vivendi's employee representative bodies.
In accordance with applicable regulations, the acquisition was subject to the information and consultation process with Prisma Media's employee representative bodies as well as finalization of the legal documentation.

On April 29, 2021, the French Competition Authority authorized the transaction unconditionally, and on May 31, 2021, Vivendi completed the acquisition of 100% of Prisma Media's share capital.

Vivendi finalized the purchase price allocation of Prisma Media within a 12-month period as required by accounting standards: the purchase price, using the fair value of assets acquired and liabilities incurred or assumed, was based on analyses and appraisals prepared by Vivendi with the assistance of a third-party appraiser. The final goodwill of Prisma Media amounted to €160 million, following the finalization of the purchase price allocation as presented below:

(in millions of euros)		Fair value as of June 1, 2021
Intangible assets	11.2	94
Property, plant and equipment	12.2	4
Rights-of-use relating to leases	13.1	18
Lease liabilities	13.2	(29)
Other net assets and liabilities		(7)
Provisions	19	(47)
Deferred net taxes	7.3	(7)
Fair value of assets/(liabilities) attributable to the shareowners		**26**
Fair value of consideration transferred		(186)
Final Goodwill	10.1	**(160)**

Note 4 Segment data

Louis Hachette Group's management evaluates the performance of its business segments and allocates necessary resources to them based on certain operating performance indicators (segment earnings and cash flow from operations). EBITA reflects the earnings of each business segment, as defined in Note 2.3.3.

Intersegment commercial operations are conducted on an arm's-length basis on terms and conditions similar to those that would be offered by third parties.

4.1 Statement of earnings by business segment

		Lagardère			
Year ended December 31, 2023 (in millions of euros)	Prisma Media	Accounted for under the equity method until November 30, 2023	Fully consolidated from December 1, 2023	Eliminations and other	**Total**
Revenues	**309**	**na**	**670**	**-**	**979**
EBITA*	**28**	**125**	**20**	**-**	**173**
Impact of IFRS 16 on EBITA for concession agreements					-
Amortization of intangible assets acquired through business combinations					(18)
Impairment losses on intangible assets acquired through business combinations					-
EBIT					**155**

Year ended December 31, 2022 (in millions of euros)	Prisma Media	Lagardère accounted for under the equity method by Vivendi	Eliminations and other	**Total**
Revenues	**320**	**na**	**-**	**320**
EBITA*	**31**	**98**	**-**	**129**
Amortization of intangible assets acquired through business combinations				(2)
Impairment losses on intangible assets acquired through business combinations				-
EBIT				**127**
Year ended December 31, 2021 (in millions of euros)				
Revenues	**194**	**na**	**-**	**194**
EBITA*	**20**	**20**	**-**	**40**
Amortization of intangible assets acquired through business combinations				(2)
Impairment losses on intangible assets acquired through business combinations				-
EBIT				**38**

*non-GAAP measures.

na: not applicable.

4.1.1 Revenues

By activity

	Year ended December 31,		
(in millions of euros)	2023	2022	2021
Lagardère Publishing	209	-	-
Lagardère Travel Retail	434	-	-
Prisma Media and other activities	336	320	194
Elimination of intersegment transactions	-	-	-
Revenues	**979**	**320**	**194**

By geographic area

Revenues are broken down by customer location.

(in millions of euros)	Year ended December 31,					
	2023		2022		2021	
European Union (excluding France)	227	*23%*	29	*9%*	19	*10%*
United States	152	*16%*	16	*5%*	5	*3%*
France	418	*43%*	266	*83%*	163	*84%*
United Kingdom	54	*6%*	6	*2%*	5	*3%*
Asia-Pacific	37	*4%*	-	-	-	-
Other North America (mainly Canada)	45	*5%*	2	*1%*	1	*1%*
Other European countries	15	*2%*	1	-	1	*1%*
Middle East	14	*1%*	-	-	-	-
Other (Africa, Latin America)	17	*2%*	-	-	-	-
Revenues	**979**	***100%***	**320**	***100%***	**194**	***100%***

4.2 Statement of Financial Position by business segment

Segment assets and liabilities

(in millions of euros)	December 31, 2023	December 31, 2022	December 31, 2021
Segment assets (a)			
Prisma Media	410	377	370
Lagardère	11,364	na	na
Lagardère accounted for under the equity method	na	1,965	1,469
Total	**11,774**	**2,342**	**1,839**
Segment liabilities (b)			
Prisma Media	159	160	176
Lagardère	5,595	na	na
Lagardère accounted for under the equity method	na	-	-
Total	**5,754**	**160**	**176**

na: not applicable.

a. Segment assets include goodwill, intangible assets, property, plant and equipment, rights-of-use relating to leases, equity affiliates, financial assets, inventories and trade accounts receivable, and other.

b. Segment liabilities include provisions, other non-current liabilities, short-term and long-term lease liabilities and trade accounts payable, and other.

Segment assets by geographic area

(in millions of euros)	December 31, 2023		December 31, 2022		December 31, 2021	
France	5,141	*44%*	2,342	*100%*	1,839	*100%*
European Union (excluding France)	2,470	*21%*	-	-	-	-
United Kingdom	785	*7%*	-	-	-	-
Other European countries	26	-	-	-	-	-
United States	2,561	*22%*	-	-	-	-
Asia-Pacific	347	*3%*	-	-	-	-
Canada	79	*1%*	-	-	-	-
Middle East	253	*2%*	-	-	-	-
Other (Africa, Latin America)	112	*1%*	-	-	-	-
Segment assets	**11,774**	***100%***	**2,342**	***100%***	**1,839**	***100%***

4.3 Capital expenditures, increase in tangible and intangible assets and rights-of-use

(in millions of euros)	Year ended December 31, 2023	2022	2021
Capital expenditures, net (capex, net) (a)			
Prisma Media	3	3	2
Lagardère	44	-	-
	47	**3**	**2**
Increase in tangible and intangible assets and rights-of-use relating to leases			
Prisma Media	3	4	3
Lagardère	55	-	-
	58	**4**	**3**

a. Relates to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets.

Note 5 EBIT

5.1 Personnel costs and average employee numbers

(in millions of euros)	Note	Year ended December 31, 2023	2022	2021
Salaries		(200)	(68)	(41)
Social security and other employment charges		(56)	(28)	(19)
Capitalized personnel costs		1	1	1
Wages and expenses		**(255)**	**(95)**	**(59)**
Share-based compensation plans	21	(2)	-	-
Employee benefit plans	20	1	-	(1)
Other		(10)	-	(2)
Personnel costs		**(266)**	**(95)**	**(62)**
Annual average number of full-time equivalent employees (in thousands)		*3.800* (a)	*1.194*	*722*

a. Includes Lagardère on a *prorata temporis* basis from December 1, 2023 (date of full consolidation by Vivendi), as well as 1,206 thousand at Prisma Media full-time equivalent employees for the full year 2023.

Note 6 Financial charges and income

6.1 Interest

The amount of interest for the year ended December 31, 2023 amounted to -€15 million (of which -€8 million related to the interest expense on Lagardère's debt), -€2 million for the year ended December 31, 2022 and -€1 million for the year ended December 31, 2021.

6.2 Other charges and income

Other financial income for the year ended December 31, 2023 amounted to €1 million, and nil for the fiscal years ended December 31, 2022 and 2021.

Other financial charges for the year ended December 31, 2023 amounted to €13 million (of which €7 million related to the downside adjustment on financial investments), nil for the fiscal year ended December 31, 2022 and €5 million for the fiscal year ended December 31, 2021.

Note 7 Income taxes

7.1 Provision for income taxes and income tax paid by geographic area

Provision for income taxes

(in millions of euros)	Year ended December 31,		
(Charge)/Income	2023	2022	2021
Current			
France	(22)	(1)	(3)
Rest of Europe	1	-	-
United States	1	-	-
Rest of the world	(3)	-	-
	(23)	**(1)**	**(3)**
Deferred			
France	13	(9)	(2)
Rest of Europe	(6)	-	-
United States	(5)	-	-
Rest of the world	1	-	-
	3	**(9)**	**(2)**
Provision for income taxes	**(20)**	**(10)**	**(5)**

Income tax paid

	Year ended December 31,		
(in millions of euros)	2023	2022	2021
France	(16)	(8)	(4)
Rest of Europe	(7)	-	-
United States	(1)	-	-
Rest of the world	(1)	-	-
Income tax (paid)/collected	**(25)**	**(8)**	**(4)**

7.2 Effective tax rate

(in millions of euros, excluding percentage)	Year ended December 31, 2023	2022	2021
Earnings from continuing operations	**100**	**115**	**27**
Eliminations			
Income from equity affiliates	(124)	(98)	(20)
Provision for income taxes	20	10	5
Earnings from continuing operations before provision for income taxes and income from equity affiliates	**(4)**	**26**	**12**
French statutory tax rate	*25.83%*	*25.83%*	*28.41%*
Theoretical provision for income taxes based on French statutory tax rate	**1**	**(7)**	**(3)**
Reconciliation of the theoretical and effective provision for income taxes			
Earnings tax rates differences	-	-	-
Impacts of the changes in tax rates	(1)	-	-
Use or recognition of tax losses	2	-	-
Depreciation or non-recognition of tax losses	(6)	(1)	(1)
Adjustments to tax expense from previous years	(1)	-	-
Capital gains/(losses) on disposal or depreciation of financial investments or activities	(9)	-	-
Tax on corporate value added	-	-	-
Withholding tax	(4)	-	-
Other	(2)	(2)	(1)
Provision for income taxes	**(20)**	**(10)**	**(5)**
Effective tax rate	***-452.3%***	***37.3%***	***39.7%***

7.3 Deferred tax assets and liabilities

Changes in deferred tax assets/(liabilities), net

	Year ended December 31, 2023	2022	2021
Opening balance of deferred tax assets/(liabilities), net	**(17)**	**(7)**	**-**
Provision for income taxes	3	(9)	(2)
Charges and income directly recognized in equity	3	(1)	-
Business combinations	(858)	-	(7)
Changes in foreign currency translation adjustments and other	4	-	2
Closing balance of deferred tax assets/(liabilities), net	**(865)**	**(17)**	**(7)**

Components of deferred tax assets and liabilities

(in millions of euros)	December 31, 2023	December 31, 2022	December 31, 2021
Deferred tax assets			
Recognizable deferred taxes			
Tax attributes (a)	325	1	1
Other	209	4	13
of which non-deductible provisions	*67*	-	*1*
employee benefits	*25*	*2*	*4*
working capital	*74*	*1*	*1*
Total gross deferred taxes	**534**	**5**	**14**
Deferred taxes, unrecognized			
Tax attributes (a)	(245)	(1)	(1)
Other	(62)	-	-
Total deferred tax assets, unrecognized	**(307)**	**(1)**	**(1)**
Recorded deferred tax assets	**227**	**4**	**13**
Deferred tax liabilities			
Asset revaluations (b)	(1,021)	(21)	(20)
Other	(71)	-	-
Recorded deferred tax liabilities	**(1,092)**	**(21)**	**(20)**
Deferred tax assets/(liabilities), net	**(865)**	**(17)**	**(7)**

a. The amount of tax attributes presented in this table is estimated at the end of the relevant fiscal year. The amount of tax losses, foreign tax claims and tax credits carried forward presented in this table and the amount reported to tax authorities may differ; if necessary, the differences between the amounts presented and the amounts reported may need to be adjusted in this table at the end of the following fiscal year.

b. These tax liabilities, arising from asset revaluations during the purchase price allocation of entities acquired by the group, are eliminated upon amortization or divestiture of the related assets and do not result in any current tax liabilities.

Note 8 Earnings per share

Since the combined group was had not been established as a legal entity as of December 31, 2023, 2022 and 2021, the number of shares outstanding is not determinable. Consequently, no earnings per share data is presented in these combined financial statements.

Note 9 Charges and income directly recognized in equity

Details of changes in equity related to other comprehensive income

(in millions of euros)	Items not subsequently reclassified to profit or loss		Items to be subsequently reclassified to profit or loss			
	Actuarial gains/(losses) related to employee defined benefit plans (a)	Financial assets at fair value through other comprehensive income	Unrealized gains/(losses) Hedging instruments	Foreign currency translation adjustments	Other comprehensive income from equity affiliates, net	**Other comprehensive income**
Balance as of January 1, 2021	**-**	**-**	**-**	**-**	**-**	**-**
Charges and income directly recognized in equity	-	-	-	-	11	11
Tax effect	-	-	-	-	-	-
Other	-	-	-	-	-	-
Balance as of December 31, 2021	**-**	**-**	**-**	**-**	**11**	**11**
Charges and income directly recognized in equity	3	-	-	-	4	7
Tax effect	-	-	-	-	-	-
Other	-	-	-	-	-	-
Balance as of December 31, 2022	**3**	**-**	**-**	**-**	**15**	**18**
Charges and income directly recognized in equity	(15)	-	(1)	(2)	(17)	(35)
Tax effect	3	-	-	-	-	3
Other	-	-	-	-	(11)	(11)
Balance as of December 31, 2023	**(9)**	**-**	**(1)**	**(2)**	**(13)**	**(25)**

a. Please refer to Note 20.

Note 10 Goodwill

10.1 Changes in goodwill

(in millions of euros)	December 31, 2022	Impairment losses	Business combinations		Divestitures completed or in progress		Changes in foreign currency translation adjustments and other	December 31, 2023
Prisma Media	176	-	29		(22)	(b)	-	183
Lagardère	-	-	1,019	(a)	-		-	1,019
Total	**176**	**-**	**1,048**		**(22)**		**-**	**1,202**

(in millions of euros)	December 31, 2021	Impairment losses	Business combinations	Divestitures completed or in progress	Changes in foreign currency translation adjustments and other	December 31, 2022
Prisma Media	176	-	-	-	-	176
Total	**176**	**-**	**-**	**-**	**-**	**176**

(in millions of euros)	January 1, 2021	Impairment losses	Business combinations		Divestitures completed or in progress	Changes in foreign currency translation adjustments and other	December 31, 2021
Prisma Media	-	-	176	(c)	-	-	176
Total	**-**	**-**	**176**		**-**	**-**	**176**

a. Includes the provisional goodwill recognized pursuant to the takeover of Lagardère on November 21, 2023. From July 1, 2021 to November 30, 2023, in these combined financial statements, Lagardère was accounted for under the equity method and in financial assets at fair value through other comprehensive income in accordance with IFRS 9 in the statement of financial position as of January 1, 2021.

b. On November 21, 2023, Vivendi completed the sale of Gala to Groupe Figaro. As of December 31, 2023, a portion of goodwill allocated to Prisma Media was allocated to Gala as part of its sale, based on the retained values of Gala and Prisma Media.

c. Includes goodwill of €160 million recognized pursuant to the consolidation of Prisma Media on June 1, 2021 (please refer to note 3.2).

10.2 Goodwill impairment test

For a description of Louis Hachette Group's CGUs or groups of CGUs as well as the key assumptions, please refer to the tables below.

Prisma Media

As of December 31, 2021, no goodwill impairment test attributable to Prisma Media was carried out given that the acquisition date (May 31, 2021) was close to the financial closing date. Vivendi performed a goodwill impairment test, on the basis of valuations of recoverable amounts determined with the assistance of third-party appraisers. As a result, and notwithstanding the current macroeconomic uncertainties (see above) and given the recent acquisition of Prisma Media, Vivendi's Management concluded that the recoverable amount of Prisma Media, as tested, exceeded its carrying value as of December 31, 2022, and was at least equal to its net carrying amount as of December 31, 2023.

Lagardère

As of December 31, 2023, no goodwill impairment test attributable to Lagardère was carried out given that the takeover date (November 21, 2023; please refer to Note 3) was close to the financial closing date. As of December 31, 2023, Vivendi did not make any preliminary purchase price allocation. The acquisition price allocation work began in the first half of 2024, and was accounted for retrospectively on the date of consolidation of Lagardère, being December 1, 2023. As of the date of preparation of these combined financial statements, this allocation work is still ongoing and shows a preliminary goodwill of €1 019 million (please refer to Note 3).

Considerations related to macroeconomic uncertainties

Louis Hachette Group notes that current macroeconomic uncertainties created by the Covid-19 pandemic in 2021 and macroeconomic uncertainties since 2022 have a significant impact on the financial markets and the prices of certain commodities, which affect the outlook of the global economy. Vivendi has, to the best of its ability and using current analyses, taken into account the indirect consequences of these events in determining the value of its business activities as of December 31, 2022 and 2023 and remains confident in the capacity for resilience of its main businesses. The inflation observed in 2022 and 2023 on the costs of purchasing goods and raw materials such as paper for publishing and magazine press activities was adjusted to a normative level in the budget-plan.

With regard in particular to the discount rate, the economic recovery following the health crisis and the consequences of the invasion of Ukraine by Russia have led to significantly higher inflation, which has been less transitory than expected, increasing the inflation rate component. In a context of volatility in interest rates and noting that, despite the increase observed since the beginning of 2022, the actual rates served by the 10-year government bonds of the eurozone remain close to zero, Vivendi's Management considers that, to date, the actual interest rate component has yet to be allocated.

Consideration of climate change

In 2022, Lagardère conducted a detailed analysis of its exposure to climate risk (physical and transition risk) based on two scenarios of a +1.5°C and 4°C rise in global temperatures by 2030 and 2050. Its work continued in 2023 with a vulnerability analysis to quantify the main risks identified, i.e., two major transition risks, three physical risks and three opportunities. Only the risks have been quantified.

The preliminary estimate of the potential financial impact calculated in 2022 was completed by performing sensitivity calculations on the values in use resulting from impairment tests at year-end 2023, taking into account the risks identified in 2022 for Lagardère's two divisions: (i) the risk of an increase in the price of paper for Lagardère Publishing, and (ii) the risk of a decline in air traffic (based on the "Charlie" air traffic scenario established by The Shift Project) for Lagardère Travel Retail.

Based on the analyses performed in 2022 and 2023 on the exposure and vulnerability of Lagardère's activities to climate risks, the Lagardère's statement of financial position has limited vulnerability. The analyses highlighted the resilience of the Group's activities to these risks, even in the extreme scenarios tested.

Lastly, these tests include the results of the analysis of vulnerability to physical risks, which remain immaterial.

10.2.1 Presentation of key assumptions used for the determination of recoverable amounts

The recoverable amount used for the relevant CGU or group of CGUs was determined based on its value in use applying the key assumptions set out below.

As of December 31, 2021, 2022 and 2023, the goodwill impairment test for Prisma Media was conducted based on estimation methods consistent with those at the date of previous accounting standards (after adjustments to reflect any differences in accounting standards) in accordance with IFRS 1.14.

Operating segments	**CGU or groups of CGU tested**	Valuation method			Discount Rate (a)			Perpetual Growth Rate		
		2023	2022	2021	2023	2022	2021	2023	2022	2021
Lagardère	Lagardère	na (b)	na (c)	na (c)	na (c)	na (c)	na	na (c)	na (c)	na (c)
Prisma Media	Prisma Media	DCF & comparables	DCF & comparables	na (d)	9.93%	19.00%	na (d)	2.25%	0.90%	na (d)

a. The determination of recoverable amounts using a post-tax discount rate applied to post-tax cash flows provides recoverable amounts consistent with those that would have been obtained using a pre-tax discount rate applied to pre-tax cash flows.

b. As of December 31, 2023, no goodwill impairment test attributable to Lagardère was carried out given that the acquisition date (November 21, 2023) was close to the financial closing date and the completion of the allocation of the purchase price. Lagardère has been fully consolidated since December 1, 2023.

c. From July 1, 2021 to November 30, 2023, in these combined financial statements, Lagardère was accounted for under the equity method and classified as financial assets at fair value through other comprehensive income in accordance with IFRS 9, in the statement of financial position as of January 1, 2021. As of December 31, 2021 and 2022, Vivendi's Management concluded that, the recoverable amount of Lagardère's equity affiliate was at least equal to its net carrying amount.

d. As of December 31, 2021, no goodwill impairment test attributable to Prisma Media was carried out given that the acquisition date (May 31, 2021) was close to the financial closing date.

10.2.2 Sensitivity of recoverable amounts of CGUs or groups of CGUs whose value in use is determined in particular by the DCF method

As of December 31, 2022, the recoverable amount of Prisma Media would be at least equal to its net carrying amount assuming a 11.51 points increase in discount rate, a -7.84 points decrease in the perpetual growth rate and a -7.59% decrease in discounted cash flows.

As of December 31, 2023, Vivendi's Management concluded that, the recoverable amount of Lagardère and Prisma Media was at least equal to net carrying amount (including goodwill), respectively.

Note 11 Intangible assets

11.1 Intangible assets

(in millions of euros)	December 31, 2023	December 31, 2022	December 31, 2021
Concession agreements	1,621	-	-
Publishing rights	1,153	-	-
Customer bases and trade names	970	84	87
Software	41	-	-
Other	163	5	5
Total	**3,948**	**89**	**92**

11.2 Changes in intangible assets

	Year ended December 31,		
(in millions of euros)	2023	2022	2021
Opening Balance	**89**	**92**	**-**
Amortization and impairment losses	(22)	(5)	(4)
Acquisitions	11	3	2
Decreases	(17)	-	-
Business combinations	3,887 (a)	-	94
Changes in foreign translation adjustments and other	-	(1)	-
Closing Balance	**3,948**	**89**	**92**

a. Mainly includes the reevaluation at fair values of acquired intangible assets following the acquisition of control by Vivendi over Lagardère as of November 21, 2023 (please refer to note 3.1).

Note 12 Property, plant and equipment

12.1 Property, plant and equipment

(in millions of euros)	December 31, 2023	December 31, 2022	December 31, 2021
Equipment and machinery	196	2	3
Building	389	-	-
Land	375	-	-
Assets in progress	113	-	-
Other	96	-	-
Total	**1,169**	**2**	**3**

12.2 Changes in property, plant and equipment

	Year ended December 31,		
(in millions of euros)	2023	2022	2021
Opening Balance	**2**	**3**	**-**
Amortization and impairment losses	(15)	(2)	(1)
Acquisitions	39	1	-
Decreases	-	-	-
Business combinations	1,147 (a)	-	4
Changes in foreign translation adjustments and other	(4)	-	-
Closing Balance	**1,169**	**2**	**3**

a. Mainly includes the reevaluation at fair values of acquired tangible assets following the acquisition of control by Vivendi over Lagardère as of November 21, 2023 (please refer to note 3.1).

Note 13 Leases

When an entity acts as lessee, the present value of lease payment commitments that are fixed or fixed in substance and due under concession agreements in transport hubs and hospitals and building leases are recognized within lease liabilities against a corresponding right-of-use asset.
The variable portion of lease payments under concession agreements, based on passenger flows or revenues earned by retail outlets, is included in EBITA.

The impacts of the leases were determined as if the acquired leases were new as at the date of the acquisition of Lagardère:

- lease liabilities are valued at the present value of the remaining fixed and guaranteed minimum lease payments using the discount rate in effect on that date; and
- right-of-use assets are valued at the amount of lease liabilities, adjusted to reflect the favorable or unfavorable terms of the lease contracts relative to market terms.

13.1 Rights-of-use relating to leases

	December 31, 2023		
(in millions of euros)	Rights-of-use, gross	Accumulated amortization and impairment losses	Rights-of-use, net
Concession agreements	2,035	(34)	2,001
Real estate and others	455	(53)	402
Total	**2,490**	**(87)**	**2,403**

	December 31, 2022		
(in millions of euros)	Rights-of-use, gross	Accumulated amortization and impairment losses	Rights-of-use, net
Concession agreements	-	-	-
Real estate and others	51	(41)	10
Total	**51**	**(41)**	**10**

	December 31, 2021		
(in millions of euros)	Rights-of-use, gross	Accumulated amortization and impairment losses	Rights-of-use, net
Concession agreements	-	-	-
Real estate and others	55	(41)	14
Total	**55**	**(41)**	**14**

Change in right of use

	Year ended December 31,		
(in millions of euros)	2023	2022	2021
Opening balance	**10**	**14**	**-**
Amortization	(47)	(4)	(5)
Acquisitions/increase	8	1	1
Sales/decrease	-	(1)	-
Business combinations	2,415 (a)	-	18
Foreign currency translation adjustments and other	17	-	-
Closing balance	**2,403**	**10**	**14**

a. Primarily includes Lagardère, which has been fully consolidated by Vivendi from December 1, 2023 (please refer to note 3.1).

13.2 Lease liabilities

(in millions of euros)	December 31, 2023 Leases liabilities non current	Leases liabilities current	Total
Concession agreements	1,659	354	2,013
Real estate and others	330	80	410
Total	**1,989**	**434**	**2,423**

(in millions of euros)	December 31, 2022 Leases liabilities non current	Leases liabilities current	Total
Concession agreements	-	-	-
Real estate and others	7	9	16
Total	**7**	**9**	**16**

(in millions of euros)	December 31, 2021 Leases liabilities non current	Leases liabilities current	Total
Concession agreements	-	-	-
Real estate and others	15	10	25
Total	**15**	**10**	**25**

Change in leases liabilities

(in millions of euros)	Year ended December 31, 2023	2022	2021
Opening Balance	**16**	**25**	**-**
Lease payments	(52)	(8)	(5)
Interest expense	9	-	-
Acquisitions/increase	7	-	1
Sales/decrease	-	-	-
Business combinations	2,435 (a)	-	29
Foreign currency translations and other	8	(1)	-
Closing Balance	**2,423**	**16**	**25**

a. Primarily includes Lagardère, which has been fully consolidated by Vivendi from December 1, 2023 (please refer to note 3.1).

Maturity of lease liabilities

(in millions of euros)	December 31, 2023	December 31, 2022	December 31, 2021
< 1 year	434	9	10
Between 1 and 5 years	1,294	7	15
> 5 years	695	-	-
	2,423	**16**	**25**
Undiscounting effect	357	-	-
Lease liabilities	**2,780**	**16**	**25**

13.3 Lease-related expenses

Lease-related expenses recorded in the Statement of Earnings amounted to €55 million in 2023 (compared to €4 million in 2022 and €5 million in 2021). Leases with variable lease payments do not give rise to the recognition of a right-of-use asset or a lease liability. The corresponding rental expenses, representing €57 million as of December 31, 2023 (compared to nil as of December 31, 2022 and 2021), are included in EBITA.

Note 14 Investments in equity affiliates

14.1 Lagardère equity accounted for by Vivendi SE

Context

On June 30, 2021, Lagardère SCA's held the Shareholders' Meeting of the general partners and limited shareholders. This meeting approved the conversion of the company into a French limited liability company (société anonyme) with a Supervisory Board and appointed new members of Lagardère SA's Supervisory Board, including Mr. Arnaud de Puyfontaine, Chairman of Vivendi's Management Board.

As of July 1, 2021, Lagardère SA ("Lagardère") was accounted for by Vivendi under the equity method, as a result of Vivendi having a significant influence on Lagardère from that date.

		Year ended December 31,				
(in millions of euros)	Note	2023		2022	2021	
Opening Balance		**1,965**		**1,469**	**-**	
Acquisition of Lagardère shares by Vivendi SE	3	71		443	612	
Sales/decrease		-		-	-	
Income from equity affiliates		125		98	20	
Change in other comprehensive income		(17)		4	11	
Dividends received by Vivendi SE		(106)		(32)	-	
Reclassification of Lagardère's fair value	3.1	(2,032)	(a)	-	800	(b)
Other		(6)		(17)	26	
Closing Balance		**-**		**1,965**	**1,469**	

a. Reclassification from investment in equity affiliates to consolidated subsidiary on December 1, 2023, at €24.10 per share.

b. Reclassification from financial investment in accordance with IFRS 9 to investment in equity affiliates on July 1, 2021, at €20.84 per share.

As of December 31, 2022, the stock market price of Lagardère shares (€20.04 per share) was lower than the value of the investment in equity affiliates on the combined statement of financial position (€24.15 per share). As of December 31, 2021, the stock market price of Lagardère shares (€24.38 per share) was higher than the value of the investment in equity affiliates on the combined statement of financial position (€23.06 per share). As of December 31, 2022 and 2021, Vivendi assessed whether there was any indication that its investment in Lagardère may have become impaired. Vivendi considered that the stock market price of Lagardère did not represent the long-term valuation prospects of Lagardère and that the value in use of Lagardère exceeded its carrying amount as of December 31, 2022 and 2021. The value in use was determined based on recent transactions for each period.

14.2 Main investments in equity affiliates of Lagardère as of December 31, 2023

(in millions of euros)	Ownership interest	Statement of Financial Position value
Extime Duty Free Paris	44%	80
Yen Press	49%	16
Inmedio	49%	6
Lagardère & Connexions	50%	13
Relay@ADP	50%	10
Other		23
		148

Change in value of investments in equity affiliates

(in millions of euros)	Year ended December 31, 2023
Opening Balance	**-**
Acquisitions/increase	150
Sales/decrease	-
Income from equity affiliates	(1)
Change in other comprehensive income	(9)
Dividends received	-
Other	8
Closing Balance	**148**

Note 15 Financial assets

(in millions of euros)	December 31, 2023			Total as of December 31, 2022	Total as of December 31, 2021
	Total	Lagardère	Prisma Media		
Financial assets at fair value through profit or loss	**38**	**38**	**-**	**-**	**-**
Loan to Vivendi SE	-	-	-	-	-
Level 1					
Listed equity securities	-	-	-	-	-
Level 2					
Unlisted equity securities	9	9	-	-	-
Derivative financial instruments	29	29	-	-	-
Other financial assets (a)	-	-	-	-	-
Level 3 - Other financial assets	-	-	-	-	-
Financial assets at fair value through other comprehensive income					
Level 1 - Listed equity securities	-	-	-	-	-
Level 2 - Unlisted equity securities	-	-	-	-	-
Level 3 - Unlisted equity securities	-	-	-	-	-
Financial assets at amortized cost (a)	**162**	**160**	**2**	**1**	**1**
Financial assets	**200**	**198**	**2**	**1**	**1**

a. Mostly comprises of Lagardère's loans to equity accounted companies, receivable for sale of financial assets and deposits and guarantees on leases.

IFRS 13 – Fair Value Measurement sets out the methods to be used in determining fair value by reference to a fair value hierarchy which has the following levels:

- Level 1: instruments listed in an active market;
- Level 2: instruments valued using techniques based on observable market data; and
- Level 3: instruments valued using techniques based on unobservable data.

Note 16 Net working capital

16.1 Changes in net working capital

(in millions of euros)	December 31, 2022	Changes in operating working capital	Business combinations	December 31, 2023	
Inventories	6	(28)	870	848	
Trade accounts receivable and other	81	(184)	1,921	1,818	
Of which trade accounts and receivables	*96*	*(152)*	*1,276*	*1,220*	(a)
write-offs	*(29)*	*3*	*(105)*	*(131)*	
Working capital assets	**87**	**(212)**	**2,791**	**2,666**	
Trade accounts payable and other	125	(63)	2,796	2,858	
Of which trade accounts payable	*65*	*(14)*	*1,400*	*1,451*	
Other non-current liabilities	-	(3)	60	57	
Working capital liabilities	**125**	**(66)**	**2,856**	**2,915**	
Net working capital	**(38)**	**(146)**	**(65)**	**(249)**	

(in millions of euros)	December 31, 2021	Changes in operating working capital	Business combinations	December 31, 2022	
Inventories	7	(1)	-	6	
Trade accounts receivable and other	76	5	-	81	
Of which trade accounts and receivables	*94*	*2*	-	*96*	(a)
write-offs	*(31)*	*2*	-	*(29)*	
Working capital assets	**83**	**4**	**-**	**87**	
Trade accounts payable and other	110	12	3	125	
Of which trade accounts payable	*45*	*19*	*1*	*65*	
Other non-current liabilities	-	-	-	-	
Working capital liabilities	**110**	**12**	**3**	**125**	
Net working capital	**(27)**	**(8)**	**(3)**	**(38)**	

(in millions of euros)	January 1, 2021	Changes in operating working capital	Business combinations	December 31, 2021	
Inventories	-	1	6	7	
Trade accounts receivable and other	-	5	71	76	
Of which trade accounts and receivables	-	*(5)*	*99*	*94*	(a)
write-offs	-	*1*	*(32)*	*(31)*	
Working capital assets	**-**	**6**	**77**	**83**	
Trade accounts payable and other	-	12	98	110	
Of which trade accounts payable	-	*6*	*39*	*45*	
Other non-current liabilities	-	-	-	-	
Working capital liabilities	**-**	**12**	**98**	**110**	
Net working capital	**-**	**(6)**	**(21)**	**(27)**	

a. Of which (i) €945 million trade accounts receivable not yet due for payment as of December 31, 2023 (compared to €48 million as of December 31, 2022 and €64 million as of December 31, 2021); (ii) €203 million trade accounts receivable less than six months past due as of December 31, 2023 (compared to €14 million as of December 31, 2022 and €7 million as of December 31, 2021); and (iii) €72 million trade accounts receivable more than six months past due as of December 31, 2023 (compared to €34 million as of December 31, 2022 and €23 million as of December 31, 2021).

16.2 Trade accounts receivable and other

16.2.1 Credit and counterparty risk

Credit and counterparty risk represents the risk of financial loss in the event of default by a customer or debtor on its contractual obligations.

Exposure to credit and counterparty risk mainly arises from:

- customer receivables and commitments received in connection with commercial contracts;
- investments made to deposit surplus cash and/or to cover pension and other post-employment benefit obligations; and
- hedging contracts in which the counterparties are financial institutions.

The most significant customer receivables involve distributors of Lagardère products, both within and outside France. These receivables generally relate to local customers and no single customer represents a high percentage of the sales concerned.

Hedging contracts are primarily entered into to hedge foreign exchange risks. As of December 31, 2023, the notional amount of Lagardère was €1,219 million. The economic risk associated with these contracts depends on currency and interest rate fluctuations, and only represents a fraction of this notional amount. The counterparties in these contracts are leading banks.

Lagardère's counterparties are exposed to risks related to the general economic environment and, as a result, the risk of default cannot be eliminated.

Each division is responsible for managing its own credit risk in a decentralized way, as appropriate to the specificities of its market and customer base.

Operational subsidiaries have set up procedures and systems for tracking their trade accounts receivable and recovering outstanding amounts.

16.2.2 Factoring and sale of trade receivables at Lagardère

As of December 31, 2023, receivables sold and deconsolidated by Lagardère under these factoring and discounting programs totaled €262 million.

The sums to be repaid to the banks in respect of the receivables collected within the scope of debt collection procedures, as well as the share of the risk retained on the receivables sold, represented a debt of €42 million.

Lagardère is also exposed to a residual risk on the transferred receivables, represented mainly by the guarantee fund and the reserve fund set up by the bank in the amount of €3 million as of December 31, 2023.

Note 17 Cash position

Louis Hachette Group's cash position comprises cash and cash equivalents, as well as cash management financial assets classified as current financial assets. As defined by Louis Hachette Group, cash management financial assets relate to financial investments, which do not satisfy the criteria for classification as cash equivalents set forth in IAS 7, and, with respect to money market funds, the ANC's and AMF's decision released in November 2018.

(in millions of euros)	December 31, 2023	December 31, 2022	December 31, 2021
Cash management financial assets	**-**	**-**	**-**
Cash	250	-	-
Term deposits and current accounts	218	-	-
Money market funds	-	-	1
Cash and cash equivalents	**468**	**-**	**1**
Loans to Vivendi SE (a)	40	11	-
Cash position	**508**	**11**	**1**

a. In compliance with Article L. 511-7 of the French Monetary and Financial Code, Prisma Media entered into an intra-group cash management agreement, on market terms, with Vivendi SE. Under this agreement, Vivendi SE centralized cash surpluses (cash pooling) of its controlled entities which (i) are not subject to local regulations restricting the transfer of financial assets, or (ii) are not subject to other contractual obligations. As of December 31, 2023, 2022 and 2021, the balance of cash surpluses from Prisma Media centralized by Vivendi SE amounted to €40 million, €11 million, nil, respectively.

17.1 Liquidity risk

As of December 31, 2023, 2022 and 2021, Prisma Media's net cash position was €40 million, €11 million, nil, respectively, and Prisma Media was free of financial debt. For the years ended December 31, 2023, 2022 and 2021, Prisma Media's net cash flows were €30 million, €12 million, nil, respectively. As a reminder, Prisma Media acquired TeleZ in 2021.

Lagardère controls its liquidity risk with a cash to debt ratio of 124%, calculated by dividing its available liquidity reserves (comprising cash and cash equivalents, short-term investments and confirmed undrawn credit lines) by gross debt maturing in less than two years. Gross debt maturing within two years amounts to €2,477 million, while total liquidity reserves represent €3,079 million (€467 million in cash and cash equivalents and short-term investments and €2,612 million in confirmed undrawn credit lines, corresponding to the syndicated credit facility (€982 million) and the loan agreement signed with Vivendi SE on December 12, 2023 (€1,630 million as of December 31, 2023).

Liquidity reserves are based on (i) the syndicated credit facility taken out in May 2015 for €1,250 million and (ii) the loan agreement signed with Vivendi SE on December12, 2023 for drawing rights up to €1,900 million and maturing on March 31, 2025.

On April 21, 2022, the syndicated credit facility was further amended to increase the amount of the facility from €982 million to €1,042 million and extend its maturity from March 2023 to April 2024. In June 2023, the option to extend its maturity to April 2025 was exercised. The facility provides for an option to further extend its maturity to April 2026, subject to the consent of the banks.

This amendment includes a financial covenant (financial leverage), which must be less than 3.5x as of December 31, 2023.

On June 7, 2024, Lagardère completed a refinancing transaction amounting to a total of €1.95 billion, including (i) two bank loans, one of €700 million, with an initial term of 24 months, extendable up to 42 months, and the other of €600 million with a 5-year term, to repay the €1.3 billion loan provided by Vivendi on December 12, 2023; and (ii) two new shareholder loans granted by Vivendi to replace the loan of December 12, 2023, one of €500 million with a term of 5 years and 6 months, and the other of €150 million, which should be partially repaid by 31 December 2024, with any remaining balance at that date being added to the €500 million loan.

Note 18 Equity

(in millions of euros)	December 31, 2023		December 31, 2022	December 31, 2021
Contributions by (distributions to) shareowners	**(106)**		**(32)**	**-**
Dividends distributed by Lagardère SA to Vivendi SE	*(106)*		*(32)*	*-*
Changes in ownership interest in subsidiaries and equity affiliates	**875**		**443**	**612**
Acquisition of Lagardère shares by Vivendi SE	*71*		*443*	*612*
Non-controlling interests upon consolidation of Lagardère	*804*	*(a)*	*-*	*-*
Other	**(3)**		**(16)**	**43**
Changes in equity	**766**		**395**	**655**

a. In accordance with IFRS 3, comprised of (i) the share attributable to non-controlling interests (€932 million) of fair value adjustments related to the purchase price allocation and (ii) the carrying amount of non-controlling interests (-€128 million) in Lagardère's statement of financial position as at the purchase date (please refer to Note 3).

Note 19 Provisions

(in millions of euros)	Note	December 31, 2023	December 31, 2022	December 31, 2021
Employee benefits (a)		99	9	14
Restructuring costs		36	8	25
Litigations	26	46	2	2
Losses on onerous contracts		-	-	-
Other (b)		235	-	-
Provisions		**416**	**19**	**41**
Deduction of current provisions		129	10	29
Non-current provisions		**287**	**9**	**12**

a. Includes deferred employee compensation as well as provisions for employee defined benefit plans but excludes employee termination reserves recorded under restructuring costs.

b. Notably includes litigation provisions for which the amount and nature are not disclosed because such disclosure could be prejudicial to Lagardère and Prisma Media.

Changes in provisions

	Year ended December 31,			
(in millions of euros)	2023		2022	2021
Opening Balance	**19**		**41**	**-**
Addition	7		5	2
Utilization	(6)		(22)	(8)
Reversal	(13)		(1)	-
Business combinations	394	(a)	-	47
Changes in foreign currency translation adjustments and other	15		(4)	-
Closing Balance	**416**		**19**	**41**

a. Primarily includes Lagardère, which has been fully consolidated by Vivendi from December 1, 2023 (please refer to note 3.1).

Note 20 Employee benefits

Pursuant to the accounting policies presented in Note 2.3.17, provisions are recognized to cover Louis Hachette Group's obligations under defined benefit plans.

On January 1, 2021, Lagardère was classified as a financial asset at fair value through other comprehensive income in accordance with IFRS 9 in the combined statement of financial position. From July 1, 2021, to November 30, 2023, Lagardère was accounted for under the equity method. As Lagardère was consolidated by Vivendi from December 1, 2023, the provisions recognized as of December 31, 2022 and 2021, only relate to Prisma Media's defined benefit plans.

As of December 31, the provision recognized represents the value of beneficiaries' accumulated rights less the related plan assets. Louis Hachette Group's main obligations concerning pensions and other post-employment benefits relate to plans in the United Kingdom and France.

United Kingdom

Lagardère pension plans in the United Kingdom are closed to new entrants and current members may no longer accrue any future benefits. The pension benefits payable under these plans are based on beneficiaries' career average salaries. The plans are funded by plan assets, and in accordance with applicable law are subject to minimum funding requirements. A Board of Trustees – made up of an equal number of representatives of the employer and employees/retirees – is responsible for ensuring that the plans are properly managed from both an administrative and financial perspective. In 2023, the plans in effect in the United Kingdom represented an aggregate obligation of €169 million, representing 60% of Lagardère and Prisma Media's total obligation and plan assets amounted to €157 million, representing 85% of Lagardère and Prisma Media's total plan assets.

France

The most significant plans in place in France relate to end-of-career bonuses paid to employees in accordance with the specific requirements of each entity's collective bargaining agreement. Employees are paid this bonus when they retire and its amount is calculated based on the employee's length of service and the terms and conditions specified in the relevant collective bargaining agreement. End-of-career bonuses are not covered by funded plans and are not subject to any minimum funding requirements. In 2023, they represented an aggregate obligation of €56 million, representing 20% of Lagardère and Prisma Media's total obligation.

As a reminder, the law on the enactment of the French pension reform promulgated in April 2023 specifies that the retirement age will be gradually raised from September 1, 2023 to 64 years in 2030 and provides for an increase in the duration of contributions to benefit from full rate at 43 years from 2027 (instead of 2035) and the elimination of certain special plans for new hires (oil and gas industries).

The effects of this reform were considered as a past service cost recognized immediately in profit/loss at the date of the amendment. The impact is not significant.

20.1 Analysis of expenses related to employee benefit plans

The table below provides information about the cost of employee benefit plans, excluding its financial component. The total cost of defined benefit plans is set forth in Note 20.2.2 below.

	Year ended December 31,		
(in millions of euros)	2023	2022	2021
Employee defined contribution plans	-	-	-
Employee defined benefit plans	(1)	-	1
Employee benefit plans	**(1)**	**-**	**1**

20.2 Employee defined benefit plans

20.2.1 Assumptions used in the evaluation and sensitivity analysis

Discount rate, expected return on plan assets, and rate of compensation increase

The assumptions underlying the valuation of defined benefit plans were made in compliance with the accounting policies presented in Note 2.3.17 and have been applied consistently for several years. Demographic assumptions (including notably the rate of compensation increase) are company specific. Financial assumptions (notably the discount rate) are determined by independent actuaries and other independent advisors. The discount rate is therefore determined for each country by reference to yields on notes issued by investment grade companies having a credit rating of AA and maturities identical to that of the valued plans, generally based on relevant rate indices. The discount rates selected are therefore used by Louis Hachette Group at year-end to determine a best estimate of expected trends in future payments from the first benefit payments.

In weighted average

	Pension benefits		
	2023	2022	2021
Discount rate (a)	4.0%	3.7%	0.8%
Rate of compensation increase	2.1%	2.3%	2.6%
Duration of the benefit obligation (in years)	13.0	11.5	12.4

a. A 50-basis-point increase (or a corresponding decrease) in the 2023 discount rate would have resulted in a €16 million decrease in pension obligations, compared to a €1 million decrease in 2022 (or a €18 million increase in 2023 compared to a €1 million increase in 2022).

Assumptions used in accounting for pension benefits, by country

	France			United Kingdom		
	2023	2022	2021	2023	2022	2021
Discount rate (weighted average)	3.21%	3.75%	0.75%	4.40%	na	na

na: not applicable. Only Lagardère has pension commitments in the United Kingdom.

Allocation of pension plan assets

	December 31, 2023	December 31, 2022	December 31, 2021
Equity securities	19%	na	na
Debt securities	49%	na	na
Real estate	2%	na	na
Monetary	9%	na	na
Other	21%	na	na
Total	**100%**	**na**	**na**

na : not applicable.

Pension plan assets are mainly financial assets actively traded in organized financial markets. Only Lagardère's pension commitments are financed by plan assets.

These assets do not include occupied buildings or assets used by Lagardère nor any shares or debt instruments of Lagardère.

20.2.2 Analysis of net benefit obligations with respect to pensions and post-retirement benefits

(in millions of euros)	Note	Employee defined benefit plans Year ended December 31, 2023 Benefit obligation (A)	Fair value of plan assets (B)	Net (provision)/asset recorded in the statement of financial position (B)-(A)
Opening Balance		**9**	**-**	**(9)**
Current service cost		1	-	(1)
Past service cost		(1)	-	1
(Gains)/losses on settlements		-	-	-
Other		-		-
Impact on selling, administration and general expenses				**-**
Interest cost		-	-	-
Expected return on plan assets		-	-	-
Impact on other financial charges and income				**-**
Net benefit cost recognized in profit or loss (a)				**-**
Experience gains/(losses) (b)		(1)	17	18
Actuarial gains/(losses) related to changes in demographic assumptions		-	-	-
Actuarial gains/(losses) related to changes in financial assumptions (c)		30	-	(30)
Adjustment related to asset ceiling		-	-	-
Acturial gains/(losses) recognized in other comprehensive income				**(12)**
Contributions by plan participants		-	-	-
Contributions by employers		-	-	-
Benefits paid by the fund		-	-	-
Benefits paid by the employer		-	-	-
Business combinations (d)		245	167	(78)
Divestitures of businesses		-	-	-
Transfers		-	-	-
Foreign currency translation and other		-	-	-
Reclassification to assets held for sale		-	-	-
Closing Balance		**283**	**184**	**(99)**
of which wholly or partly funded benefits		*213*		
wholly unfunded benefits (e)		*70*		
of which assets related to employee benefit plans				-
provisions for employee benefit plans (f)	19			*(99)*

(in millions of euros)	Note	Employee defined benefit plans Year ended December 31, 2022 Benefit obligation (A)	Fair value of plan assets (B)	Net (provision)/asset recorded in the statement of financial position (B)-(A)
Opening Balance		**14**	**-**	**(14)**
Current service cost		1	-	(1)
Past service cost		(1)	-	1
(Gains)/losses on settlements		-	-	-
Other		-		-
Impact on selling, administration and general expenses				**-**
Interest cost		-	-	-
Expected return on plan assets		-	-	-
Impact on other financial charges and income				**-**
Net benefit cost recognized in profit or loss				**-**
Experience gains/(losses) (b)		1	-	(1)
Actuarial gains/(losses) related to changes in demographic assumptions		-	-	-
Actuarial gains/(losses) related to changes in financial assumptions (c)		(4)	-	4
Adjustment related to asset ceiling		-	-	-
Acturial gains/(losses) recognized in other comprehensive income				**3**
Contributions by plan participants		-	-	-
Contributions by employers		-	-	-
Benefits paid by the fund		-	-	-
Benefits paid by the employer		-	-	-
Business combinations (d)		-	-	-
Divestitures of businesses		-	-	-
Transfers		-	-	-
Foreign currency translation and other		(2)	-	2
Reclassification to assets held for sale		-	-	-
Closing Balance		**9**	**-**	**(9)**
of which wholly or partly funded benefits		*-*		
wholly unfunded benefits (e)		*9*		
of which assets related to employee benefit plans				*-*
provisions for employee benefit plans (f)	19			*(9)*

(in millions of euros)	Note	Employee defined benefit plans Year ended December 31, 2021 Benefit obligation (A)	 Fair value of plan assets (B)	 Net (provision)/asset recorded in the statement of financial position (B)-(A)
Opening Balance		**-**	**-**	**-**
Current service cost		1	-	(1)
Past service cost		-	-	-
(Gains)/losses on settlements		-	-	-
Other		-		-
Impact on selling, administration and general expenses				***(1)***
Interest cost		-	-	-
Expected return on plan assets		-	-	-
Impact on other financial charges and income				***-***
Net benefit cost recognized in profit or loss				**(1)**
Experience gains/(losses) (b)		-	-	-
Actuarial gains/(losses) related to changes in demographic assumptions		-	-	-
Actuarial gains/(losses) related to changes in financial assumptions		-	-	-
Adjustment related to asset ceiling		-	-	-
Acturial gains/(losses) recognized in other comprehensive income				**-**
Contributions by plan participants		-	-	-
Contributions by employers		-	-	-
Benefits paid by the fund		-	-	-
Benefits paid by the employer		-	-	-
Business combinations (d)		13	-	(13)
Divestitures of businesses		-	-	-
Transfers		-	-	-
Foreign currency translation and other			-	-
Reclassification to assets held for sale		-	-	-
Closing Balance		**14**	**-**	**(14)**
of which wholly or partly funded benefits		*-*		
wholly unfunded benefits (e)		*14*		
of which assets related to employee benefit plans				*-*
provisions for employee benefit plans (f)	19			*(14)*

a. Includes employee benefit plan expenses related to Lagardère between the date of the acquisition of Lagardère by Vivendi and the financial closing date.

b. Includes the impact on the benefit obligations resulting from the difference between actuarial assumptions at the previous year-end and effective benefits during the year, and the difference between the expected return on plan assets at the previous year-end and the actual return on plan assets during the year.

c. In 2023, includes the decrease in financial assumptions mainly in the United Kingdom (-€22 million).

d. In 2023, includes the impact of the takeover of Lagardère on the benefit obligations, the value of plan assets and the net provision. In 2021, includes the impact of the acquisition of Prisma Media on the value of obligations.

e. In accordance with local laws and practices, certain plans are not covered by plan assets. As of December 31, 2023 and December 31, 2022, such plans principally comprised end-of-career bonuses.

f. Includes a current liability of €6 million as of December 31, 2023 (nil as of December 31, 2022 and 2021).

20.2.3 Estimated future benefit payments and contributions

For 2024, benefit payments by Louis Hachette Group to retirees are estimated at €11 million, of which €10 million paid to pension funds. The hedge fund contributions by Lagardère are estimated at €5 million.

Note 21 Share-based compensation plans

21.1 Plans granted to Prisma Media employees by Vivendi SE

21.1.1 Performance share plans

The main features of all the non-vested performance share plans as of December 31, 2023 are summarized in the table below.

Grant date	Total number of shares awarded		Total number of awarded shares cancelled	Total number of awarded shares adjusted		Total number of outstanding awarded non-vested shares	
July 28, 2022	77,000		(6,060)	1,118		72,058	
March 8, 2023	75,000		(1,015)	1,117		75,102	
Total	**152,000**	(a)	**(7,075)**	**2,235**	(b)	**147,160**	(b)

a. As of March 8, 2023, the share price was €9.75 and the expected dividend yield was 2.56% (compared to €10.06 and 2.49% as of July 28, 2022, respectively). The fair value of each granted performance share was estimated at €8.60 (compared to €8.76 as of July 28, 2022). The accounting methods that are applied to estimate and recognize the value of these granted plans are described in Note 2.3.5.

b. On November 13, 2023, pursuant to Articles L. 228-99 and R. 228-91 of the French Commercial Code, Vivendi's Management Board decided to adjust the number of performance share rights in their vesting period, to take into account the impact of the ordinary cash dividend distribution for 2022 by deduction from the available portion of the legal reserve. This adjustment has no impact for calculating the accounting expense relating to the performance shares concerned.

c. The weighted-average remaining period prior to the delivery of performance shares was 1.9 years.

In 2023, 2022 and 2021, the charge recognized with respect to all performance share plans granted by Vivendi represents an unsignificant amount.

21.1.2 Employee stock purchase and leveraged plans

On July 20, 2023 and July 26, 2022, an employee shareholding transaction was implemented through the sale of treasury shares pursuant to an employee stock purchase plan reserved for employees of French subsidiaries and corporate officers of the group.

Under the employee stock purchase plan (ESPP), 4,164 shares were acquired in 2023 through a company mutual fund (*Fonds Commun de Placement d'Entreprise*) at a price per share of €8.171, compared to 18,667 shares acquired in 2022 at a price per share of €9.298. In 2023, no expenses were recorded in respect of the employee stock purchase plan, compared to unsignificant expense in 2022.

Under the leveraged plan, 301,728 shares were acquired in 2022 through a company mutual fund at a price per share of €9.298. In 2022, the charge recognized under the leveraged plan was unsignificant.

Vivendi SE did not implement any employee shareholding plans in 2021.

21.2 Plans granted by Lagardère

The main features of all Lagardère's free share plans which expired in 2023 or were in effect as of December 31, 2023 are summarized in the table below.

Grant date	Total number of shares awarded	Total number of awarded shares cancelled	Total number of awarded shares vested	Total number of outstanding awarded non-vested shares
April 8, 2019	474,990	(21,050)	(453,940)	-
September 24, 2021	783,000	-	-	783,000
March 14, 2022	806,800	(3,750)	-	803,050
April 18, 2023 (a)	795,350	(3,000)	-	792,350
April 18, 2023 (b)	739,700	-	-	739,700
Total	**3,599,840**	**(27,800)**	**(453,940)**	**3,118,100**

a. Performance share plan and free share plan with no performance conditions granted under the authorization given by Lagardère General Meeting of April 22, 2022.

b. "We Share Lagardère" plan awarded under the authorization given by Lagardère General Meeting of April 22, 2022.

Since December 1, 2023 (date of full consolidation of Lagardère by Vivendi), the charge recognized with respect to all free share plans granted by Lagardère amounted to €1 million.

Note 22 Borrowings and other financial liabilities and financial risk management

(in millions of euros)	December 31, 2023			December 31, 2022	December 31, 2021
	Total	Long-term	Short-term		
Borrowings from Vivendi SE	**476**	**271**	**205**	**177**	**177**
Bonds	1,300	-	1,300	-	-
Short-term marketable securities	560	-	560	-	-
Schuldschein loan documentation	226	35	191	-	-
Bank overdrafts	54	-	54	-	-
Accrued interest to be paid	8	-	8	-	-
Cumulative effect of amortized cost	-	-	-	-	-
Other	74	5	69	-	-
Borrowings at amortized cost	**2,222**	**40**	**2,182**	**-**	**-**
Commitments to purchase non-controlling interests	83	82	1	-	-
Derivative financial instruments	10	2	8	-	-
Borrowings and other financial liabilities	**2,791**	**395**	**2,396**	**177**	**177**
Lease liabilities	2,423	1,989	434	16	26
Total	**5,214**	**2,384**	**2,830**	**193**	**203**

22.1 Bonds

(in millions of euros)	Interest rate (%)		Maturity	December 31, 2023	
	nominal	effective			
Bonds issued by Lagardère SA					
€500 million (October 2021)	1.75%	1.96%	oct.-27	500	(a)
€500 million (October 2019)	2.13%	2.26%	oct.-26	500	(a)
€300 million (June 2017)	1.63%	1.81%	june-24	300	(a)
Nominal value of bonds				**1,300**	

a. On January 12, 2024, the triggering of the change of control clauses included in the relevant bond documentation resulted in the early redemption of bonds for €1,203 million (see after).

Change of control of Lagardère

On November 21, 2023, Vivendi's takeover of Lagardère triggered the change of control clauses included in the Lagardère bonds and Schuldschein loan documentation, allowing the lenders to request early redemption of the bonds (with a nominal amount of €1,300 million; please refer to Note 23.2) and Schuldschein loans (with a nominal amount of €253 million). On December 27, 2023, €27 million of the Schuldschein loans were repaid, following the triggering of the change of control clauses. As of December 31, 2023, the outstanding balance of the Schuldschein loans amounted to €226 million, of which €191 million were due in June 2024 and €35 million were due in June 2026. On January 12, 2024, €1,203 million of the Lagardère bonds were redeemed, following the expiry of the early redemption period. As of that date, the outstanding balance of the Lagardère bonds amounted to €97 million, of which €40 million is due in June 2024, €49 million is due in October 2026 and €8 million is due in October 2027. On December 12, 2023, to facilitate the redemption resulting from the triggering of the change of control clauses, Vivendi and Lagardère entered into a loan agreement providing for drawing rights up to €1,900 million (maturing on March 31, 2025). As of December 31, 2023, €270 million had been drawn on this loan.

Lagardère refinancing

On June 7, 2024, Lagardère completed a refinancing transaction amounting to a total of €1.95 billion.

On June 26, 2024, €191 million was redeemed for the maturing Schuldschein loans. The balance of €35 million is due on June 26, 2026.

22.2 Bank credit facilities

Lagardère refinancing

As of December 31, 2023, Lagardère had a syndicated credit facility for €982 million maturing in April 2025, with €421 million available, taking into account the short-term marketable securities issued for €561 million.

On June 7, 2024, Lagardère completed a refinancing transaction amounting to a total of €1.95 billion, including:

- two bank loans, one of €700 million, with an initial term of 24 months, extendable up to 42 months, and the other of €600 million with a 5-year term, to repay the €1.3 billion loan granted by Vivendi on December 12, 2023; and
- two new shareholder loans granted by Vivendi to replace the loan of December 12, 2023, one of €500 million with a term of 5 years and 6 months, and the other of €150 million euros, which should be partially repaid by December 31, 2024, with any remaining balance at that date being added to the €500 million loan.

Additionally, a new 5-year revolving credit facility (RCF) of €700 million was established, replacing the syndicated revolving credit facility maturing in April 2025. As of June 30, 2024, taking into account the outstanding short-term marketable securities issued for €481 million, €219 million of this credit facility was available.

22.3 Fair market value of borrowings and other financial liabilities

	December 31, 2023		
(in millions of euros)	Carrying amount	Fair market value	*Level (a)*
Nominal value of borrowings	2,222		
Borrowings from Vivendi SE	476		
Cumulative effect of amortized cost	-		
Borrowings at amortized cost	**2,698**	**2,696**	***na***
Commitments to purchase non-controlling interests	83	83	*3*
Derivative financial instruments	10	10	*2*
Borrowings and other financial liabilities	**2,791**	**2,789**	

a. Please refer to Note15.

22.4 Borrowings by maturity

(in millions of euros)	December 31, 2023
Maturity	
< 1 year (a)	2,388
Between 1 and 2 years	271
Between 2 and 3 years	36
Between 3 and 4 years	1
Between 4 and 5 years	1
> 5 years	1
Nominal value of borrowings	**2,698**

a. Mainly includes Lagardère's bonds for €1,300 million, of which €1,203 million was redeemed on January 12, 2024 (please refer to above).

22.5 Interest rate risk

As of December 31, 2023, the Louis Hachette Group's nominal value of borrowings at fixed interest rate amounted to €2,004 million and the nominal value of borrowings at floating interest rate amounted to €694 million.

As of December 31, 2023, 2022 and 2021, Louis Hachette Group had not entered into any interest rate swaps.

22.6 Foreign currency risk management

As of December 31, 2023, the nominal value of borrowings after hedging amounted to €1,690 million, of which €542 million in US dollar/euro currency swaps.

As of December 31, 2023, the foreign currency hedges set up for all of the Lagardère's divisions, in the form of direct forward agreements, amounted to €99 million (sales) and €63 million (purchases).

Lagardère does not hedge against income statement translation risk.

In general, ordinary business operations are financed through short- term, variable-rate borrowings denominated in the local currency to avoid exchange rate risks. As of December 31, 2023, these represented €479 million.

For long-term investments including acquisitions, Lagardère may set up medium-term borrowings in the investment currency. As of December 31, 2023, instruments classified as net investment hedges represented an amount of €287 million, denominated mainly in US dollars.

Note 23 Cash Flow Statement

23.1 Adjustments

	Year ended December 31,		
(in millions of euros)	2023	2022	2021
Items related to operating activities with no cash impact			
Amortization and depreciation of intangible and tangible assets	85	11	9
Change in provision, net	(15)	(19)	-
Other non-cash items from EBIT	-	-	(5)
Other			
Income from equity affiliates-operational	(124)	(98)	(20)
Proceeds from sales of property, plant, equipment and intangible assets	-	-	-
Adjustments	**(54)**	**(106)**	**(16)**

23.2 Investing and financing activities with no cash impact

In 2023, 2022 and 2021, there were no significant investing and financing activities without a cash impact.

Note 24 Related parties

Louis Hachette Group's related parties comprise key executive managers and other related parties including:

- companies fully consolidated by Lagardère and Prisma Media. The transactions between these companies have been eliminated for the preparation of these combined financial statements;
- companies over which Lagardère and Prisma Media exercise a significant influence;
- all companies in which key executive managers or their close relatives hold significant voting rights;
- minority shareholders exercising a significant influence over Lagardère's and Prisma Media's subsidiaries;
- Vivendi Corporate and its consolidated entities (the "Vivendi Group"), as well as their related parties; and
- Bolloré Group and its related parties on the basis that Vivendi has been fully consolidated by Bolloré Group since April 26, 2017.

24.1 Management remuneration

Lagardère

The total gross remuneration awarded to the members of Lagardère SA's Executive Committee for 2023 amounted to €12.8 million and to €20 million including related charges, including provisions recorded in respect of supplementary pension plans for Executive Committee members. As for each year, these amounts include variable and extraordinary remuneration, the payment of which – in the case of executive corporate officers – is conditional on the approval of shareholders at the 2024 General Meeting in accordance with "say on pay" legislation. In 2022, these amounts were respectively €13.6 million and €39.8 million. The latter figure included provisions recorded in respect of supplementary pension plans for Executive Committee members, as well as (ii) contractual severance (€17 million including related charges) paid to a member of the Executive Committee in respect of the termination of his duties in 2022. In 2023, an amount of €47,500 was awarded to Arnaud Lagardère in respect of his role as Chairman of the Board of Directors of Lagardère SA. In 2022, he had been awarded an amount of €85,413 in respect of his role as Chairman of the Board of Directors and member of the Board's ad hoc Committee. No attendance fees or other directors' compensation was awarded by a Group entity to any of the other individuals concerned. Executive Committee members were awarded 116,000 free shares in 2023. Executive Committee members were awarded 165,000 free shares in 2022.

The retirement of one executive member on May 31, 2024 generated a €2.2 million termination payment at Lagardère Management.

Prisma Media

In 2023, the gross compensation paid to Ms. Claire Léost, as member of Vivendi SE's Management Board (since June 24, 2022) and as President of Prisma Media (since September 2021) amounted to €755,125.

Ms. Claire Léost is contractually entitled to a severance payment in the event of termination of her employment contract at the company's initiative. This payment is capped at eighteen months' worth of compensation (fixed + target bonus).

On March 8, 2023, in his capacity as President of Prisma Media, Ms. Claire Léost was granted 25,000 Vivendi performance shares (with a fair value of €8.60 per share). As a reminder, on July 28, 2022, she was granted 25,000 Vivendi SE performance shares (with a fair value of €8.76 per share).

24.2 Cash management agreement between Vivendi and Louis Hachette Group

In compliance with Article L. 511-7 of the French Monetary and Financial Code, Prisma Media's combined entities entered into intra-group cash management agreements, on market terms, with Vivendi SE. Under these agreements:

- Vivendi centralizes cash surpluses (cash pooling) of its controlled entities which (i) are not subject to local regulations restricting the transfer of financial assets, or (ii) are not subject to other contractual obligations, and
- Prisma Group S.A.S. borrowed from Vivendi SE to finance the acquisition of Prisma Media in 2021 and of Digital Prisma Player in 2023.

In addition, on December 12, 2023, Vivendi and Lagardère entered into a loan agreement providing for drawing rights up to €1,900 million (maturing on March 31, 2025). On June 7, 2024, this loan agreement was amended and restated by defining terms and conditions (see below).

As of December 31, 2023, 2022 and 2021, the balance of cash surpluses centralized by Vivendi SE and borrowings from Vivendi SE is presented below.

Intercompany loans to Vivendi SE

	Year ended December 31,		
(in millions of euros)	2023	2022	2021
Prisma Media	40	11	-
Lagardère	-	na	na
Intercompany loans to Vivendi SE	**40**	**11**	**-**

na: not applicable.

Intercompany borrowings from Vivendi SE

	Year ended December 31,			
(in millions of euros)	2023		2022	2021
Prisma Media	205	(a)	177	175
Lagardère	271	(b)	na	na
Intercompany borrowings from Vivendi SE	**476**		**177**	**175**

na: not applicable.

a. On October 18, 2024, Vivendi SE's loan to Prisma Group S.A.S. was converted into share capital to an amount of €212 million.

b. On December 12, 2023, to facilitate the redemption of Lagardère's bonds resulting from the triggering of the change of control provisions included in the bond documentation, Vivendi and Lagardère entered into a loan agreement providing for drawing rights up to €1,900 million (maturing on March 31, 2025). As of December 31, 2023, the amount drawn on this loan by Lagardère was €271 million. On June 7, 2024, this loan agreement was amended and restated by defining terms and conditions for the benefit of Lagardère to optimize the balance between the size of bank financing and financial conditions. The loan agreement now includes a maximum available amount of €500 million due on December 7, 2029, as well as an additional available loan facility of €150 million, €72 million of which was drawn down as of June 30, 2024, and due on December 31, 2024. Any amount drawn on this additional loan facility and not repaid as of December 31, 2024 will be added to the main €500 million loan due on December 7, 2029.

24.3 Related party transactions

Lagardère's service agreement

Lagardère Management – which is controlled and chaired by Arnaud Lagardère, who is also Chairman and Chief Executive Officer of Lagardère, provides an array of management resources and skills to the Group. To fulfil this role, Lagardère Management employs the members of the Executive Committee, whose role is to assist General Management in their duties, i.e., to determine Lagardère's strategy, lead its development, and to take the resulting necessary management decisions and implement them globally at parent company level and in the Group's different business activities. Lagardère Management bears the entire salary costs of its executives as well as some fees related to its duties. Lagardère Management carries out its mission within the framework of a service agreement, which was originally entered into in 1988. Since 2020, this agreement has concerned Lagardère Management and Lagardère Ressources, which is responsible for managing all of the Group's corporate resources. This agreement, subject to rules on "regulated" related-party agreements where appropriate, is reviewed annually by Lagardère's Audit Committee and by the Board of Directors and is also referred to in the Statutory Auditors' special report. Since the 2004 amendment to the agreement authorized by the Supervisory Board on March 12, 2004 following the Audit Committee review, remuneration under the service agreement had equaled the amount of expenses incurred by Lagardère Management in carrying out its obligations, plus a margin of 10%, capped in absolute value terms at €1 million. Pursuant to an amendment signed on December 28, 2022, after receiving authorization by the Board of Directors on December 9, 2022, Lagardère Management's remuneration under the service agreement was amended with immediate effect from 2022. Under the new amendment, Lagardère Management's remuneration reflects the sole expenses it incurs in performing the services concerned, with no margin applied. These expenses incurred by Lagardère Management are examined each fiscal year by the Audit Committee, which issues an opinion on their changes and developments before submitting them to the Board of Directors. The maximum fees due under the service agreement for 2023 totaled €12.5 million (compared to €34.23 million for 2022). This amount includes a maximum provision accrued for variable and extraordinary remuneration payable to members of the Executive Committee. As it concerns remuneration payable to the executive corporate officers, payment of this variable remuneration plus, where applicable, its inclusion in the basis for calculating the fees to be invoiced under the service agreement, will be submitted to the 2024 General Meeting for approval. The amendment entered into on December 28, 2022 also provides for (i) the definitive and unconditional waiver by Lagardère Management of its claim against Lagardère for the payment of sums due under the conditional benefit pension plan closed in 2019 and (ii) Lagardère Management's undertaking to use its best efforts to obtain the refund of any surplus sums that may remain in the pension plan's collective fund after having settled the pension benefits owed to the last beneficiary, and to repay any such sums to Lagardère Ressources.

Memorandum of Understanding concerning Lagardère Radio SCA

On October 26, 2023, the Memorandum of Understanding setting out the terms and conditions for making the Lagardère's radio unit (Europe 1, Europe 2 and RFM) autonomous was signed, with the authorization of the Board of Directors of Lagardère SA further to ARCOM approval, between Arnaud Lagardère and Lagardère Active, Lagardère Média and Lagardère Média News, in the presence of Lagardère Radio, Lagardère Commandité and Lagardère SA. In application of the Memorandum of Understanding, Lagardère Radio SAS, the head company of the radio unit, was converted into a French partnership limited by shares (société en commandite par actions), of which Arnaud Lagardère is indirectly General Partner and personally Managing Partner. In this dual capacity, Arnaud Lagardère is now solely responsible for supervising the management and teams of the radio division and is the ultimate decision-maker on editorial policy. The radio unit also has sufficient cash to finance its business plan through to 2027. The Memorandum of Understanding allows Lagardère to regain control of Lagardère Radio SCA (within the meaning of article L. 233-3 of the French Commercial Code) and therefore of the radio unit, by acquiring the General Partner, Lagardère Commandité, for a nominal price as of 2027, subject to prior ARCOM approval. Lagardère may also regain control ahead of this time under exceptional circumstances, such as the death or incapacity of Arnaud Lagardère or his resignation as Chairman and Chief Executive Officer of Lagardère. This transaction has no financial impact on Lagardère, as the radio unit continues to be included within Lagardère's scope of consolidation for tax and accounting purposes.

Regulated related-party agreement between Vivendi and Lagardère

As of December 31, 2023, Vivendi SE held 59.80% of Lagardère SA's share capital (compared to 57.66% as of December 31, 2022) (please refer to Note 3). On October 24, 2022, Vivendi filed a request for authorization to acquire control of Lagardère SA with the European Commission. Following the result of Vivendi's public tender offer for all the Lagardère shares that it did not own, which was filed on February 21, 2022 with the French securities regulator (*Autorité des marchés financiers*), Lagardères's broadcasting subsidiaries sought approval from ARCOM for the change in their indirect ownership. To prepare the required regulatory notifications, Vivendi and Lagardère agreed to exchange certain information under the terms and conditions of a clean team, confidentiality and reciprocal cooperation agreement entered into on December 20, 2021. Lagardère and Vivendi appointed an independent third party, whose fees and expenses were borne exclusively by Vivendi, to establish and manage each party's clean team so that it could receive any confidential information from the other party that was needed solely for the purpose of preparing the required regulatory notifications. This independent third party was responsible for the exchange of information under the supervision of the parties' external legal counsels. Given that Mr. Arnaud de Puyfontaine is Chairman of Vivendi's Management Board and a director of Lagardère, in accordance with Article L.225-86 of the French Commercial Code, Vivendi's Supervisory Board, at its meetings held on September 15 and November 18, 2021, following a review of the matter, authorized the execution of this clean team, confidentiality and cooperation agreement. This agreement enabled the parties to prepare the above-mentioned required regulatory notifications, while limiting the exchange of information to what is strictly necessary, in compliance with applicable regulations and appropriate safeguards. Information on this agreement was published pursuant to Article L. 22-10-30 of the French Commercial Code.

Pursuant to Article L. 225-88 of the French Commercial Code, this agreement was approved at Vivendi's General Shareholders' Meeting on April 25, 2022. This agreement terminated following the completion of the transaction, which was announced on November 21, 2023. The total cost of this agreement amounted to €22,608 in 2023 and was approved by Vivendi's Shareholders' Meeting to be held on April 29, 2024. The total cost of this agreement amounted to €147,444 in 2022 and was approved at Vivendi's Shareholders' Meeting on April 24, 2023.

24.4 Services billed by Vivendi Corporate

	Year ended December 31,		
(in millions of euros)	2023	2022	2021
Management fees	1	1	1
Share-based compensation plans	-	-	-
Other	5	-	-
Services billed by Vivendi Corporate	**6**	**1**	**1**

Note 25 Contractual obligations and other commitments

Louis Hachette Group's material contractual obligations and contingent assets and liabilities include:

- certain contractual obligations relating to the group's business operations, such as contractual obligations and commercial commitments recorded in the Statement of Financial Position, including leases and off-balance sheet commercial commitments, such as long-term service contracts and purchase or investment commitments;
- commitments related to the group's consolidation scope made in connection with acquisitions or divestitures such as share purchase or sale commitments, contingent assets and liabilities subsequent to given or received commitments related to the divestiture or acquisition of shares, commitments under shareholders' agreements and collateral and pledges granted to third parties over group's assets;
- commitments related to the group's financing: undrawn confirmed bank credit facilities as well as the management of interest rate, foreign currency and liquidity risks ; and
- contingent assets and liabilities resulting from legal proceedings in which Lagardère, Prisma Media and/or their respective subsidiaries are either plaintiff or defendant (please refer to Note 26).

25.1 Contractual obligations and commercial commitments

As of December 31, 2023, contractual content commitments amounted cumulatively to an immaterial amount (compared to €5 million as of December 31, 2022 and €1 million as of December 31, 2021).

As of December 31, 2023, given commercial commitments represented an aggregate commitment of €3 million (compared to €6 million as of December 31, 2022 and €5 million as of December 31, 2021) and related only to Prisma Media.

As of December 31, 2023, received commercial commitments represented an aggregate commitment of €4 million (compared to €6 million as of December 31, 2022 and €2 million as of December 31, 2021) and related only to Prisma Media.

25.2 Other commitments given or received relating to operations

As of December 31, 2023, given commitments represented an aggregate commitment of €742 million (compared to €11 million as of December 31, 2022 and €10 million as of December 31, 2021).

As of December 31, 2023, received commitments represented an aggregate commitment of €48 million as of December 31, 2023 (compared to €6 million as of December 31, 2022 and €6 million as of December 31, 2021).

25.3 Share purchase and sale commitments

In connection with the purchase or sale of operations and financial assets, Lagardère and Prisma Media granted or received commitments to purchase or sell securities. In addition, Lagardère and Prisma Media granted or received put or call options on shares in equity affiliates and unconsolidated investments.

25.4 Contingent assets and liabilities subsequent to given or received commitments related to the divestiture or acquisition of shares

The accompanying notes are an integral part of the contingent assets and liabilities described above.

Several guarantees given during prior years in connection with asset acquisitions or disposals have expired. However, the time periods or statutes of limitation of certain guarantees relating to, among other things, employees, environment and tax liabilities, in consideration of share ownership, or given notably in connection with the winding-up of certain businesses or the dissolution of entities remain in effect. To the best of the Louis Hachette Group's knowledge, no material claims for indemnification against such liabilities have been made to date.

In addition, when settling disputes and litigation, the group regularly provides guarantees for damages to third parties that are customary for transactions of this type.

25.5 Shareholders' agreements

Under the terms and conditions of current shareholders' or investors' agreements, Louis Hachette Group holds certain specific rights (e.g., pre-emptive rights and rights of first offer) that enable it to control the share ownership of its consolidated companies with minority shareholders. Conversely, the group has granted similar rights to these other minority shareholders in the event that it sells its interests to third parties.

Moreover, pursuant to other shareholders' agreements or the bylaws of other consolidated entities, equity affiliates or unconsolidated interests, the group or its subsidiaries have given or received certain rights (e.g., pre-emptive and other rights) entitling them to maintain their shareholder's rights.

In addition, in accordance with Article L. 22-10-11 of the French Commercial Code, it is hereby stated that certain rights and obligations of the group under existing shareholders' agreements may be amended or terminated in the event of a change of control of the group or a tender offer for the shares.

These shareholders' agreements are subject to confidentiality provisions.

25.6 Collaterals and pledges

As of December 31, 2023, 2022 and 2021, no material asset in the Statement of Financial Position was subject to a pledge or mortgage for the benefit of third parties.

Note 26 Litigation

In the normal course of their respective businesses, Louis Hachette Group is subject to various lawsuits, arbitrations and governmental, administrative or other proceedings (collectively referred to herein as "Legal Proceedings").

The costs which may result from these Legal Proceedings are only recognized as provisions where they are likely to be incurred and where the obligation can reasonably be quantified or estimated, in which case, the amount of the provision represents Louis Hachette Group's best estimate of the risk and is based on a case-by-case assessment of the risk level, provided that the group may, at any time, reassess such risk if events occur during such proceedings. As of December 31, 2023, provisions recorded by Lagardère and Prisma Media for all claims and litigation were €46 million, compared to €2 million as of December 31, 2022 and €2 million as of December 31, 2021 (please refer to Note 19).

To the company's knowledge, there are no Legal Proceedings or any facts of an exceptional nature (including any pending or threatened proceedings in which it is a defendant), which may have or have had in the previous 12 months a material effect on the company and on its group's financial position, profit, business and property, other than those described herein.

The status of proceedings disclosed hereunder is described as of October 25, 2024 (the date when two empowered members of Vivendi's Management Board approved these combined financial statements for the years ended December 31, 2023, 2022 and 2021).

Investigation by the Swiss Competition Commission

Following the rejection – by way of a referendum on March 11, 2012 – of measures to introduce a single price for books in Switzerland, the Swiss Competition Commission (Comco) reopened an investigation into imports of French-language books by distributors.

Subsequent to the investigation procedure, Comco made a final decision on May 27, 2013 under which Diffulivre (a subsidiary of Hachette Livre) was held liable for territorial exclusivity practices with the intention or effect of partitioning the Swiss French-language publishing market. Under this decision, the infringement concerned services provided to publishers of the Hachette group, services provided by Hachette, and Swiss third-party publishers.

This decision was upheld by the Swiss Administrative Court on October 30, 2019.

On January 13, 2020, Diffulivre filed an appeal with the Federal Court, which suspended the effects of the Administrative Court's ruling.

In a decision handed down on 3 August 2022, the Federal Court partially accepted Diffulivre's appeal, considering that only the agreements between Diffulivre and the Swiss publishers, as well as an agreement between Diffulivre and the publisher Harlequin, infringed Swiss competition law. It referred the case back to the Swiss Administrative Court for an attendant reduction of the fine imposed by the Comco in 2013. The Court then significantly reduced the fine. The payment of the reduced fine by Diffulivre on November 20, 2023 effectively terminated this dispute.

Competition investigations in the school textbook market in Spain

Following a complaint filed by a publisher, the Spanish competition authority (CNMC) carried out searches at the premises of the ANELE (the school textbook publishers' trade association) and three publishers (including Anaya, a subsidiary of Hachette Livre), and subsequently launched a sanction procedure in October 2017.

On May 30, 2019, the CNMC issued its ruling which followed the recommendation of its investigating officers, and ordered Anaya and a number of its subsidiaries to pay total damages of approximately €8 million for:

- discussions held between publishers – with a view to promoting ethical behavior and ensuring buyers' independence – about providing for a special clause in an ANELE Code of Conduct that limits the bonuses and gifts offered by publishers to buyers' organizations when those organizations order textbooks; and
- discussions between publishers about the terms and conditions for selling digital versions of textbooks when negotiations are carried out with certain regions.

Anaya has filed an appeal against this decision with the Spanish national court (Audiencia Nacional), which had the effect of suspending payment of the fine.

Class action against Hachette Book Group

In 2021 in the United States, class action suits were brought against Amazon and certain printed book and e-book publishers, including Hachette Book Group ("HBG"). The plaintiffs allege that some of the publishers' agreements with Amazon constitute price-fixing arrangements in breach of US anti-trust law. The defendants, including HBG, dispute these allegations, along with the admissibility of the class action. These motions to dismiss were granted by a decision dated September 29, 2022, with the judge considering that the appeals lacked sufficient evidence to succeed. However, as they were dismissed "without prejudice", the plaintiffs can amend and re-file their class actions.

Amended appeals were therefore filed on November 21, 2022, reiterating the arguments already put forward and attempting to resolve the problems identified in the September 29, 2022 ruling. The defendants, including HBG, have again filed motions to dismiss.

With regard to the action brought by the plaintiffs concerning printed books, all their claims were dismissed on August 15, 2023. The plaintiffs did not contest the decision, thereby extinguishing the corresponding risk for HBG.

As regards the action brought by the plaintiffs in relation to digital books, the defendants, including HBG, were exonerated on July 31, 2023. The judge allowed the plaintiffs to pursue their case against Amazon alone, a decision that the plaintiffs and Amazon are contesting. The challenge to the judge's decision is pending.

Tax reassessments at Lagardère Duty Free and LS Travel Retail Italia

Lagardère Duty Free and LS Travel Retail Italia jointly received a tax reassessment notice in December 2015 relating to registration duties for an amount of €7.7 million, excluding late-payment interest, relating to the reclassification of the sale of an investment between the two parties as a sale of business assets (fonds de commerce). This amount had to be paid since there was no possibility of delaying payment without incurring a fine. The reclassification does not appear to have any legal basis. It was appealed before the courts, which handed down contradictory decisions in the first instance. All appeal decisions were handed down in favor of the Company in 2017 and 2018, and in March 2020 LS Travel Retail Italia obtained a refund of the €7.7 million paid. The tax authorities have filed an appeal with the Supreme Court against these decisions. On March 22, 2022, August 10, 2023 and August 11, 2023, the Supreme Court handed down three decisions upholding all of the appeal decisions in favor of Lagardère Travel Retail, thereby terminating these disputes in 2023.

In December 2019, LS Travel Retail Italia received a "Report of Verification" (tax reassessment notice) relating to fiscal year 2016. The notice disputes the tax deductibility of notional interest on equity at the time of the €230 million capital increase carried out upon the acquisition of the company. The tax inspection has been extended to cover fiscal years 2014 to 2018. The total amount in dispute for the five years is estimated at €20.86 million, including taxes and penalties. LS Travel Retail Italia is contesting the tax reassessment, considering the arguments put forward by the Italian tax authorities to be legally unfounded.

A first instance decision was handed down in favor of LS Travel Retail Italia on March 28, 2023 in respect of the 2016 fiscal year. An appeal has been lodged against this decision by the Italian tax authorities.

Monla/Lagardère Travel Retail & Chalhoub arbitration

Between end-2016 and early 2017, Lagardère Travel Retail ("LTR"), Monla Group SAL Holding ("Monla") and Chalhoub Group Limited ("Chalhoub") began talks regarding a potential joint response to a request for proposals for a Duty Free concession at Beirut airport.

On May 10, 2017, Monla filed an arbitration claim against LTR and Chalhoub with the International Chamber of Commerce, asserting wrongful behavior in the conduct and suspension of their three-party discussions. Monla was seeking damages (plus miscellaneous expenses) from LTR and Chalhoub for the alleged harm caused, in particular to its image, and for loss of opportunity. The decision handed down by the arbitration tribunal at the end of December 2019 dismissed all of Monla's claims and ordered it to repay the costs incurred by LTR and Chalhoub in the arbitration. LTR has initiated proceedings to enforce the decision, which Monla is trying to resist. LTR considers that Monla can no longer lodge an action for annulment of this decision in view of the time that has elapsed.

Lagardère Travel Retail obtained an exequatur order (a judicial decision authorizing the enforcement of a decision handed down by a foreign court or arbitration tribunal) in Lebanon. Monla lodged an appeal against this order on April 12, 2021, which was dismissed on January 9, 2024 by the Beirut Court of Appeal. An appeal may be lodged against this ruling within two months of its notification by the Court.

Class action against The Paradies Shops

The Paradies Shops was the victim of a cyberattack on the company's computer servers in October 2020, which resulted in a breach of the personal data of tens of thousands of employees and customers. The parties concerned were informed and were offered credit monitoring services. One of the individuals involved initiated a class action filed in the United States in July 2021. The Paradies Shops filed a motion to dismiss the class action, which was granted by the judge in August 2022. The plaintiff has appealed this decision.

In June 2023, the judge dismissed the argument that Paradies Lagardère had breached its contractual obligations, but found that it had been negligent. The parties were referred back to the competent court.

Litigation with photographers

Disputes are in process with freelance and salaried photographers who contributed to magazines published by Lagardère. Most of these disputes concern returns of analogue photographic archives and retaining photographs, as well as the resulting operating losses.

In 2022, a final appeal decision in favor of Lagardère marked the end of one of these proceedings, in which very high claims for compensation were made against the Group.

In 2023, a favorable ruling was handed down by the Court of Appeal in another of these cases. No appeal was lodged with the Supreme Court against this ruling, but the parties were referred back to the Court of Appeal on some of the grievances raised by the plaintiff.

In a final case, the plaintiffs appealed to the French Supreme Court on February 20, 2023 against an unfavorable appeal ruling.

The proceedings are still ongoing and are therefore progressing in a manner generally favorable to the Group.

Last ongoing dispute that continues to be managed by the Group following the sale of the Sports division to H.I.G. Capital

WSG India and WSG Mauritius/Indian Premier League contracts

In 2007, the Board of Control for Cricket in India ("BCCI") launched a call for tenders for the worldwide rights to its new cricket competition, the Indian Premier League ("IPL"), until 2017. WSG India – which became a subsidiary of Lagardère Sports and Entertainment in May 2008 – was awarded most of these rights in early 2008, with the remainder awarded to an unrelated operator, MSM.

A global reorganization of the distribution of these rights took place in March 2009 at the initiative of the BCCI. In the context of the negotiations, the BCCI granted to WSG India the IPL rights worldwide, excluding the Indian subcontinent, for the period from 2009 to 2017.

In June 2010, the BCCI terminated the 2009/2017 contract to market IPL rights worldwide, excluding the Indian subcontinent, and WSG India immediately began proceedings in order to preserve its rights.

In spring 2011, the Indian Supreme Court took a series of interim measures that – without calling into question the marketing already carried out by WSG India and without prejudging the substance of the case – temporarily granted the BCCI, under the supervision of the Court and pending the final ruling, media rights to the IPL outside the Indian subcontinent that are not already marketed by WSG India, as well as recovery of the amounts owed by the broadcasters and held in escrow. An arbitration award was handed down on July 13, 2020 in respect of the proceedings on the merits of the case, dismissing WSG India's compensation claim. Based on this award, the BCCI recovered the amounts held in escrow. WSG India has filed an appeal for annulment of the award on the grounds that it has no legal basis, and has applied to the competent Indian courts to have the sums concerned taken back into escrow. On March 16, 2022, the Bombay High Court issued a ruling granting WSG India's application to set aside the arbitration award handed down on July 13, 2020. BCCI has appealed these awards and the proceedings are still ongoing.

On October 13, 2010, the BCCI filed a criminal complaint with the Chennai police authorities in India against seven individuals, including the former President of the IPL and four managers of WSG India, alleging breaches of the Indian criminal code in connection with the attribution to WSG India in March 2009 of certain IPL media rights for the 2009-2017 seasons. The investigation has not progressed since 2010.

After the Indian tax authorities' inspection of WSG India's operations, a tax reassessment notice was brought before the courts. WSG India was ordered to make a deposit for part of the theoretical amount of the adjustment. Following appeal decisions in favor of WSG India in 2023 and the subsequent refunds obtained amounting to almost €2.6 million, the Indian tax authorities lodged an appeal with the Indian Supreme Court. The financial risk represents approximately €13.5 million (euro amounts calculated using the INR exchange rate at December 31, 2023).

Lastly, as part of an investigation by the Indian authorities into money-laundering allegations concerning the former managers of the BCCI and its commercial partners in the IPL, on May 24, 2016 WSG Mauritius received a notification from Mauritius' Attorney General requesting it to provide certain documents. The hearings before the Attorney General took place in July 2016. WSG India's managers have since received requests for information and documentation, to which WSG India has responded.

WSG India and WSG Mauritius are subsidiaries of Lagardère Participation. They are not part of the scope sold to H.I.G. Capital.

Tax authorities and Lagardère

A number of the Lagardère companies have received tax reassessment notices – relating to several different fiscal years – as part of the routine tax audits carried out by the French and foreign tax authorities. Provision has been made to take account of the reassessments accepted by the companies, and also for the amount estimated as the risk corresponding to disputes over challenged reassessments.

Other than those described above, Lagardère is not aware of any dispute in process that concerns amounts which could have a significant impact on the consolidated financial statements.

VSD et Georges Ghosn contre Prisma Media, Rolf Heinz, Gruner+Jahr Communication et Bertelsmann

On September 12, 2022, VSD and Georges Ghosn, who had acquired VSD from Prisma Media in 2018, filed a complaint against Prisma Media, Rolf Heinz, Gruner+Jahr and Bertelsmann before the Paris Commercial Court. They are alleged to have breached their pre-contractual obligations of good faith and disclosure during the negotiations and acquisition of VSD, and more specifically, to have provided inaccurate accounting estimates, to have concealed the extent of losses at the date of the sale, and to have knowingly concealed the number of journalists likely to exercise their transfer clause.

Note 27 List of main combined entities

As of December 31, 2023, approximately 527 entities were consolidated or accounted for under the equity method.

		December 31, 2023			December 31, 2022			December 31, 2021		
	Country	Accounting method	Voting interest	Ownership interest	Accounting method	Voting interest	Ownership interest	Accounting method	Voting interest	Ownership interest
Lagardère S.A.	**France**	**C**	**50.6%**	***59.8%***	**E**	**22.8%**	***57.7%***	**E**	**22.3%**	***45.13%***
Lagardère Media SASU	France	C	50.6%	*59.8%*	E	22.8%	*57.7%*	E	22.3%	*45.1%*
Hachette Livre SA	France	C	50.6%	*59.8%*	E	22.8%	*57.7%*	E	22.3%	*45.1%*
Lagardère Travel Retail SASU	France	C	50.6%	*59.8%*	E	22.8%	*57.7%*	E	22.3%	*45.1%*
Lagardère Active SASU	France	C	50.6%	*59.8%*	E	22.8%	*57.7%*	E	22.3%	*45.1%*
Lagardère Live Entertainment SASU	France	C	50.6%	*59.8%*	E	22.8%	*57.7%*	E	22.3%	*45.1%*
Lagardère Paris Racing Ressources SASU	France	C	50.6%	*59.8%*	E	22.8%	*57.7%*	E	22.3%	*45.1%*
Lagardère North America Inc.	United-States	C	50.6%	*59.8%*	E	22.8%	*57.7%*	E	22.3%	*45.1%*
Prisma Group S.A.S. (former SIG 123)	**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Prisma Media S.A.S.	France	C	100%	*100%*	C	100%	*100%*	C	100%	*100%*
Cerise Media S.A.S.	France	C	100%	*100%*	C	100%	*100%*	C	100%	*100%*
EPM 2000	France	C	100%	*100%*	C	100%	*100%*	C	100%	*100%*
Upload Production S.A.S.	France	C	100%	*100%*	C	100%	*100%*	C	100%	*100%*
Milk	France	C	51%	*100%*	na	na	*na*	na	na	*na*
Côté Maison	France	C	100%	*100%*	na	na	*na*	na	na	*na*
Côté Régie	France	C	100%	*100%*	na	na	*na*	na	na	*na*
Digital Prisma Player	France	C	100%	*100%*	na	na	*na*	na	na	*na*

C: consolidated; E: equity affiliates.

na: not applicable.

Note 28 Subsequent events

The significant events that occurred between the closing date as of December 31, 2023 and October 25, 2024 (the date when two empowered members of Vivendi's Management Board approved these combined financial statements for the years ended December 31, 2023, 2022 and 2021) were as follows:

- On June 7, 2024, Lagardère completed a refinancing operation amounting to a total of €1.95 billion (please refer to Note 22);
- On October 1, 2024, Lagardère announced the completion of the sale of the weekly magazine Paris Match to LVMH group; and
- On October 18, 2024, Vivendi SE's loan to Prisma Group S.A.S. was converted into share capital to an amount of €212 million.

14.2 Auditing of historical annual financial information

Please refer to the independent auditor's report on the Combined Financial Statements, issued by Deloitte & Associés as one of the statutory auditors of Vivendi, and included in Part B, Section 14.1, "*Historical financial information*".

14.3 Interim and other information

14.3.1 Unaudited condensed interim combined financial statements of the Publishing and Travel Retail Businesses

VIVENDI SE

Société Européenne

42, avenue de Friedland

75008 PARIS

FRANCE

Limited review report on Louis Hachette Group Combined Condensed Financial Statements

For the period from 1st January 2024 to 30 June 2024

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FRANCE

Limited review report on Louis Hachette Group Combined Condensed Financial Statements

For the period from 1st January 2024 to 30 June 2024

To the Management Board of Vivendi SE

In our capacity as one of the statutory auditors of Vivendi SE and further to your request in the context of the contemplated admission of the shares of Louis Hachette Group S.A. to trading on Euronext Growth Paris, we have reviewed the accompanying combined condensed financial statements of Louis Hachette Group (which combine mainly the Vivendi's stakes in Lagardère and in Prisma Group and their respective subsidiaries) for the six-month period from January 1st, 2024 to June 30, 2024, as they are attached to this report (the "Combined Condensed Financial Statements").

As this is the first set of Combined Condensed Financial Statements prepared as at June 30, 2024, we have neither audited nor reviewed the corresponding figures relating to the period from January 1, 2023 to June 30, 2023.

These Combined Condensed Financial Statements were prepared under the responsibility of the Management Board of Vivendi SE. Our role is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France, as well as with the professional guidance of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Combined Condensed Financial Statements have not been prepared, in all material respects, in accordance with IAS 34 – the standard of the IFRSs as adopted by the European Union applicable to interim financial reporting.

We draw attention to the Note 1 "Basis of preparation of the Combined Condensed Financial Statements" of the Combined Condensed Financial Statements, and in particular the "Accounting conventions used when preparing the Unaudited Combined Condensed Financial Statements" section. Our conclusion is not modified in respect of this matter.

This report shall be governed by, and construed in accordance with, French law and professional standards applicable in France. The Courts of France shall have exclusive jurisdiction in relation to any claim, difference or dispute which may arise out of or in connection with our engagement letter or this report.

Paris-La Défense, October 25, 2024

One of Vivendi SE statutory auditors

Deloitte & Associés

Frédéric SOULIARD

Frédéric SOULIARD

LOUIS HACHETTE GROUP

Unaudited Combined Condensed Financial Statements for the Half-Year ended June 30, 2024

Unaudited Combined Condensed Financial Statements for the Half-Year ended June 30, 2024

Combined Condensed Statement of Earnings

		Six months ended June 30, (unaudited)		Year ended December 31, 2023
(in millions of euros)	Note	2024	2023	
Revenues	3	**4,340**	**153**	**979**
Cost of revenues		(2,022)	(94)	(480)
Selling, general and administrative expenses		(2,169)	(44)	(465)
Restructuring charges		(14)	1	(3)
Income from equity affiliates - operational	10	3	26	124
Earnings before interest and income taxes (EBIT)		**138**	**42**	**155**
Interest	4	(65)	(3)	(15)
Income from investments		-	-	-
Other financial income	4	1	-	1
Interest expenses on lease liabilities		(53)	-	(8)
Other financial charges	4	(12)	-	(13)
		(129)	***(3)***	***(35)***
Earnings before provision for income taxes		**9**	**39**	**120**
Provision for income taxes		(43)	(4)	(20)
Earnings from continuing operations		**(34)**	**35**	**100**
Earnings from discontinued operations		-	-	-
Earnings		**(34)**	**35**	**100**
Of which				
Earnings attributable to shareowners		**(35)**	**35**	**110**
Non-controlling interests		1	-	(10)

The accompanying notes are an integral part of the Combined Condensed Financial Statements.

Combined Condensed Statement of Comprehensive Income

(in millions of euros)	Note	Six months ended June 30, (unaudited) 2024	2023	Year ended December 31, 2023
Earnings		**(34)**	**35**	**100**
Actuarial gains/(losses) related to employee defined benefit plans, net	7	6	-	(12)
Financial assets at fair value through other comprehensive income		(1)	-	-
Comprehensive income from equity affiliates, net	10	-	(1)	(4)
Items not subsequently reclassified to profit or loss		**5**	**(1)**	**(16)**
Foreign currency translation adjustments		21	-	(2)
Unrealized gains/(losses), net		2	-	(1)
Comprehensive income from equity affiliates, net	10	-	(12)	(13)
Other impacts, net		-	-	-
Items to be subsequently reclassified to profit or loss		**23**	**(12)**	**(16)**
Charges and income directly recognized in equity	7	**28**	**(13)**	**(32)**
Total comprehensive income		**(6)**	**22**	**68**
Of which				
Total comprehensive income attributable to shareowners		**13**	**22**	**85**
Total comprehensive income attributable to non-controlling interests		(19)	-	(17)

The accompanying notes are an integral part of the Combined Condensed Financial Statements.

Combined Condensed Statement of Financial Position

(in millions of euros)	Note	June 30, 2024 (unaudited)	December 31, 2023
ASSETS			
Goodwill	8	1,199	1,202
Intangible assets		3,903	3,948
Property, plant and equipment		1,205	1,169
Rights-of-use relating to leases	9	2,499	2,403
Investments in equity affiliates	10	154	148
Non-current financial assets		201	186
Deferred tax assets		301	227
Non-current assets		**9,462**	**9,283**
Inventories		925	848
Current tax receivables		51	61
Trade accounts receivable and other		1,823	1,818
Other current financial assets		7	14
Loans to Vivendi SE	11	23	40
Cash and cash equivalents	11	366	468
Current assets		**3,195**	**3,249**
TOTAL ASSETS		**12,657**	**12,532**
EQUITY AND LIABILITIES			
Retained earnings and other		2,027	2,040
Shareowners' equity		**2,027**	**2,040**
Non-controlling interests		668	788
Total equity		**2,695**	**2,828**
Non-current provisions	13	278	287
Borrowings from Vivendi SE	16	500	271
Long-term borrowings and other financial liabilities	15	1,493	124
Deferred tax liabilities		1,177	1,092
Long-term lease liabilities	9	2,084	1,989
Other non-current liabilities		43	57
Non-current liabilities		**5,575**	**3,820**
Current provisions	13	117	129
Borrowings from Vivendi SE	16	281	205
Short-term borrowings and other financial liabilities	15	644	2,191
Trade accounts payable and other		2,807	2,858
Short-term lease liabilities	9	462	434
Current tax payables		76	67
Current liabilities		**4,387**	**5,884**
TOTAL LIABILITIES		**9,962**	**9,704**
TOTAL EQUITY AND LIABILITIES		**12,657**	**12,532**

The accompanying notes are an integral part of the Combined Condensed Financial Statements.

Combined Condensed Statement of Cash Flows

(in millions of euros)	Note	Six months ended June 30, (unaudited) 2024	2023	Year ended December 31, 2023
Operating activities				
EBIT	3	138	42	155
Adjustments		440	(23)	(54)
Gross cash provided by operating activities before income tax paid		***578***	***19***	***101***
Other changes in net working capital		(127)	(7)	144
Net cash provided by operating activities before income tax paid		***451***	***12***	***245***
Income tax (paid)/received, net		(28)	4	(25)
Net cash provided by operating activities		**423**	**16**	**220**
Investing activities				
Capital expenditures		(124)	(1)	(47)
Purchases of consolidated companies, after acquired cash		(28)	-	320
Investments in equity affiliates		(1)	-	-
Increase in financial assets		(35)	(1)	(2)
Investments		***(188)***	***(2)***	***271***
Proceeds from sales of property, plant, equipment and intangible assets		1	-	-
Proceeds from sales of consolidated companies, after divested cash		3	-	(1)
Decrease in financial assets		9	-	41
Divestitures		***13***	***-***	***40***
Dividends received from equity affiliates		16	-	-
Dividends received from unconsolidated companies		-	-	-
Net cash provided by/(used for) investing activities		**(159)**	**(2)**	**311**
Financing activities				
Distributions to Vivendi SE		(55)	-	-
Other transactions with shareowners		(1)	-	1
Dividends paid by consolidated companies to their non-controlling interests		(74)	-	-
Transactions with shareowners		**(130)**	**-**	**1**
Setting up of long-term borrowings and increase in other long-term financial liabilities		1,315	-	1
Principal payment on long-term borrowings and decrease in other long-term financial liabilities		-	-	-
Principal payment on short-term borrowings	15	(1,581)	-	(276)
Other changes in short-term borrowings and other financial liabilities		391	(7)	276
Interest paid, net		(65)	(3)	(15)
Other cash items related to financial activities		-	-	-
Transactions on borrowings and other financial liabilities		**60**	**(10)**	**(14)**
Repayment of lease liabilities and related interest expenses	9	(287)	(5)	(51)
Net cash provided by/(used for) financing activities of continuing operations		**(357)**	**(15)**	**(64)**
Foreign currency translation adjustments of continuing operations		(9)	-	1
Change in cash and cash equivalents		**(102)**	**(1)**	**468**
Cash and cash equivalents				
At beginning of the period	11	**468**	**-**	**-**
At end of the period	11	**366**	**-**	**468**

The accompanying notes are an integral part of the Combined Condensed Financial Statements.

Combined Condensed Statements of Changes in Equity

Six months ended June 30, 2024
(unaudited)

(in millions of euros)	Note	Combined retained earnings	Charges and income directly recognized in equity	Total equity attributable to shareowners	Retained earnings attributable to non-controlling interests	Charges and income directly recognized in equity	Total non-controlling interests	**Total equity**
BALANCE AS OF DECEMBER 31, 2023		**2,058**	**(18)**	**2,040**	**795**	**(7)**	**788**	**2,828**
Contributions by (distributions to) shareowners		**(55)**	**-**	**(55)**	**(73)**	**-**	**(73)**	**(128)**
Dividends distributed by Lagardère SA to Vivendi SE	12	*(55)*	-	*(55)*	-	-	-	*(55)*
Dividends distributed by Lagardère SA to non-controlling interests	12	-	-	-	*(36)*	-	*(36)*	*(36)*
Dividends distributed by Lagardère SA's subsidiaries to non-controlling interests	12	-	-	-	*(37)*	-	*(37)*	*(37)*
Changes in ownership interest in subsidiaries		**61**	**-**	**61**	**(61)**	**-**	**(61)**	**-**
Increase in Vivendi SE's ownership interest in Lagardère to 63.54%		*61*	-	*61*	*(61)*	-	*(61)*	-
Other		**-**	**-**	**-**	**1**	**-**	**1**	**1**
Total (A)		**6**	**-**	**6**	**(133)**	**-**	**(133)**	**(127)**
Earnings		(35)		**(35)**	1	-	**1**	**(34)**
Charges and income directly recognized in equity		-	16	**16**	-	12	**12**	**28**
TOTAL COMPREHENSIVE INCOME (B)		**(35)**	**16**	**(19)**	**1**	**12**	**13**	**(6)**
TOTAL CHANGES OVER THE PERIOD (A+B)		**(29)**	**16**	**(13)**	**(132)**	**12**	**(120)**	**(133)**
BALANCE AS OF JUNE 30, 2024		**2,029**	**(2)**	**2,027**	**663**	**5**	**668**	**2,695**

The accompanying notes are an integral part of the Combined Condensed Financial Statements.

Six months ended June 30, 2023
(unaudited)

(in millions of euros)	Combined retained earnings	Charges and income directly recognized in equity	Total equity attributable to shareowners	Total non-controlling interests	**Total equity**
BALANCE AS OF DECEMBER 31, 2022	**1,976**	**18**	**1,994**	**-**	**1,994**
Contributions by (distributions to) shareowners	**(106)**	**-**	**(106)**	**-**	**(106)**
Dividends distributed by Lagardère SA to Vivendi SE	*(106)*	*-*	*(106)*	*-*	*(106)*
Changes in ownership interest in equity affiliates	**6**	**-**	**6**	**-**	**6**
Acquisition of Lagardère shares by Vivendi SE	*6*	*-*	*6*	*-*	*6*
Other	**4**	**-**	**4**	**-**	**4**
Total (A)	**(96)**	**-**	**(96)**	**-**	**(96)**
Earnings	35	-	**35**	**-**	**35**
Charges and income directly recognized in equity	-	(13)	**(13)**	**-**	**(13)**
TOTAL COMPREHENSIVE INCOME (B)	**35**	**(13)**	**22**	**-**	**22**
TOTAL CHANGES OVER THE PERIOD (A+B)	**(61)**	**(13)**	**(74)**	**-**	**(74)**
BALANCE AS OF JUNE 30, 2023	**1,915**	**5**	**1,920**	**-**	**1,920**

The accompanying notes are an integral part of the Combined Condensed Financial Statements.

Year ended December 31, 2023

(in millions of euros)	Note	Combined retained earnings	Charges and income directly recognized in equity	Total equity attributable to shareowners	Retained earnings attributable to non-controlling interests	Charges and income directly recognized in equity	Total non-controlling interests	**Total equity**
BALANCE AS OF DECEMBER 31, 2022		**1,976**	**18**	**1,994**	**-**	**-**	**-**	**1,994**
Contributions by (distributions to) shareowners		**(106)**	**-**	**(106)**	**-**	**-**	**-**	**(106)**
Dividends distributed by Lagardère SA to Vivendi SE	12	*(106)*	*-*	*(106)*	*-*	*-*	*-*	*(106)*
Changes in ownership interest in subsidiaries and equity affiliates		**71**	**-**	**71**	**804**	**-**	**804**	**875**
Acquisition of Lagardère shares by Vivendi SE	12	*71*	*-*	*71*	*-*	*-*	*-*	*71*
Non-controlling interests upon consolidation of Lagardère	12	*-*	*-*	*-*	*804*	*-*	*804*	*804*
Other		**7**	**(11)**	**(4)**	**1**	**-**	**1**	**(3)**
Total (A)		**(28)**	**(11)**	**(39)**	**805**	**-**	**805**	**766**
Earnings		110	-	**110**	(10)		**(10)**	**100**
Charges and income directly recognized in equity		-	(25)	**(25)**	-	(7)	**(7)**	**(32)**
TOTAL COMPREHENSIVE INCOME (B)		**110**	**(25)**	**85**	**(10)**	**(7)**	**(17)**	**68**
TOTAL CHANGES OVER THE PERIOD (A+B)		**82**	**(36)**	**46**	**795**	**(7)**	**788**	**834**
BALANCE AS OF DECEMBER 31, 2023		**2,058**	**(18)**	**2,040**	**795**	**(7)**	**788**	**2,828**

The accompanying notes are an integral part of the Combined Condensed Financial Statements.

Notes to the Combined Condensed Financial Statements

Vivendi SE ("Vivendi") is a European company which, since January 7, 2020, has been subject to the provisions of French commercial company law that are applicable to it in France, including Council Regulation EC No. 2157/2001 of October 8, 2001 on the statute for a European company (SE) and the French Commercial Code (Code de commerce). Vivendi was incorporated on December 18, 1987, for a term of 99 years expiring on December 17, 2086, except in the event of an early dissolution or unless its term is extended. Its registered office is located at 42 avenue de Friedland - 75008 Paris (France). Vivendi's shares are listed on Euronext Paris (Compartment A).

The Unaudited Combined Condensed Financial Statements present the financial and accounting situation of Louis Hachette Group, which comprises Lagardère and Prisma Media (see below), together with their respective equity interests. Amounts are reported in euros and all values are rounded to the nearest million.

The Unaudited Combined Condensed Financial Statements for the half-year ended June 30, 2024 should be read in conjunction with Louis Hachette Group 's audited Combined Financial Statements for the years ended December 31, 2023, 2022 and 2021.

On October 21, 2024, the Management Board of Vivendi SE examined Louis Hachette Group's Unaudited Combined Condensed Financial Statements for the half-year ended June 30, 2024, and granted power to two of its members to approve such Combined Financial Statements. On October 25, 2024, Louis Hachette Group's Unaudited Combined Condensed Financial Statements for the half-year ended June 30, 2024 were approved by those members of Vivendi's Management Board.

Note 1 Basis of preparation of the Combined Condensed Financial Statements

At its meetings held on December 13, 2023 and January 30, 2024, Vivendi's Supervisory Board, upon the recommendation of the Management Board, authorized the possibility to study the feasibility of a proposed Vivendi spin-off into several entities, each of which would be listed on the stock market and would be structured around Canal+ Group, Havas Group, Louis Hachette Group, which brings together Vivendi's publishing and distribution assets, i.e., Vivendi's 63.5% stake in Lagardère SA (formerly Lagardère SCA) and its subsidiaries (together, "Lagardère"), and its 100% stake in Prisma Group S.A.S. (formerly "SIG 123") and its subsidiaries (together, "Prisma Media"), and an investment company that would own shareholdings in listed and unlisted companies in the culture, media and entertainment sectors.

On July 22, 2024, Vivendi's Management Board presented to the Supervisory Board an update on the feasibility study of the proposed Vivendi spin-off announced on December 13, 2023. To date, the study has demonstrated the feasibility of this project under satisfactory conditions and identified the most suitable stock exchanges for these three companies once separated from Vivendi, considering the nature of their activities and their international exposure.

Canal+ Group would be listed on the London Stock Exchange, Havas as a Dutch public limited liability company (NV) on Euronext Amsterdam, and Louis Hachette Group on Euronext Growth in Paris.

In this context, Vivendi SE would contribute to Louis Hachette Group, a legal entity, all of the ordinary shares it holds in the share capital of Lagardère and Prisma Media. Louis Hachette Group would issue and allocate new ordinary shares directly to the shareholders of Vivendi. These Louis Hachette Group shares would be listed on Euronext Growth.

In connection with the contemplated admission of Louis Hachette Group securities to trading on Euronext Growth, Vivendi's Management has prepared these Unaudited Combined Condensed Financial Statements as of and for the half-year ended June 30, 2024.

These Unaudited Combined Condensed financial statements for the half-year ended June 30, 2024 have been drawn up based on the accounting data of Lagardère and Prisma Media in the Vivendi's Unaudited Condensed Financial Statements for the half-year ended June 30, 2024.

These Unaudited Combined Condensed Financial Statements for the half-year ended June 30, 2024 have been prepared and are presented in accordance with IAS 34 - Interim Financial Reporting as endorsed in the European Union (EU) and published by the International Accounting Standards Board (IASB).

Acquisition of Lagardère shares

In the first half of 2024, Vivendi acquired 5,273,214 Lagardère shares for an aggregate amount of €124 million. This included 4,310,512 shares obtained through exercised transfer rights, representing a cash payment of €104 million, including 4,191,547 transfer rights exercised by Arnaud Lagardère.

As of June 30, 2024, taking into account the share acquired since December 31, 2023, Vivendi held 89,672,278 Lagardère shares, representing 63.54% of the share capital and 59.10% of the theoretical voting rights.

Scope of combination

The scope of combination mainly includes entities owned directly and indirectly by Prisma Media and entities owned directly and indirectly by Lagardère.

As a reminder:

- as from June 1, 2021, Vivendi fully consolidated Prisma Media, whose acquisition was completed on May 31, 2021; and
- as from December 1, 2023, Vivendi fully consolidated Lagardère, which until that date had previously been accounted for under the equity method since July 1, 2021 and in financial assets at fair value through other comprehensive income in accordance with IFRS 9 from January 1 to July 1,2021.

The combination scope of Louis Hachette Group is presented in Note 27 "List of the main combined entities" to the Audited Combined Financial Statements for the years ended December 31, 2023, 2022 and 2021.

Accounting conventions used when preparing the Unaudited Combined Condensed Financial Statements

Since IFRS provides no specific guidelines for the preparation of the Unaudited Combined Condensed Financial Statements, in accordance with the requirements of the Conceptual Framework and IAS 8 Accounting policies, certain accounting conventions commonly used for the preparation of Unaudited Combined Condensed historical financial information have been applied.

The combined group thus determined does not form a separate legal group of legal entities in all years presented. While Lagardère issued consolidated financial statements as a listed entity on Euronext Growth in Paris, Prisma Media has never issued standalone financial statements, and together they have never issued combined financial statements. As a result, the accompanying unaudited combined condensed financial statements may not necessarily be indicative of the Louis Hachette Group financial position, results of operations, or cash flows had Louis Hachette Group operated as a separate entity during the periods presented.

The Unaudited Combined Condensed Financial Statements of Louis Hachette Group have been prepared on the basis of and consistent with estimates reflected in the Vivendi SE condensed financial statements as of and for half-years ended June 30, 2024, and June 30, 2023, authorized for issue by the Management Board of Vivendi SE as of July 24, 2024, and July 24, 2023, respectively. Subsequent events from July 25, 2024, to October 25, 2024 did not result in adjusting events in the condensed financial statements.

Intercompany transactions between Lagardère, Prisma Media and other Vivendi Group entities

Balances pertaining to current transactions between Lagardère, Prisma Media and other entities in the Vivendi Group have been presented as third-party assets or liabilities in the combined financial statements.

All loans and borrowings between Lagardère, Prisma Media and other Vivendi Group entities have been presented as financial assets or liabilities in the combined financial statements.

Transactions between other Vivendi Group entities are presented in Note 16 “Related Parties”.

Earnings per share

As the combined group is not a legal entity, the number of shares outstanding is not determinable and therefore no earning per share data is presented.

Corporate tax

In accordance with Article 223-A of the French Tax Code, given the date of acquisition of Prisma Media by Vivendi SE (May 31, 2021), losses and profits of French companies within the scope of Prisma Media’s combination, which are directly or indirectly controlled by Vivendi SE by at least 95%, are tax integrated by Vivendi SE as from January 1, 2022.

Given Vivendi SE’s ownership interest in Lagardère SA (63.54% as of June 30, 2024), losses and profits of French companies within the scope of Lagardère SA are not tax integrated by Vivendi SE.

Note 2 Accounting policies and valuation methods

2.1 Unaudited Combined Condensed Financial Statements

Louis Hachette Group's Unaudited Combined Condensed Financial Statements for the half-year ended June 30, 2024 are presented and have been prepared in accordance with IAS 34 – *Interim Financial Reporting* as endorsed in the European Union (EU) and published by the International Accounting Standards Board (IASB) and as part of the basis of preparation of the Unaudited Combined Condensed Financial Statements (please refer to Note 1). As a result, except as mentioned in paragraph 2.2 below, Louis Hachette Group has applied the same accounting methods used in its Audited Combined Financial Statements for the years ended December 31, 2023, 2022 and 2021 (please refer to Note 2 "Accounting policies and valuation methods" to the Consolidated Financial Statements for the year ended December 31, 2023).

Furthermore, the following provisions were applied:

- provisions for income taxes have been calculated on the basis of the estimated effective annual tax rate applied to pre-tax earnings. The assessment of the annual effective tax rate notably takes into consideration the recognition of anticipated deferred tax assets for the full year which were not previously recognized; and
- compensation costs recorded for share-based compensation plans, employee benefits and profit-sharing have been included on a pro-rata basis of the estimated cost for the year, adjusted, if necessary, for any non-recurring events which occurred over the period.

2.2 New IFRS standards and IFRIC interpretations applicable as from January 1, 2024

Amendments to IFRS standards and IFRIC interpretations issued by the IASB/IFRS IC applicable as from January 1, 2024, had no material impact on Louis Hachette Group's Combined Condensed Financial Statements.

2.3 International tax reform (Pillar 2)

The European Directive implementing the international tax reform (Pillar 2) at EU level was transposed into French law, becoming effective from January 1, 2024. Louis Hachette Group applies the exception provided by the amendment to IAS 12 - Income Taxes, related to the Pillar 2 international tax reform, regarding the non-recognition of deferred tax assets and liabilities related to Pillar 2 income taxes.

As of June 30, 2024, Louis Hachette Group's assessment of the application of such international tax reform indicates that it is not expected to have a significant impact.

Note 3 Segment data

Louis Hachette Group's management evaluates the performance of its business segments and allocates necessary resources to them based on certain operating performance indicators (segment earnings and cash flow from operations). EBITA reflects the earnings of each business segment, as defined in Note 2.3.3 to the Consolidated Financial Statements for the year ended December 31, 2023.

Intersegment commercial operations are conducted on an arm's-length basis on terms and conditions similar to those that would be offered by third parties.

3.1 Statement of earnings by business segment

Half-Year ended June 30, 2024 (in millions of euros)	Prisma Media	Lagardère	**Total**
Revenues	**147**	**4,193**	**4,340**
EBITA*	**9**	**201**	**210**
Impact of IFRS 16 on EBITA for concession agreements			24
Amortization of intangible assets acquired through business combinations			(96)
Impairment losses on intangible assets acquired through business combinations			-
EBIT			**138**

Half-Year ended June 30, 2023 (in millions of euros)	Prisma Media	Lagardère accounted for under the equity method by Vivendi	**Total**
Revenues	**153**	**na**	**153**
EBITA*	**17**	**26**	**43**
Amortization of intangible assets acquired through business combinations			-
Impairment losses on intangible assets acquired through business combinations			(1)
EBIT			**42**

Year ended December 31, 2023 (in millions of euros)	Prisma Media	Lagardère		Eliminations and other	**Total**
		Accounted for under the equity method until November 30, 2023	Fully consolidated from December 1, 2023		
Revenues	**309**	**na**	**670**	**-**	**979**
EBITA*	**28**	**125**	**20**	**-**	**173**
Impact of IFRS 16 on EBITA for concession agreements					-
Amortization of intangible assets acquired through business combinations					(18)
Impairment losses on intangible assets acquired through business combinations					-
EBIT					**155**

*non-GAAP measures.

na: not applicable.

3.1.1 Revenues

By activity

(in millions of euros)	Six months ended June 30, (unaudited) 2024	2023	Year ended December 31, 2023
Lagardère Publishing	1,309	-	209
Lagardère Travel Retail	2,748	-	434
Prisma Media and other activities	283	153	336
Elimination of intersegment transactions	-	-	-
Revenues	**4,340**	**153**	**979**

By geographic area

Revenues are broken down by customer location.

(in millions of euros)	Six months ended June 30, (unaudited) 2024	2023	Year ended December 31, 2023
European Union (excluding France)	1,282	16	227
United States	1,054	4	152
France	1,075	128	418
United Kingdom	282	3	54
Asia-Pacific	266	-	37
Other North America (mainly Canada)	104	1	45
Other European countries	78	1	15
Middle East	91	-	14
Other (Africa, Latin America)	108	-	17
Revenues	**4,340**	**153**	**979**

3.2 Statement of Financial Position by business segment

Segment assets and liabilities

(in millions of euros)	June 30, 2024	December 31, 2023
Segment assets (a)		
Prisma Media	392	410
Lagardère	11,547	11,364
Total	**11,939**	**11,774**
Segment liabilities (b)		
Prisma Media	137	159
Lagardère	5,655	5,595
Total	**5,792**	**5,754**

na: not applicable.

a. Segment assets include goodwill, intangible assets, property, plant and equipment, rights-of-use relating to leases, equity affiliates, financial assets, inventories and trade accounts receivable, and other.

b. Segment liabilities include provisions, other non-current liabilities, short-term and long-term lease liabilities and trade accounts payable, and other.

3.3 Capital expenditures, increase in tangible and intangible assets and rights-of-use

(in millions of euros)	Six months ended June 30, 2024	2023	Year ended December 31, 2023
Capital expenditures, net (capex, net) (a)			
Prisma Media	1	2	3
Lagardère	122	-	44
	123	**2**	**47**
Increase in tangible and intangible assets and rights-of-use relating to leases			
Prisma Media	2	2	3
Lagardère	247	-	55
	249	**2**	**58**

a. Relates to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets.

Note 4 Financial charges and income

4.1 Interest

The amount of interest for the half-year ended June 30, 2024 amounted to -€65 million (of which -€61 million related to the interest expense on Lagardère's debt), compared to -€3 million for the half-year ended June 30, 2023.

The amount of interest for the year ended December 31, 2023 amounted to -€15 million (of which -€8 million related to the interest expense on Lagardère's debt).

4.2 Other charges and income

Other financial income for the half-year ended June 30, 2024 amounted to €1 million, compared to nil for the half-year ended June 30, 2023 (€1 million for the year ended December 31, 2023).

Other financial charges for the half-year ended June 30, 2024 amounted to €13 million, compared to nil for the half-year ended June 30, 2023. For the year ended December 31, 2023, other financial charges amounted to €13 million (of which €7 million related to the downside adjustment on financial investments).

Note 5 Income taxes

In the first half of 2024, Lagardère's income tax expense amounted to €56 million, representing a year-on-year increase of €16 million, mainly due to the improvement in business levels in Europe at Lagardère Travel Retail and Lagardère Publishing. In the first half of 2023, the tax charge of Lagardère included a €13 million non-recurring deferred tax effect relating to the gain on lease modifications further to the amendment of a concession agreement.

In the first half of 2024, Prisma Media's income tax expense amounted to €4 million, compared to €4 million in the first half of 2023.

Note 6 Earnings per share

Since the combined group was had not been established as a legal entity as of June 30, 2024, the number of shares outstanding is not determinable. Consequently, no earnings per share data is presented in these Combined Condensed Financial Statements.

Note 7 Charges and income directly recognized in equity

Details of changes in equity related to other comprehensive income

(in millions of euros)	Items not subsequently reclassified to profit or loss: Actuarial gains/(losses) related to employee defined benefit plans	Items not subsequently reclassified to profit or loss: Financial assets at fair value through other comprehensive income	Items to be subsequently reclassified to profit or loss: Unrealized gains/(losses) – Hedging instruments	Items to be subsequently reclassified to profit or loss: Foreign currency translation adjustments	Other comprehensive income from equity affiliates, net	**Other comprehensive income**
Balance as of December 31, 2023	**(9)**	**-**	**(1)**	**(2)**	**(13)**	**(25)**
Charges and income directly recognized in equity	8	-	1	21	-	30
Tax effect	(2)	-	-	-	-	(2)
Other	-	-	-	-	-	-
Balance as of June 30, 2024	**(3)**	**-**	**-**	**19**	**(13)**	**3**

Note 8 Goodwill

Changes in goodwill

(in millions of euros)	December 31, 2023	Impairment losses	Business combinations	Divestitures completed or in progress	Changes in foreign currency translation adjustments and other	June 30, 2024
Prisma Media	183	-	(3)	-	-	180
Lagardère	1,019	-	-	-	-	1,019
Total	**1,202**	**-**	**(3)**	**-**	**-**	**1,199**

Value of goodwill

At its meetings held on December 13, 2023 and January 30, 2024, Vivendi's Supervisory Board authorized, upon the recommendation of the Management Board, the possibility to study the feasibility of a proposed Vivendi spin-off, where Canal+ Group, Havas and Louis Hachette Group, which comprises the publishing and distribution assets, namely Vivendi's 63.5% stake in Lagardère and 100% stake in Prisma Media, would become independent listed entities.

On July 22, 2024, Vivendi's Management Board presented to the Supervisory Board an update on the feasibility study of the proposed Vivendi spin-off announced on December 13, 2023. To date, the study has demonstrated the feasibility of this project under satisfactory conditions and identified the most suitable stock exchanges for these three companies once separated from Vivendi, considering the nature of their activities and their international exposure. Louis Hachette Group would be listed on Euronext Growth in Paris.

Prisma Media

As of December 31, 2023, Vivendi performed an impairment test of Prisma Media to determine whether its recoverable amount was greater than its carrying value. With the assistance of a third-party appraiser, Vivendi's Management concluded that the recoverable amount of Prisma Media was at least equal to its carrying amount. This recoverable amount was determined using standard valuation methods:

- the value in use, as determined using the discounted value of future cash flows, and
- the fair value, determined on the basis of market data: stock market prices, comparable listed companies, comparison with the value attributed to similar assets or companies in recent acquisition transactions.

As of June 30, 2024, Vivendi had reviewed the items that may indicate a decrease in the recoverable amount of Prisma Media during the first half of 2024. In particular, Vivendi analyzed the performance of Prisma Media in comparison with forecasts (particularly business plans, budgets and market data) and financial parameters (discount rate and long-term growth rate) used at year-end 2023.

Notwithstanding the current macroeconomic uncertainties, Vivendi's Management concluded that, as of June 30, 2024, there were no triggering events indicating a decrease in the recoverable amount of Prisma Media compared to December 31, 2023.

Lagardère

As of December 31, 2023, no goodwill impairment test attributable to Lagardère was carried out given that the takeover date (November 21, 2023) was close to the financial closing date. The acquisition price allocation work began in the first half of 2024 and as of the date of preparation of these unaudited Combined Condensed Financial Statements, this allocation work is still ongoing. The preliminary goodwill amounts to €1,019 million, corresponding to Vivendi's share of Lagardère's consolidated net assets as of December 1, 2023, in accordance with IFRS 3.

In addition, during the fourth quarter of 2024, Louis Hachette Group intends to perform an annual impairment test of the carrying value of goodwill and other intangible assets.

Note 9 Leases

When an entity acts as lessee, the present value of lease payment commitments that are fixed or fixed in substance and due under concession agreements in transport hubs and hospitals and building leases are recognized within lease liabilities against a corresponding right-of-use asset.
The variable portion of lease payments under concession agreements, based on passenger flows or revenues earned by retail outlets, is included in EBITA.

The impacts of the leases were determined as if the acquired leases were new as at the date of the acquisition of Lagardère:

- lease liabilities are valued at the present value of the remaining fixed and guaranteed minimum lease payments using the discount rate in effect on that date; and
- right-of-use assets are valued at the amount of lease liabilities, adjusted to reflect the favorable or unfavorable terms of the lease contracts relative to market terms.

9.1 Rights-of-use relating to leases

	June 30, 2024		
(in millions of euros)	Rights-of-use, gross	Accumulated amortization and impairment losses	Rights-of-use, net
Concession agreements	2,382	(243)	2,139
Real estate and others	461	(101)	360
Total	**2,843**	**(344)**	**2,499**

	December 31, 2023		
(in millions of euros)	Rights-of-use, gross	Accumulated amortization and impairment losses	Rights-of-use, net
Concession agreements	2,035	(34)	2,001
Real estate and others	455	(53)	402
Total	**2,490**	**(87)**	**2,403**

Change in right of use

(in millions of euros)	Six months ended June 30, 2024	Year ended December 31, 2023	
Opening balance	**2,403**	**10**	
Amortization	(258)	(47)	
Acquisitions/increase	125	8	
Modifications	223		
Sales/decrease	-	-	
Business combinations	-	2,415	(a)
Foreign currency translation adjustments and other	6	17	
Closing balance	**2,499**	**2,403**	

a. Primarily included Lagardère, which has been fully consolidated by Vivendi from December 1, 2023.

9.2 Lease liabilities

	June 30, 2024		
(in millions of euros)	Leases liabilities non current	Leases liabilities current	Total
Concession agreements	1,798	375	2,173
Real estate and others	286	87	373
Total	**2,084**	**462**	**2,546**

	December 31, 2023		
(in millions of euros)	Leases liabilities non current	Leases liabilities current	Total
Concession agreements	1,659	354	2,013
Real estate and others	330	80	410
Total	**1,989**	**434**	**2,423**

Change in leases liabilities

(in millions of euros)	Six months ended June 30, 2024	Year ended December 31, 2023	
Opening Balance	**2,423**	**16**	
Lease payments	(287)	(52)	
Interest expense	53	9	
Acquisitions/increase	125	7	
Modifications	223	-	
Sales/decrease	-	-	
Business combinations	2	2,435	(a)
Foreign currency translations and other	7	8	
Closing Balance	**2,546**	**2,423**	

a. Primarily included Lagardère, which has been fully consolidated by Vivendi from December 1, 2023.

Maturity of lease liabilities

(in millions of euros)	June 30, 2024	December 31, 2023
< 1 year	462	434
Between 1 and 5 years	1,356	1,294
> 5 years	728	695
	2,546	**2,423**
Undiscounting effect	413	357
Lease liabilities	**2,959**	**2,780**

9.3 Lease-related expenses

Lease-related expenses recorded in the Statement of Earnings amounted to €311 million for the half-year ended June 30, 2024, compared to €3 million for the half-year ended June 30, 2023 (€55 million for the year ended December 31, 2023).

Leases with variable lease payments do not give rise to the recognition of a right-of-use asset or a lease liability. The corresponding rental expenses, representing €293 million as of June 30, 2024, compared to nil as of June 30, 2023 (€57 million as of December 31, 2023), are included in EBITA.

Note 10 Investments in equity affiliates

Main investments in equity affiliates of Lagardère

	Ownership interest as of		Statement of Financial Position as of	
(in millions of euros)	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Extime Duty Free Paris	44%	44%	76	80
Yen Press	49%	49%	15	16
Inmedio	49%	49%	5	6
Lagardère & Connexions	50%	50%	12	13
Extime Travel Essentials Paris (ex Relay@ADP)	50%	50%	25	10
Other			21	23
			154	**148**

Change in value of investments in equity affiliates

(in millions of euros)	Six months ended June 30, 2024	Year ended December 31, 2023
Opening Balance	**148**	**-**
Acquisitions/increase	23	150
Sales/decrease	-	-
Income from equity affiliates	3	(1)
Change in other comprehensive income	-	(9)
Dividends received	(16)	-
Other	(4)	8
Closing Balance	**154**	**148**

Note 11 Cash position

Louis Hachette Group's cash position comprises cash and cash equivalents, as well as cash management financial assets classified as current financial assets. As defined by Louis Hachette Group, cash management financial assets relate to financial investments, which do not satisfy the criteria for classification as cash equivalents set forth in IAS 7, and, with respect to money market funds, the ANC's and AMF's decision released in November 2018.

(in millions of euros)	June 30, 2024	December 31, 2023
Cash management financial assets	**-**	**-**
Cash	184	250
Term deposits and current accounts	182	218
Money market funds	-	-
Cash and cash equivalents	**366**	**468**
Loans to Vivendi SE (a)	23	40
Cash position	**389**	**508**

a. In compliance with Article L. 511-7 of the French Monetary and Financial Code, Prisma Media entered into an intra-group cash management agreement, on market terms, with Vivendi SE. Under this agreement, Vivendi SE centralized cash surpluses (cash pooling) of its controlled entities which (i) are not subject to local regulations restricting the transfer of financial assets, or (ii) are not subject to other contractual obligations. As of June 30, 2024 and December 31, 2023, the balance of cash surpluses from Prisma Media centralized by Vivendi SE amounted to €23 million and €40 million respectively.

11.1 Liquidity risk

As of June 30, 2024, Prisma Media's net cash position was €23 million (€40 million as of December 31, 2023) and Prisma Media was free of financial debt. For the half year ended June 30, 2024, Prisma Media's net cash flows were -€17 million (€30 million for the year ended December 31, 2023).

Lagardère controls its liquidity risk with a cash to debt ratio of 124%, calculated by dividing its available liquidity reserves (comprising cash and cash equivalents, short-term investments and confirmed undrawn credit lines) by gross debt maturing in less than two years. Gross debt maturing within two years amounts to €2,477 million, while total liquidity reserves represent €3,079 million (€467 million in cash and cash equivalents and short-term investments and €2,612 million in confirmed undrawn credit lines, corresponding to the syndicated credit facility (€982 million) and the loan agreement signed with Vivendi SE on December 12, 2023 (€1,630 million as of December 31, 2023).

Liquidity reserves are based on (i) the syndicated credit facility taken out in May 2015 for €1,250 million and (ii) the loan agreement signed with Vivendi SE on December 12, 2023 for drawing rights up to €1,900 million and maturing on March 31, 2025.

On April 21, 2022, the syndicated credit facility was further amended to increase the amount of the facility from €982 million to €1,042 million and extend its maturity from March 2023 to April 2024. In June 2023, the option to extend its maturity to April 2025 was exercised. The facility provides for an option to further extend its maturity to April 2026, subject to the consent of the banks.

This amendment includes a financial covenant (financial leverage), which must be less than 3.5x as of December 31, 2023 (please refer to Note 15.2).

On June 7, 2024, Lagardère completed a refinancing transaction amounting to a total of €1.95 billion, including (i) two bank loans, one of €700 million, with an initial term of 24 months, extendable up to 42 months, and the other of €600 million with a 5-year term, to repay the €1.3 billion loan provided by Vivendi on December 12, 2023; and (ii) two new shareholder loans granted by Vivendi to replace the loan of December 12, 2023, one of €500 million with a term of 5 years and 6 months, and the other of €150 million, which should be partially repaid by 31 December 2024, with any remaining balance at that date being added to the €500 million loan.

Note 12 Equity

(in millions of euros)	June 30, 2024	December 31, 2023	
Contributions by (distributions to) shareowners	**(128)**	**(106)**	
Dividends distributed by Lagardère SA to Vivendi SE	*(55)*	*(106)*	
Dividends distributed by Lagardère SA to non-controlling interests	*(36)*	-	
Dividends distributed by Lagardère SA's subsidiaries to their non-controlling interests	*(37)*	-	
Changes in ownership interest in subsidiaries and equity affiliates	**-**	**875**	
Acquisition of Lagardère shares by Vivendi SE	-	*71*	
Non-controlling interests upon consolidation of Lagardère	-	*804*	(a)
Other	**1**	**(3)**	
Changes in equity	**(127)**	**766**	

a. In accordance with IFRS 3, comprised of (i) the share attributable to non-controlling interests (€932 million) of fair value adjustments related to the purchase price allocation and (ii) the carrying amount of non-controlling interests (-€128 million) in Lagardère's statement of financial position as at the purchase date (please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2023).

Note 13 Provisions

(in millions of euros)	Note	June 30, 2024	December 31, 2023
Employee benefits (a)		89	99
Restructuring costs		35	36
Litigations	18	45	46
Losses on onerous contracts		-	-
Other (b)		226	235
Provisions		**395**	**416**
Deduction of current provisions		117	129
Non-current provisions		**278**	**287**

a. Includes deferred employee compensation as well as provisions for employee defined benefit plans but excludes employee termination reserves recorded under restructuring costs.

b. Notably includes litigation provisions for which the amount and nature are not disclosed because such disclosure could be prejudicial to Lagardère and Prisma Media.

Changes in provisions

(in millions of euros)	Six months ended June 30, 2024	Year ended December 31, 2023	
Opening Balance	**416**	**19**	
Addition	25	7	
Utilization	(24)	(6)	
Reversal	(14)	(13)	
Business combinations	-	394	(a)
Changes in foreign currency translation adjustments and other	(8)	15	
Closing Balance	**395**	**416**	

a. Primarily included Lagardère, which has been fully consolidated by Vivendi from December 1, 2023.

Note 14 Share-based compensation plans

Employee stock purchase plan

On July 22, 2024, an employee shareholding transaction was implemented by Vivendi SE through the sale of treasury shares pursuant to an employee stock purchase plan reserved for employees of Prisma Media's French subsidiaries.

As of July 22, 2024, 16,875 shares were acquired through a company mutual fund (*Fonds Commun de Placement d'Entreprise*) at a price per share of €8.51 and based on a benefit granted of €1.26 as of June 19, 2024, the grant date.

Note 15 Borrowings and other financial liabilities and financial risk management

	June 30, 2024			December 31, 2023		
(in millions of euros)	Total	Long-term	Short-term	Total	Long-term	Short-term
Borrowings from Vivendi SE	**781**	**500**	**281**	**476**	**271**	**205**
Bonds	57	57	-	1,300	-	1,300
Bank credit facilities	1,300	1,300	-	-	-	-
Short-term marketable securities	481	10	471	560	-	560
Schuldschein loan documentation	35	35	-	226	35	191
Bank overdrafts	121	-	121	54	-	54
Accrued interest to be paid	4	-	4	8	-	8
Cumulative effect of amortized cost	(19)	(19)	-	-	-	-
Other	63	20	43	74	5	69
Borrowings at amortized cost	**2,042**	**1,403**	**639**	**2,222**	**40**	**2,182**
Commitments to purchase non-controlling interests	86	86	-	83	82	1
Derivative financial instruments	8	4	4	10	2	8
Borrowings and other financial liabilities	**2,917**	**1,993**	**924**	**2,791**	**395**	**2,396**
Lease liabilities	2,546	2,084	462	2,423	1,989	434
Total	**5,463**	**4,077**	**1,386**	**5,214**	**2,384**	**2,830**

15.1 Bonds

Change of control of Lagardère

On November 21, 2023, Vivendi's takeover of Lagardère triggered the change of control clauses included in the Lagardère bonds and Schuldschein loan documentation, allowing the lenders to request early redemption of the bonds (with a nominal amount of €1,300 million; please refer to Note 15.2) and Schuldschein loans (with a nominal amount of €253 million). On December 27, 2023, €27 million of the Schuldschein loans were repaid, following the triggering of the change of control clauses. As of December 31, 2023, the outstanding balance of the Schuldschein loans amounted to €226 million, of which €191 million were due in June 2024 and €35 million were due in June 2026. On January 12, 2024, €1,203 million of the Lagardère bonds were redeemed, following the expiry of the early redemption period. As of that date, the outstanding balance of the Lagardère bonds amounted to €97 million, of which €40 million is due in June 2024, €49 million is due in October 2026 and €8 million is due in October 2027. On December 12, 2023, to facilitate the redemption resulting from the triggering of the change of control clauses, Vivendi and Lagardère entered into a loan agreement providing for drawing rights up to €1,900 million (maturing on March 31, 2025). As of December 31, 2023, €270 million had been drawn on this loan.

Lagardère refinancing

On June 7, 2024, Lagardère completed a refinancing transaction amounting to a total of €1.95 billion (please refer to Note 15.2).
On June 26, 2024, €191 million was redeemed for the maturing Schuldschein loans. The balance of €35 million is due on June 26, 2026.

15.2 Bank credit facilities

Lagardère refinancing

As of December 31, 2023, Lagardère had a syndicated credit facility for €982 million maturing in April 2025, with €421 million available, taking into account the short-term marketable securities issued for €561 million.

On June 7, 2024, Lagardère completed a refinancing transaction amounting to a total of €1.95 billion, including:

- two bank loans, one of €700 million, with an initial term of 24 months, extendable up to 42 months, and the other of €600 million with a 5-year term, to repay the €1.3 billion loan granted by Vivendi on December 12, 2023; and
- two new shareholder loans granted by Vivendi to replace the loan of December 12, 2023, one of €500 million with a term of 5 years and 6 months, and the other of €150 million euros, which should be partially repaid by December 31, 2024, with any remaining balance at that date being added to the €500 million loan.

Additionally, a new 5-year revolving credit facility (RCF) of €700 million was established, replacing the syndicated revolving credit facility maturing in April 2025. As of June 30, 2024, taking into account the outstanding short-term marketable securities issued for €481 million, €219 million of this credit facility was available.

Risks arising from the application of default clauses on Lagardère's covenants

The syndicated credit agreement maturing in April 2025 contained a covenant relating to the leverage ratio of net debt (including liabilities related to minority puts) to adjusted EBITDA.

As the debt refinancing was finalized on June 7, 2024 with the signature of an amendment to the loan granted by Vivendi SE, a new €700 million credit facility and two bank loans for €700 million and €600 million, new early repayment clauses enter into effect. Over the term of the agreements, they provide for:

(i) compliance with a leverage ratio calculated in accordance with the same provisions as the previous agreement. The ratio must be less than 3.75x as of June 30, 2024, 3.5x as of December 31, 2024 and June 30, 2025, 3.0x as of December 31, 2025 and 3.25x from June 30, 2026 onwards.

Breaching this ratio would entitle the lenders to demand early repayment of the loans granted. The ratio is calculated every six months over a rolling 12-month period, on the basis of the published consolidated financial statements.

(ii) a limit on the amount of the dividend payable in respect of 2024 at €92 million, €100 million for 2025, €115 million for 2026, €140 million for 2027 and €190 million for 2028.

For the purposes of calculating financial leverage, net debt includes liabilities related to minority puts.

Adjusted EBITDA is defined as recurring operating profit of fully consolidated companies and discontinued operations (recurring EBIT), less depreciation, amortization and impairment of property, plant and equipment and intangible assets, amortization of signing fees, depreciation of right-of-use assets under building leases, cancellation of the fixed lease expense relating to buildings and other leases, plus dividends received from equity-accounted companies.

As of June 30, 2024, the financial leverage ratio was 2.97x adjusted EBITDA. Debt stood at €2,314 million and EBITDA at €779 million over a rolling 12-month period.

15.3 Borrowings by maturity

(in millions of euros)	June 30, 2024	December 31, 2023
Maturity		
< 1 year (a)	920	2,388
Between 1 and 2 years	129	271
Between 2 and 3 years	124	36
Between 3 and 4 years	888	1
Between 4 and 5 years	475	1
> 5 years	307	1
Nominal value of borrowings	**2,843**	**2,698**

a. Mainly included Lagardère's bonds for €1,300 million, of which €1,203 million was redeemed on January 12, 2024 (please refer to above).

Note 16 Related parties

Louis Hachette Group's main related parties are subsidiaries over which the group exercises an exclusive or joint control, and companies over which Louis Hachette Group's exercises a significant influence (please refer to Note 24 to the Combined Financial Statements for the years ended December 31, 2023, 2022 and 2021), as well as the group's corporate officers and their related entities.

16.1 Management remuneration

Lagardère

On March 19, 2024, Mr. Pierre Leroy, in view of his forthcoming retirement, informed the Board of Directors of his decision to terminate his office as Deputy Chief Executive Officer, member of the Executive Committee and advisor on the Board of Directors of Lagardère SA, with immediate effect.

On May 31, 2024, the retirement of Mr. Pierre Leroy led to a €2.2 million termination payment at Lagardère Management.

On May 23, 2024, as part of the strengthening of its management structure, Lagardère SA announced the appointment of Mr. Grégoire Castaing as Deputy Chief Executive Officer of the Lagardère group in charge of Finance, effective as of June 3, 2024. Reporting to the Chairman and Chief Executive Officer, Mr. Grégoire Castaing also sits on the Lagardère group Executive Committee.

16.2 Cash management agreement between Vivendi and Louis Hachette Group

In compliance with Article L. 511-7 of the French Monetary and Financial Code, Prisma Media's combined entities entered into intra-group cash management agreements, on market terms, with Vivendi SE. Under these agreements:

- Vivendi centralizes cash surpluses (cash pooling) of its controlled entities which (i) are not subject to local regulations restricting the transfer of financial assets, or (ii) are not subject to other contractual obligations, and
- Prisma Group S.A.S. borrowed from Vivendi SE to finance the acquisition of Prisma Media in 2021 and of Digital Prisma Player in 2023.

In addition, on December 12, 2023, Vivendi and Lagardère entered into an intercompany loan agreement providing for drawing rights up to €1,900 million (maturing on March 31, 2025). On June 7, 2024, this loan agreement was amended and restated by defining terms and conditions (see below).

As of June 30, 2024 and December 31, 2023, the balance of cash surpluses centralized by Vivendi SE and borrowings from Vivendi SE is presented below.

Intercompany loans to Vivendi SE

(in millions of euros)	June 30, 2024	December 31, 2023
Prisma Media	23	40
Lagardère	-	-
Intercompany loans to Vivendi SE	**23**	**40**

Intercompany borrowings from Vivendi SE

(in millions of euros)	June 30, 2024	December 31, 2023	
Prisma Media (a)	210	205	
Lagardère	572	271	(b)
Intercompany borrowings to Vivendi SE	**782**	**476**	

a. On October 18, 2024, Vivendi SE's loan to Prisma Group S.A.S. was converted into share capital to an amount of €212 million.

b. On December 12, 2023, to facilitate the redemption of Lagardère's bonds resulting from the triggering of the change of control provisions included in the bond documentation, Vivendi and Lagardère entered into an intercompany loan agreement providing for drawing rights up to €1,900 million (maturing on March 31, 2025). As of December 31, 2023, the amount drawn on this loan by Lagardère was €271 million. On June 7, 2024, this intercompany loan agreement was amended and restated by defining terms and conditions for the benefit of Lagardère to optimize the balance between the size of bank financing and financial conditions. The loan agreement now includes a maximum available amount of €500 million due on December 7, 2029, as well as an additional available loan facility of €150 million, €72 million of which was drawn down as of June 30, 2024, and due on December 31, 2024. Any amount drawn on this additional loan facility and not repaid as of December 31, 2024 will be added to the main €500 million loan due on December 7, 2029.

16.3 Related party transactions

Loan agreement between Vivendi and Lagardère

On December 12, 2023, to facilitate the redemption of Lagardère's bonds resulting from the triggering of the change of control provisions included in the bond documentation, Vivendi and Lagardère entered into an intercompany loan agreement providing for drawing rights up to €1,900 million (maturing on March 31, 2025).

On June 7, 2024, this intercompany loan agreement was amended and restated by defining terms and conditions for the benefit of Lagardère to optimize the balance between the size of bank financing and financial conditions. The loan agreement now includes a maximum available amount of €500 million due on December 7, 2029, as well as an additional available loan facility of €150 million, to €72 million of which was drawn down as of June 30, 2024, and due on December 31, 2024. The amount available under this additional loan line of €150 million will be reduced and cancelled up to the net proceeds of the sale of Paris-Match. Any amount drawn on this additional facility and not repaid as of December 31, 2024 will be added to the main €500 million loan with Vivendi SE due on December 7, 2029.

Note 17 Contractual obligations and other commitments

17.1 Contractual obligations and commercial commitments

As of June 30, 2024 and December 31, 2023, contractual content commitments amounted cumulatively to an immaterial amount.

As of June 30, 2024, given commercial commitments represented an aggregate commitment of €6 million (compared to €3 million as of December 31, 2023) and related only to Prisma Media.

As of June 30, 2024, received commercial commitments represented an immaterial amount (compared to €4 million as of December 31, 2023) and related only to Prisma Media.

17.2 Other commitments given or received relating to operations

As of June 30, 2024, given commitments represented an aggregate commitment of €780 million (compared to €742 million as of December 31, 2023).

As of June 30, 2024, received commitments represented an aggregate commitment of €43 million (compared to €48 million as of December 31, 2023).

Note 18 Litigation

In the normal course of its business, Louis Hachette Group is subject to various lawsuits, arbitrations and governmental, administrative or other proceedings (collectively referred to herein as "Legal Proceedings").

Certain Legal Proceedings involving Louis Hachette Group or its subsidiaries (as plaintiff or defendant) are described in the Audited Combined Financial Statements for the years ended December 31, 2023, 2022 and 2021 (see Note 26). The following paragraphs update such disclosure through October 25, 2024 (the date when two empowered members of Vivendi's Management Board approved these Combined Financial Statements for the half-year ended June 30, 2024).

To the company's knowledge, there are no Legal Proceedings or any facts of an exceptional nature (including any pending or threatened proceedings in which it is a defendant), which may have or have had in the previous months a material effect on the company and on its group's financial position, profit, business and property, other than those described herein.

Class action against Hachette Book Group

In 2021 in the United States, class action suits were brought against Amazon and certain e-book publishers, including Hachette Book Group ("HBG"). The plaintiffs allege that some of the publishers' agreements with Amazon constitute price-fixing arrangements in breach of US anti-trust law. The defendants, including HBG, dispute these allegations, along with the admissibility of the class action. These motions to dismiss were granted by a decision dated September 29, 2022, with the judge considering that the appeals lacked sufficient evidence to succeed. However, as they were dismissed "without prejudice", the plaintiffs can amend and re-file their class actions.

Amended appeals were therefore filed on November 21, 2022, reiterating the arguments already put forward and attempting to resolve the problems identified in the September 29, 2022 ruling. The defendants, including HBG, have again filed motions to dismiss. With regard to the action brought by the plaintiffs concerning printed books, all their claims were dismissed on August 15, 2023. The plaintiffs did not contest the decision, thereby extinguishing the corresponding risk for HBG. As regards the action brought by the plaintiffs in relation to digital books, the defendants, including HBG, were exonerated on July 31, 2023. The judge allowed the plaintiffs to pursue their case against Amazon alone, a decision that the plaintiffs and Amazon contested. A decision of the Court for the Southern District of New York on March 2, 2024 dismissed the action brought by the plaintiffs following the decision of July 31, 2023 exonerating the defendants, including HBG. A further-amended complaint was lodged on June 27, 2024, removing all references to the exonerated defendants, including HBG. Proceedings are continuing against Amazon alone, with HBG's ongoing involvement limited to producing documents as part of the third-party discovery procedure.

Monla/Lagardère Travel Retail & Chalhoub arbitration

Between end-2016 and early 2017, Lagardère Travel Retail ("LTR"), Monla Group SAL Holding ("Monla") and Chalhoub Group Limited ("Chalhoub") began talks regarding a potential joint response to a request for proposals for a Duty Free concession at Beirut airport.

On May 10, 2017, Monla had filed an arbitration claim against LTR and Chalhoub with the International Chamber of Commerce, asserting wrongful behavior in the conduct and suspension of their three-party discussions. Monla was seeking damages (plus miscellaneous expenses) from the respondents for the alleged harm caused, in particular to its image, and for loss of opportunity. The decision handed down by the arbitration tribunal at the end of December 2019 dismissed all of Monla's claims and ordered it to repay the costs incurred by LTR and Chalhoub in the arbitration. LTR has initiated proceedings to enforce the decision, which Monla is trying to resist. LTR considers that Monla can no longer lodge an action for annulment of this decision in view of the time that has elapsed. Lagardère Travel Retail obtained an exequatur order (a judicial decision authorizing the enforcement of a decision handed down by a foreign court or arbitration tribunal) in Lebanon. Monla lodged an appeal against this order on April 12, 2021, which was dismissed on January 9, 2024 by the Beirut Court of Appeal. LTR notified Monla of this decision on January 23, 2024. Monla filed an appeal against the decision of the Beirut Court of Appeal on March 21, 2024 with the Court of Cassation. The decision of the Court of Cassation is expected in the coming months.

Action brought by SAS PRD Percier Réalisation et Développement against Hachette Livre SA

On December 22, 2023, Hachette Livre SA notified SAS PRD Percier Réalisation et Développement ("PRD") of the termination of the new warehouse project, the construction of which in Germainville had been entrusted to PRD under the terms of an off-plan lease (BEFA) subject to conditions precedent signed in April 2023 between Hachette Livre SA and PRD.

On March 21, 2024, PRD initiated proceedings against Hachette Livre SA before the Chartres Commercial Court seeking compensation for (i) costs incurred, (ii) lost profits for PRD and (iii) damage to its image and reputation. The Chartres Commercial Court handed down a judgement to discontinue the proceedings on May 29, 2024, duly acknowledging the parties' agreement to submit the dispute to the jurisdiction of the Paris Commercial Court.

The hearing before the Paris Commercial Court is expected to take place in December 2024, with a decision anticipated in 2025.

VSD and Georges Ghosn against Prisma Media, Rolf Heinz, Gruner+Jahr Communication and Bertelsmann

On September 12, 2022, VSD and Georges Ghosn, who had acquired VSD from Prisma Media in 2018, filed a complaint against Prisma Media, Rolf Heinz, Gruner+Jahr and Bertelsmann before the Paris Commercial Court. They are alleged to have breached their pre-contractual obligations of good faith and disclosure during the negotiations and acquisition of VSD, and more specifically, to have provided inaccurate accounting estimates, to have concealed the extent of losses at the date of the sale, and to have knowingly concealed the number of journalists likely to exercise their transfer clause. On June 28, 2024, the Paris Commercial Court issued its decision, ordering Prisma Media to pay VSD €100,000 for financial damages resulting from the failure to transfer certain assets, as well as €20,000 under Article 700 of the French Code of Civil Procedure.

Note 19 Subsequent events

The significant events that occurred between the closing date as of June 30, 2024 and October 25, 2024 (the date when two empowered members of Vivendi's Management Board approved these Combined Condensed Financial Statements for the half-year ended June 30, 2024) were as follows:

- On October 1, 2024, Lagardère announced the completion of the sale of the weekly magazine Paris Match to LVMH group; and
- On October 18, 2024, Vivendi SE's loan to Prisma Group S.A.S. was converted into share capital to an amount of €212 million.

14.3.2 Pro forma unaudited financial information of Louis Hachette Group

VIVENDI SE

Société Européenne

42 avenue de Friedland
75008 PARIS

FRANCE

Attestation of one of Vivendi SE statutory auditors on the Louis Hachette Group Pro Forma Financial Information for the years ended December 31, 2023, 2022 and 2021 and for the six-month periods ended June 30, 2024 and 2023

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Attestation of one of Vivendi SE statutory auditors on the Louis Hachette Group Pro Forma Financial Information for the years ended December 31, 2023, 2022 and 2021 and for the six-month periods ended June 30, 2024 and 2023

To the Management Board of Vivendi SE,

In our capacity as one the statutory auditors of Vivendi SE and in response to your request, we have prepared this attestation relating to the pro forma financial information of Louis Hachette Group (which combines the Vivendi's shareholdings in Lagardère and in Prisma Group, and their respective subsidiaries) for the years ended December 31, 2023, 2022 and 2021 and for the six-month periods ended June 30, 2024 and 2023 (the "Pro Forma Financial Information"), set out in section 14.3.2 of the information document prepared in connection with the contemplated admission of Louis Hachette Group S.A.'s shares to trading on Euronext Growth Paris (the "Information Document").

This Pro Forma Financial Information has been prepared for the sole purpose of illustrating the impact that the acquisitions of Prisma Media (through Prisma Group) and Lagardère by Vivendi SE might have had on the combined statements of earnings of Louis Hachette Group for the years ended December 31 2023, 2022, 2021 and for the six-month periods ended June 30, 2024 and 2023 had they taken place with effect from January 1, 2021. By its very nature, this Pro Forma Financial Information is based on a hypothetical situation and does not represent the performance that would have been reported, had the operations or events taken place at an earlier date than the actual date.

These Pro Forma Financial Information, along with its basis of preparation and the main conventions used for its preparation, were prepared under your responsibility. It is our responsibility, based on our work, to express a conclusion on the compliance of the Pro Forma Financial Information with the basis stated.

Our engagement, which constitutes neither an audit nor a review, was performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*). Our procedures, which did not include an audit or review of the financial information used as a basis to prepare the Pro Forma Financial Information , mainly consisted in:

- ensuring that the information used to prepare the Pro Forma Financial Information was consistent with the underlying financial information, as described in the notes to the Pro Forma Financial Information;
- reviewing the evidence supporting the pro forma adjustments;
- conducting interviews with the management of Vivendi SE to obtain the information and explanations that we deemed necessary;
- performing procedures to assess the consistency of the accounting policies used with those generally applied by Louis Hachette Group according to the IFRS as adopted in the European Union.

On the basis of our work, we have no matters to report on the compliance of the Pro Forma Financial Information with the basis stated in section 14.3.2 of the Information Document.

This attestation has been prepared solely for your attention within the context described above and may not be used, distributed, or referred to for any other purpose.

This attestation is governed by French law. The French courts have exclusive jurisdiction in relation to any claim, difference or dispute which may arise out of or in connection with our engagement letter or this attestation. Each party irrevocably waives any right it may have to object to an action being brought in any of those Courts, to claim that the action has been brought in an illegitimate court or to claim that those Courts do not have jurisdiction.

Paris-La Défense, October 25, 2024

One of the statutory auditors,

Deloitte & Associés

Frédéric SOULIARD

Frédéric SOULIARD

PRO FORMA UNAUDITED FINANCIAL INFORMATION OF LOUIS HACHETTE GROUP, i.e., THE COMBINATION OF LAGARDÈRE AND PRISMA MEDIA, FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021 AND FOR THE HALF-YEARS ENDED JUNE 30, 2024 AND 2023

Preliminary comment:

Pro forma unaudited financial information of Louis Hachette Group, i.e., the combination of Lagardère and Prisma Media, is not an integral part of the audited combined financial statements for the years ended December 31, 2023, 2022 and 2021, as well as of the unaudited combined financial statements for the half-years ended June 30, 2024 and 2023.

14.3.2.1. Introduction

On behalf of Louis Hachette Group, Vivendi prepared the pro forma unaudited combined statement of earnings for the years ended December 31, 2023, 2022 and 2021 and for the half-years ended June 30, 2024 and 2023, as well as the related explanatory notes (together, " the Pro forma Unaudited Financial Information").

The Pro forma Unaudited Financial Information has been prepared based on the principles described in Appendix 20 of Delegated Regulation No. 2019/980 supplementing Regulation (EU) No. 2017/1129 of the European Parliament and of the Council and the related recommendations issued by ESMA (ESMA32-382-1138 of March 4, 2021), except the following:

- the Pro forma Unaudited Financial Information has been presented on three years and two half years; and
- the historical financial information used for the preparation of the Pro forma Unaudited Financial Information (presented in notes 14.3.2.6 and 14.3.2.7) has been issued and adjusted directly from the combined financial statements of Louis Hachette Group for the years ended December 31, 2023, 2022 and 2021 and for the half-year ended June 30, 2024 (including the half-year ended June 30, 2023, as comparative) subject respectively to an audit report and a limited review report.

The purpose of the Pro forma Unaudited Financial Information is to present a combined Lagardère and Prisma Group statement of earnings for the years ended December 31, 2023, 2022 and 2021 and for the half-years ended June 30, 2024 and 2023, as if the acquisitions of Prisma Media and Lagardère (and their full consolidation) had occurred as from January 1, 2021.

The Pro forma Unaudited Financial Information is illustrative and reflects a hypothetical situation. It is not representative of what Louis Hachette Group's combined statement of earnings would have been had Prisma Media and Lagardère been fully consolidated from January 1, 2021, nor is it an indication of Louis Hachette Group's future results.

On October 21, 2024, the Management Board of Vivendi SE examined these pro forma unaudited financial information of Louis Hachette Group, and granted power to two of its members to approve such information. On October 25, 2024, pro forma unaudited financial information of Louis Hachette Group were approved by those members of Vivendi's Management Board.

14.3.2.3. Combination of Lagardère and Prisma Media

14.3.2.3.1 Acquisition of Lagardère

As of December 31, 2022, Vivendi held 81,380,480 Lagardère shares representing 57.66% of Lagardère's share capital and 48.35% of the theoretical voting rights as of that date. However, pursuant to Article 7(2) of Regulation (EC) No. 139/2004 on the control of concentrations between undertakings, Vivendi could not exercise control over Lagardère until the approvals required for the acquisition of control of Lagardère were received from the European Commission.

On June 9, 2023, Vivendi announced that it had received approval from the European Commission to proceed with its proposed combination with Lagardère, conditional upon the sale of 100% of the share capital of Editis and the sale of Gala magazine.

On November 21, 2023, Vivendi announced that it had completed the acquisition of control of Lagardère following the sale of 100% of the share capital of Editis to International Media Invest, which occurred on November 14, 2023, and the sale of Gala magazine to Groupe Figaro, which occurred on November 21, 2023. As from December 1, 2023, Vivendi has fully consolidated Lagardère.

As of December 31, 2023, Vivendi held 84,399,064 Lagardère shares, representing 59.80% of its share capital and 50.62% of its voting rights.

In the first half of 2024, Vivendi acquired 5,273,214 Lagardère shares for an aggregate amount of €124 million. This included 4,310,512 shares obtained through exercised transfer rights, representing a cash payment of €104 million, including 4,191,547 transfer rights exercised by Arnaud Lagardère.

As of June 30, 2024, taking into account the share acquired since December 31, 2023, Vivendi held 89,672,278 Lagardère shares, representing 63.54% of the share capital and 59.10% of the theoretical voting rights.

14.3.2.3.2 Acquisition of Prisma Media

On December 14, 2020, Vivendi announced that it had entered into exclusive negotiations to acquire 100% of Prisma Media. On December 23, 2020, Vivendi announced that it had entered into a put option agreement to acquire 100% of Prisma Media, following exclusive negotiations with Gruner+Jahr/Bertelsmann and the favorable opinion of Vivendi's employee representative bodies. In accordance with applicable regulations, the acquisition was subject to the information and consultation process with Prisma Media's employee representative bodies as well as finalization of the legal documentation.

On April 29, 2021, the French Competition Authority authorized the transaction unconditionally, and on May 31, 2021, Vivendi completed the acquisition of 100% of Prisma Media's share capital. As from June 1, 2021, Vivendi has fully consolidated Prisma Media.

14.3.2.4. Pro Forma unaudited financial information

Louis Hachette Group Pro Forma Unaudited Statement of Earnings

	Year ended December 31,		
(in millions of euros)	**2023 Pro forma** (unaudited)	**2022 Pro forma** (unaudited)	**2021 Pro forma** (unaudited)
Revenues	**8,390**	**7,249**	**5,439**
Cost of revenues, selling, general and administrative expenses	(8,042)	(6,956)	(5,330)
Restructuring charges	(44)	(31)	(46)
Impairment losses on intangible assets acquired through business combinations	(7)	(8)	(12)
Income from equity affiliates - operational	(1)	13	1
Impact of IFRS 16 for concession agreements	50	24	(25)
Earnings before interest and income taxes (EBIT)	**346**	**291**	**27**
Interest	(85)	(64)	(63)
Income from investments	5	3	2
Other financial income	21	16	24
Interest expenses on lease liabilities	(89)	(61)	(68)
Other financial charges	(40)	(39)	(34)
	(188)	***(145)***	***(139)***
Earnings before provision for income taxes	**158**	**146**	**(112)**
Provision for income taxes	(65)	(26)	(12)
Earnings from continuing operations	**93**	**120**	**(124)**
Earnings from discontinued operations	5	35	2
Earnings	**98**	**155**	**(122)**
Of which			
Earnings attributable to shareowners	45	85	(76)
Earnings attributable to non-controlling interests	53	70	(46)

(in millions of euros)	**Six months ended June 30, 2024 Pro forma** (unaudited)	**Six months ended June 30 2023 Pro forma** (unaudited)
Revenues	**4,340**	**3,854**
Cost of revenues, selling, general and administrative expenses	(4,215)	(3,797)
Restructuring charges	(14)	(9)
Impairment losses on intangible assets acquired through business combinations	-	-
Income from equity affiliates - operational	3	(5)
Impact of IFRS 16 for concession agreements	24	23
Earnings before interest and income taxes (EBIT)	**138**	**66**
Interest	(60)	(36)
Income from investments	-	3
Other financial income	1	10
Interest expenses on lease liabilities	(53)	(40)
Other financial charges	(12)	(15)
	(124)	***(78)***
Earnings before provision for income taxes	**14**	**(12)**
Provision for income taxes	(43)	(22)
Earnings from continuing operations	**(29)**	**(34)**
Earnings from discontinued operations	-	-
Earnings	**(29)**	**(34)**
Of which		
Earnings attributable to shareowners	(30)	(26)
Earnings attributable to non-controlling interests	1	(8)

14.3.2.5. Basis of preparation of the Pro forma Unaudited Financial Information

The Pro forma Unaudited Financial Information was prepared based on the following sources:

- the audited combined financial statements of Louis Hachette Group for the years ended December 31, 2023, 2022 and 2021, which have been adjusted to reflect the Prisma Media's reported statement of earnings as included in Vivendi's audited consolidated financial statements for the years ended December 31, 2023, 2022 and 2021, which have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union;
- Lagardère's audited consolidated financial statements (and, in particular, its consolidated statement of earnings) for the years ended December 31, 2023, 2022 and 2021, which have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union;
- the unaudited combined financial statements of Louis Hachette Group for the half-year ended June 30, 2024, which have been adjusted to reflect the Prisma Media's reported condensed statement of earnings as included in Vivendi's unaudited condensed financial statements for the half-years ended June 30, 2024 and 2023, which were prepared in accordance with IAS 34 - *Interim Financial Reporting* as endorsed by the European Union and published by IASB; and
- Lagardère's unaudited condensed financial statements (and, in particular, its condensed statement of earnings) for the half-years ended June 30, 2024 and 2023, which were prepared in accordance with IAS 34 - *Interim Financial Reporting* as endorsed by the European Union and published by IASB.

The adjustments that have been considered in preparing the pro forma unaudited statement of earnings are limited to those (i) directly attributable to the combination of Lagardère and Prisma Media, and (ii) that can be reasonably documented at the date of preparation of the Pro forma Unaudited Financial Information.

As a reminder, the acquisition of Lagardère by Vivendi on November 21, 2023 triggered the change of control clauses included in Lagardère's bonds and Schuldschein loan documentation, allowing the lenders to request early redemption of the bonds. To facilitate the redemption resulting from the triggering of the change of control clauses, Vivendi entered into a loan agreement with Lagardère for drawing rights up to €1,900 million. Pro forma unaudited financial information does not reflect changes in Lagardère's financing after the date of acquisition by Vivendi.

14.3.2.6. Explanatory notes for the years ended December 31, 2023, 2022 and 2021

	Year ended December 31, 2023			
(in millions of euros)	**Prisma Media** (reported data) **(Note 1)**	**Lagardère** (reported data) **(Note 2)**	**Reclassifications, eliminations and adjustments** **(Note 3)**	**Louis Hachette Group Pro forma** (unaudited)
Revenues	**309**	**8,081**	**-**	**8,390**
Cost of revenues, selling, general and administrative expenses	(283)	(7,708)	(51)	(8,042)
Restructuring charges	(1)	(75)	32	(44)
Impairment losses on intangible assets acquired through business combinations	-	(7)	-	(7)
Income from equity affiliates - operational	-	(1)	-	(1)
Impact of IFRS 16 for concession agreements	-	144	(94)	50
Earnings before interest and income taxes (EBIT)	**25**	**434**	**(113)**	**346**
Interest	-	(85)	-	(85)
Income from investments	-	5	-	5
Other financial income	-	7	14	21
Interest expenses on lease liabilities	-	(89)	-	(89)
Other financial charges	-	(24)	(16)	(40)
	-	***(186)***	***(2)***	***(188)***
Earnings before provision for income taxes	**25**	**248**	**(115)**	**158**
Provision for income taxes	(12)	(78)	25	(65)
Earnings from continuing operations	**13**	**170**	**(90)**	**93**
Earnings from discontinued operations	-	5	-	5
Earnings	**13**	**175**	**(90)**	**98**
Of which				
Earnings attributable to shareowners	13	144	(112)	45
Earnings attributable to non-controlling interests	-	31	22	53

(in millions of euros)	Year ended December 31, 2022 **Prisma Media** (reported data) **(Note 1)**	**Lagardère** (reported data) **(Note 2)**	**Reclassifications, eliminations and adjustments** **(Note 3)**	**Louis Hachette Group Pro forma** (unaudited)
Revenues	**320**	**6,929**	**-**	**7,249**
Cost of revenues, selling, general and administrative expenses	(289)	(6,600)	(67)	(6,956)
Restructuring charges	(4)	(38)	11	(31)
Impairment losses on intangible assets acquired through business combinations	-	(8)	-	(8)
Income from equity affiliates - operational	-	13	-	13
Impact of IFRS 16 for concession agreements	-	24	-	24
Earnings before interest and income taxes (EBIT)	**27**	**320**	**(56)**	**291**
Interest	-	(64)	-	(64)
Income from investments	-	3	-	3
Other financial income	-	9	7	16
Interest expenses on lease liabilities	-	(61)	-	(61)
Other financial charges	-	(22)	(17)	(39)
	-	***(135)***	***(10)***	***(145)***
Earnings before provision for income taxes	**27**	**185**	**(66)**	**146**
Provision for income taxes	(10)	(33)	17	(26)
Earnings from continuing operations	**17**	**152**	**(49)**	**120**
Earnings from discontinued operations	-	35	-	35
Earnings	**17**	**187**	**(49)**	**155**
Of which				
Earnings attributable to shareowners	17	161	(93)	85
Earnings attributable to non-controlling interests	-	26	44	70

(in millions of euros)	Year ended December 31, 2021 **Prisma Media** (reported data) **(Note 1)**	**Lagardère** (reported data) **(Note 2)**	**Reclassifications, eliminations and adjustments** **(Note 3)**	**Louis Hachette Group Pro forma** (unaudited)
Revenues	**194**	**5,130**	**115**	**5,439**
Cost of revenues, selling, general and administrative expenses	(172)	(4,984)	(174)	(5,330)
Restructuring charges	(2)	(44)	-	(46)
Impairment losses on intangible assets acquired through business combinations	-	(12)	-	(12)
Income from equity affiliates - operational	-	1	-	1
Impact of IFRS 16 for concession agreements	-	(25)	-	(25)
Earnings before interest and income taxes (EBIT)	**20**	**66**	**(59)**	**27**
Interest	-	(63)	-	(63)
Income from investments	-	2	-	2
Other financial income	-	7	17	24
Interest expenses on lease liabilities	-	(68)	-	(68)
Other financial charges	(1)	(10)	(23)	(34)
	(1)	***(132)***	***(6)***	***(139)***
Earnings before provision for income taxes	**19**	**(66)**	**(65)**	**(112)**
Provision for income taxes	(5)	(22)	15	(12)
Earnings from continuing operations	**14**	**(88)**	**(50)**	**(124)**
Earnings from discontinued operations	-	2	-	2
Earnings	**14**	**(86)**	**(50)**	**(122)**
Of which				
Earnings attributable to shareowners	14	(101)	11	(76)
Earnings attributable to non-controlling interests	-	15	(61)	(46)

Note 1: Prisma Media data

Prisma Media's data consist in the audited combined financial statements of Louis Hachette Group for the years ended December 31, 2023, 2022 and 2021, which have been adjusted to reflect the Prisma Media's reported statement of earnings as included in Vivendi's audited consolidated financial statements for the years ended December 31, 2023, 2022 and 2021, which have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union.

The adjustments applied to the audited combined statement of earnings of Louis Hachette Group consist in the removals of: (i) the income from Lagardère recognized as Income from equity affiliates – operational for the years ended December 31, 2023, 2022 and 2021; (ii) the interest expenses incurred by Prisma Group SAS for the years ended December 31, 2023, 2022 and 2021, in relation to the borrowing from Vivendi SE to finance the acquisition of Prisma Media in 2021 and of Digital Prisma Player in 2023; and (iii) the earnings of Lagardère for the month of December 2023 from the audited combined statement of earnings for the year ended December 31, 2023.

The combined financial statements of Louis Hachette Group for the years ended December 31, 2023, 2022 and 2021, which have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union, have been audited by Deloitte & Associés and are included, along with their audit report, elsewhere in this Information Document.

Note 2: Lagardère data

Lagardère's data consist of the Lagardère's audited consolidated statement of earnings, as included in Lagardère's audited consolidated financial statements (and, in particular, its consolidated statement of earnings) for the years ended December 31, 2023, 2022 and 2021, which have been prepared under IFRS as adopted by the EU. These consolidated financial statements were audited by Deloitte & Associés and Mazars for the year ended December 31, 2023 and by Ernst & Young et Autre and Mazars for the years ended December 31, 2022 and 2021 and are included, together with their audit reports, in Lagardère's 2023, 2022 and 2021 Universal Registration Document (URD).

Note 3: Reclassifications, eliminations and adjustments

The reclassifications, eliminations and other adjustments applied in the pro forma unaudited statement of earnings are as follows:

a) **Reclassifications**: as the case may be, Lagardère's data have been reclassified to align its presentation with Louis Hachette Group's combined statement of earnings for the years ended December 31, 2023, 2022 and 2021. The impact of these reclassifications is not significant in the pro forma unaudited statement of earnings: €2 million, €10 million, €1 million respectively have been reclassified between operating results and financial results. For the year ended December 31, 2022, it essentially relates to expenses incurred by Lagardère in the course of its acquisition by Vivendi;

b) **Purchase price allocation**: work to allocate the acquisition price of Lagardère by Vivendi in accordance with IFRS 3 began in the first half of 2024 and was accounted for retrospectively on December 1, 2023 in the audited combined financial statements of Lagardère and Prisma Group for the year ended December 31, 2023. The related impacts in the combined statement of earnings have been included in the pro forma unaudited statement of earnings for the years ended December 31, 2023, 2022 and 2021 as if the acquisition date were January 1, 2021:

- for the years ended December 31, 2023, 2022 and 2021: inclusion of an amortization expense of -€68 million, before deferred taxes of €18 million, related to the revaluation of tangible and intangible assets in accordance with IFRS 3; and
- for the year ended December 31, 2023:
  - elimination of a gain of €94 million, before deferred taxes of -€13 million, on leases related to IFRS 16;
  - reclassification of a loss of -€47 million, before deferred taxes of €6 million, which was recorded by Vivendi as an adjustment of Lagardère's opening balance sheet as of November 30, 2023, whereas it was recorded as an expense in Lagardère's consolidated statement of earnings for December 2023.

c) **Date of acquisition of Prisma Media**: for the year ended December 31, 2021, Prisma Media was fully consolidated in Louis Hachette Group's combined financial statements over the seven-month period from June 1, 2021. Thus Prisma Media's earnings for the five-month period from January 1 to May 31, 2021 (Revenues of €115 million; EBIT of €10 million; Net income of €6 million) were included in the pro forma unaudited statement of earnings for the year ended December 31, 2021.

d) **Non-controlling interests**:

- on the basis of Vivendi's 59.80% shareholding in Lagardère as of December 31, 2023, the non-controlling interests applicable to earnings attributable to Lagardère for the years ended December 31, 2023, 2022 and 2021, were recognized (-€58 million, -€65 million, €41 million respectively); and
- the same methodology applies to non-controlling interests relating to other adjustments to the pro forma unaudited statement of earnings for the years ended December 31, 2023, 2022 and 2021 (€36 million, €20 million, €20 million respectively), which correspond to the impact of the purchase price allocation.

14.3.2.7. Explanatory notes for the half-years ended June 30, 2024 and 2023

	Six months ended June 30, 2024			
(in millions of euros)	**Prisma Media** (reported data) **(Note 1)**	**Lagardère** (reported data) **(Note 2)**	**Reclassifications, eliminations and adjustments** **(Note 3)**	**Louis Hachette Group Pro forma** (unaudited)
Revenues	**147**	**4,193**	**-**	**4,340**
Cost of revenues, selling, general and administrative expenses	(139)	(4,082)	6	(4,215)
Restructuring charges	-	(14)	-	(14)
Impairment losses on intangible assets acquired through business combinations	-	-	-	-
Income from equity affiliates - operational	-	3	-	3
Impact of IFRS 16 for concession agreements	-	24	-	24
Earnings before interest and income taxes (EBIT)	**8**	**124**	**6**	**138**
Interest	1	(61)	-	(60)
Income from investments	-	-	-	-
Other financial income	1	-	-	1
Interest expenses on lease liabilities	-	(53)	-	(53)
Other financial charges	-	(12)	-	(12)
	2	***(126)***	***-***	***(124)***
Earnings before provision for income taxes	**10**	**(2)**	**6**	**14**
Provision for income taxes	(4)	(37)	(2)	(43)
Earnings from continuing operations	**6**	**(39)**	**4**	**(29)**
Earnings from discontinued operations	-	-		-
Earnings	**6**	**(39)**	**4**	**(29)**
Of which				
Earnings attributable to shareowners	6	(38)	2	(30)
Earnings attributable to non-controlling interests	-	(1)	2	1

	Six months ended June 30, 2023			
(in millions of euros)	**Prisma Media** (reported data) **(Note 1)**	**Lagardère** (reported data) **(Note 2)**	**Reclassifications, eliminations and adjustments** **(Note 3)**	**Louis Hachette Group pro forma** (unaudited)
Revenues	**153**	**3,701**	**-**	**3,854**
Cost of revenues, selling, general and administrative expenses	(138)	(3,621)	(38)	(3,797)
Restructuring charges	1	(14)	4	(9)
Impairment losses on intangible assets acquired through business combinations	-	-	-	-
Income from equity affiliates - operational	-	(5)	-	(5)
Impact of IFRS 16 for concession agreements	-	118	(95)	23
Earnings before interest and income taxes (EBIT)	**16**	**179**	**(129)**	**66**
Interest	-	(36)	-	(36)
Income from investments	-	3	-	3
Other financial income	-	6	4	10
Interest expenses on lease liabilities	-	(40)	-	(40)
Other financial charges	-	(11)	(4)	(15)
	-	***(78)***	***-***	***(78)***
Earnings before provision for income taxes	**16**	**101**	**(129)**	**(12)**
Provision for income taxes	(4)	(40)	22	(22)
Earnings from continuing operations	**12**	**61**	**(107)**	**(34)**
Earnings from discontinued operations	-	-	-	-
Earnings	**12**	**61**	**(107)**	**(34)**
Of which				
Earnings attributable to shareowners	12	45	(83)	(26)
Earnings attributable to non-controlling interests	-	16	(24)	(8)

Note 1: Prisma Media data

Prisma Media's data consist in the unaudited combined condensed financial statements of Louis Hachette Group for the half-year ended June 30, 2024, which have been adjusted to reflect the Prisma Media's reported statement of earnings as included in Vivendi's unaudited condensed financial statements for the half-years ended June 30, 2024 and 2023, which were prepared in accordance with IAS 34 - Interim Financial Reporting as endorsed by the European Union and published by the IASB.

The adjustments applied to the unaudited combined statement of earnings of Louis Hachette Group for the half-years ended June 30, 2024 and 2023, consisted in the removals of: (i) the income from Lagardère recognized as Income from equity affiliates – operational for the half-year ended June 30, 2023; and (ii) the interest expenses incurred by Prisma Group SAS for the half-years ended June 30, 2024 and 2023, in relation to the borrowing from Vivendi SE to finance the acquisition of Prisma Media in 2021 and of Digital Prisma Player in 2023.

These unaudited combined condensed financial statements of Louis Hachette Group for the half-year ended June 30, 2024, which have been prepared in accordance with IAS 34 - Interim Financial Reporting as endorsed in the European Union (EU) and published by the International Accounting Standards Board (IASB), have been reviewed by Deloitte & Associés and are included, along with their limited review report, elsewhere in this Information Document.

Note 2: Lagardère data

Lagardère's data consist of the Lagardère's unaudited condensed statement of earnings, as included in Lagardère's unaudited condensed financial statements for the half-years ended June 30, 2024 and 2023 (and, in particular, its condensed statement of earnings) for the half-years ended June 30, 2024 and 2023, which were prepared in accordance with IAS 34 - *Interim Financial Reporting* as endorsed by the European Union and published by the IASB. These unaudited condensed financial statements were reviewed by Deloitte & Associés and Mazars and are included, along with their limited review report, in Lagardère's Unaudited Condensed Financial Statements for Half-Year ended June 30, 2024.

Note 3: Reclassifications, eliminations and pro forma adjustments

The reclassifications, eliminations and other adjustments applied in the pro forma condensed statement of earnings are as follows:

a) **Reclassifications**: as the case may be, Lagardère's data have been reclassified to align its presentation with Louis Hachette Group's combined statement of earnings for the half-years ended June 30, 2024 and 2023. The impact of these reclassifications is not significant in the pro forma condensed statement of earnings.

b) **Purchase price allocation**: work to allocate the acquisition price of Lagardère by Vivendi in accordance with IFRS 3 began in the first half of 2024 and was accounted for retrospectively on December 1, 2023 in the audited combined financial statements of Louis Hachette Group for the year ended December 31, 2023. The related impacts in the combined statement of earnings have been included in the pro forma unaudited condensed statement of earnings for the half-years ended June 30, 2024 and 2023 as if the acquisition date were January 1, 2021:
- for the half-years ended June 30, 2024 and 2023: inclusion of an amortization expense of €6 million and -€34 million respectively, before deferred taxes of -€2 million and €9 million respectively, related to the revaluation of tangible and intangible assets in accordance with IFRS 3; and
- for the half-year ended June 30, 2023: elimination of a gain of €95 million, before deferred taxes of -€13 million, on leases related to IFRS 16.

c) **Non-controlling interests**:
- on the basis of Vivendi's shareholding in Lagardère as of June 30, 2023, the non-controlling interests applicable to earnings attributable to Lagardère for the half-year ended June 30, 2023, were recognized (-€18 million); and
- the same methodology applies to non-controlling interests relating to other adjustments to the pro forma condensed statement of earnings for the half-year ended June 30, 2023 (€42 million), which correspond to the impact of the purchase price allocation.

14.3.2.8 Pro forma unaudited segment data: Key Performance Indicators by Business Segment

The information about Lagardère businesses relates to the Note "Segment information" included in the Lagardère's audited consolidated financial statements for the years ended December 31, 2023, 2022 and 2021 and in the Lagardère's unaudited condensed financial statements for the half-years ended June 30, 2024 and 2023, respectively.

The information about Prisma Media's business relates to the Note "Segment data" included in the audited combined financial statements of Louis Hachette Group for the years ended December 31, 2023, 2022 and 2021 and in the unaudited combined condensed financial statements of Louis Hachette Group for the half-years ended June 30, 2024 and 2023, respectively.

(in millions of euros)	Lagardère Publishing	Lagardère Travel Retail	Other Lagardère activities	**Lagardère**	Prisma Media	**Louis Hachette Group Pro forma** (unaudited)
Year ended December 31, 2023						
Revenues	2,809	5,018	254	**8,081**	309	**8,390**
Recurring EBIT*	301	245	(26)	520	na	na
EBITA**	266	240	(44)	**462**	28	**490**
Year ended December 31, 2022						
Revenues	2,748	3,927	254	**6,929**	320	**7,249**
Recurring EBIT*	302	136	-	438	na	na
EBITA**	303	143	(23)	**423**	31	**454**
Year ended December 31, 2021						
Revenues	2,598	2,290	242	**5,130**	309	**5,439**
Recurring EBIT*	351	(81)	(21)	249	na	na
EBITA**	349	(94)	(54)	**201**	30	**231**

(in millions of euros)	Lagardère Publishing	Lagardère Travel Retail	Other Lagardère activities	**Lagardère**	Prisma Media	**Louis Hachette Group Pro forma** (unaudited)
Six months ended June 30, 2024						
Revenues	1,309	2,748	136	**4,193**	147	**4,340**
Recurring EBIT*	113	109	(10)	212	na	na
EBITA**	104	116	(19)	**201**	9	**210**
Six months ended June 30, 2023						
Revenues	1,247	2,329	125	**3,701**	153	**3,854**
Recurring EBIT*	65	92	(16)	141	na	na
EBITA**	46	85	(16)	**115**	17	**132**

** Recurring EBIT (Resop), a non-GAAP measure used by Lagardère, includes recurring operating profit of fully consolidated companies, used as a performance indicator.*
*** Non-GAAP measure.*

na: not applicable.

14.3.3 Illustrative unaudited financial information of Louis Hachette Group

ILLUSTRATIVE UNAUDITED FINANCIAL INFORMATION OF LOUIS HACHETTE GROUP, i.e., THE COMBINATION OF LAGARDÈRE AND PRISMA MEDIA, FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021 AND FOR THE HALF-YEARS ENDED JUNE 30, 2024 AND 2023

Preliminary comment:

Illustrative unaudited financial information of Louis Hachette Group, i.e., the combination of Lagardère and Prisma Media, is not an integral part of the audited combined financial statements for the years ended December 31, 2023, 2022 and 2021, as well as of the unaudited combined financial statements for the half-years ended June 30, 2024 and 2023.

14.3.3.1. Introduction

On behalf of Louis Hachette Group, Vivendi prepared the illustrative unaudited combined statement of cash-flows for the years ended December 31, 2023, 2022 and 2021 and for the half-years ended June 30, 2024 and 2023, as well as the related explanatory notes (together, " illustrative unaudited financial information").

The purpose of the illustrative unaudited financial information is to present a combined Lagardère and Prisma Group statement of cash flows for the years ended December 31, 2023, 2022 and 2021 and for the half-years ended June 30, 2024 and 2023, as if the acquisitions of Prisma Media and Lagardère (and their full consolidation) had occurred as from January 1, 2021.

Illustrative unaudited financial information is illustrative and reflects a hypothetical situation. It is not representative of what Louis Hachette Group's combined statement of cash flows would have been had Prisma Media and Lagardère been fully consolidated from January 1, 2021, nor is it an indication of Louis Hachette Group's future cash flows.

On October 21, 2024, the Management Board of Vivendi SE approved these illustrative unaudited financial information of Louis Hachette Group, and granted power to two of its members to approve such information. On October 25, 2024, illustrative unaudited financial information of Louis Hachette Group were approved by those members of Vivendi's Management Board.

14.3.3.2. Combination of Lagardère and Prisma Media

Please refer to Section 14.3.2 of the pro forma unaudided financial information of Louis Hachette Group for the years ended December 31, 2023, 2022 and 2021 and for the half-years ended June 30, 2024 and 2023.

14.3.3.3. Illustrative unaudited financial information

Louis Hachette Group Illustrative Unaudited Statement of Cash Flows

	Year ended December 31,		
(in millions of euros)	**2023 Illustrative** (unaudited)	**2022 Illustrative** (unaudited)	**2021 Illustrative** (unaudited)
Operating activities			
Gross cash provided by operating activities before income tax paid	***1,095***	***874***	***598***
Other changes in net working capital	(31)	(67)	280
Net cash provided by operating activities before income tax paid	***1,064***	***807***	***878***
Income tax (paid)/received, net	(82)	(65)	(42)
Net cash provided by operating activities	**982**	**742**	**836**
Investing activities			
Capital expenditures	(272)	(180)	(138)
Purchases of consolidated companies, after acquired cash	(346)	(165)	(269)
Investments in equity affiliates	-	-	-
Increase in financial assets	(44)	(47)	(20)
Investments	***(662)***	***(392)***	***(427)***
Proceeds from sales of property, plant, equipment and intangible assets	3	4	13
Proceeds from sales of consolidated companies, after divested cash	24	19	76
Decrease in financial assets	51	19	5
Divestitures	***78***	***42***	***94***
Dividends received from equity affiliates	6	5	1
Dividends received from unconsolidated companies	-	-	-
Interest received	-	-	-
Net cash provided by/(used for) investing activities	**(578)**	**(345)**	**(332)**
Financing activities			
Other transactions with shareowners	(14)	-	99
Dividends paid by consolidated companies to their non-controlling interests	(230)	(105)	(22)
Transactions with shareowners	***(244)***	***(105)***	***77***
Setting up of long-term borrowings and increase in other long-term financial liabilities	-	93	1,193
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	-	(50)	(1,198)
Principal payment on short-term borrowings	(757)	-	-
Other changes in short-term borrowings and other financial liabilities	767	(13)	(4)
Interest paid, net	(85)	(72)	(73)
Other cash items related to financial activities	(3)	2	(11)
Transactions on borrowings and other financial liabilities	***(78)***	***(40)***	***(93)***
Repayment of lease liabilities and related interest expenses	(462)	(336)	(241)
Net cash provided by/(used for) financing activities	**(784)**	**(481)**	**(257)**
Foreign currency translation adjustments of continuing operations	(3)	(3)	4
Change in cash and cash equivalents	**(383)**	**(87)**	**251**
Cash and cash equivalents			
At beginning of the period	**851**	**938**	**687**
At end of the period	**468**	**851**	**938**

(in millions of euros)	Six months ended June 30, 2024 Illustrative (unaudited)	Six months ended June 30, 2023 Illustrative (unaudited)
Operating activities		
Gross cash provided by operating activities before income tax paid	***579***	***430***
Other changes in net working capital	(128)	(176)
Net cash provided by operating activities before income tax paid	***451***	***254***
Income tax (paid)/received, net	(28)	(25)
Net cash provided by operating activities	**423**	**229**
Investing activities		
Capital expenditures	(124)	(105)
Purchases of consolidated companies, after acquired cash	(28)	(125)
Investments in equity affiliates	(1)	-
Increase in financial assets	(34)	(22)
Investments	***(187)***	***(252)***
Proceeds from sales of property, plant, equipment and intangible assets	1	2
Proceeds from sales of consolidated companies, after divested cash	2	-
Decrease in financial assets	9	9
Divestitures	***12***	***11***
Dividends received from equity affiliates	16	5
Dividends received from unconsolidated companies	-	-
Interest received	-	-
Net cash provided by/(used for) investing activities	***(159)***	**(236)**
Financing activities		
Dividends paid to Vivendi SE	(56)	-
Other transactions with shareowners	(1)	-
Dividends paid by consolidated companies to their non-controlling interests	(73)	(214)
Transactions with shareowners	***(130)***	***(214)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	1,315	-
Principal payment on short-term borrowings	(1,581)	(385)
Other changes in short-term borrowings and other financial liabilities	386	405
Interest paid, net	(60)	(34)
Other cash items related to financial activities	-	-
Transactions on borrowings and other financial liabilities	***60***	***(14)***
Repayment of lease liabilities and related interest expenses	(287)	(208)
Net cash provided by/(used for) financing activities	***(357)***	**(436)**
Foreign currency translation adjustments of continuing operations	(9)	(8)
Change in cash and cash equivalents	**(102)**	**(451)**
Cash and cash equivalents		
At beginning of the period	**468**	**851**
At end of the period	**366**	**400**

14.3.3.4. Basis of preparation of the illustrative unaudited financial information

The illustrative unaudited financial information was prepared based on the following sources:

- Prisma Media's reported statement of cash flows as included in Vivendi's audited consolidated financial statements for the years ended December 31, 2023, 2022 and 2021, which have been prepared in accordance with IFRS standards as adopted by the European Union;
- Lagardère's audited consolidated financial statements (and, in particular, its consolidated statement of cash flows) for the years ended December 31, 2023, 2022 and 2021, which have been prepared in accordance with IFRS standards as adopted by the European Union;
- Prisma Media's reported condensed statement of cash flows as included in Vivendi's unaudited condensed financial statements for the half-years ended June 30, 2024 and 2023, which were prepared in accordance with IAS 34 - *Interim Financial Reporting* as endorsed by the European Union and published by IASB; and
- Lagardère's unaudited condensed financial statements (and, in particular, its condensed statement of cash flows) for the half-years ended June 30, 2024 and 2023, which were prepared in accordance with IAS 34 - *Interim Financial Reporting* as endorsed by the European Union and published by IASB.

The adjustments that have been considered in preparing the illustrative unaudited statement of cash flows are limited to those (i) directly attributable to the combination of Lagardère and Prisma Media, and (ii) that can be reasonably documented at the date of preparation of the illustrative unaudited financial information.

As a reminder, the acquisition of Lagardère by Vivendi on November 21, 2023 triggered the change of control clauses included in Lagardère's bonds and Schuldschein loan documentation, allowing the lenders to request early redemption of the bonds. To facilitate the redemption resulting from the triggering of the change of control clauses, Vivendi entered into a loan agreement with Lagardère for drawing rights up to €1,900 million. Illustrative unaudited financial information does not reflect changes in Lagardère's financing after the date of acquisition by Vivendi.

14.3.3.5. Explanatory notes for the years ended December 31, 2023, 2022 and 2021

	Year ended December 31, 2023			
(in millions of euros)	**Prisma Media** (reported data)	**Lagardère** (reported data)	**Presentation adjustment (Vivendi method)**	**Louis Hachette Group Illustrative** (unaudited)
Operating activities				
Gross cash provided by operating activities before income tax paid	***31***	***1,070***	***(6)***	***1,095***
Other changes in net working capital	(11)	(20)	-	(31)
Net cash provided by operating activities before income tax paid	***20***	***1,050***	***(6)***	***1,064***
Income tax (paid)/received, net	(12)	(70)	-	(82)
Net cash provided by operating activities	**8**	**980**	**(6)**	**982**
Investing activities				
Capital expenditures	(3)	(269)	-	(272)
Purchases of consolidated companies, after acquired cash	(5)	(341)	-	(346)
Investments in equity affiliates	-	-	-	-
Increase in financial assets	(2)	(42)	-	(44)
Investments	***(10)***	***(652)***	***-***	***(662)***
Proceeds from sales of property, plant, equipment and intangible assets	-	3	-	3
Proceeds from sales of consolidated companies, after divested cash	-	24	-	24
Decrease in financial assets	41	10	-	51
Divestitures	***41***	***37***	***-***	***78***
Dividends received from equity affiliates	-	-	6	6
Dividends received from unconsolidated companies	-	-	-	-
Interest received	-	14	(14)	-
Net cash provided by/(used for) investing activities	**31**	**(601)**	**(8)**	**(578)**
Financing activities				
Other transactions with shareowners	-	(14)	-	(14)
Dividends paid by consolidated companies to their non-controlling interests	-	(230)	-	(230)
Transactions with shareowners	***-***	***(244)***	***-***	***(244)***
Principal payment on short-term borrowings	-	(757)	-	(757)
Other changes in short-term borrowings and other financial liabilities	(30)	810	(13)	767
Interest paid, net	1	(100)	14	(85)
Other cash items related to financial activities	-	(3)	-	(3)
Transactions on borrowings and other financial liabilities	***(29)***	***(50)***	***1***	***(78)***
Repayment of lease liabilities and related interest expenses	(9)	(453)	-	(462)
Net cash provided by/(used for) financing activities	**(38)**	**(747)**	**1**	**(784)**
Foreign currency translation adjustments of continuing operations	-	7	(10)	(3)
Change in cash and cash equivalents	**1**	**(361)**	**(23)**	**(383)**
Cash and cash equivalents				
At beginning of the period	**-**	**746**	**105**	**851**
At end of the period	**1**	**385**	**82**	**468**

(in millions of euros)	Prisma Media (reported data)	Lagardère (reported data)	Presentation adjustment (Vivendi method)	Louis Hachette Group Illustrative (unaudited)
	Year ended December 31, 2022			
Operating activities				
Gross cash provided by operating activities before income tax paid	***21***	***858***	***(5)***	***874***
Other changes in net working capital	12	(79)	-	(67)
Net cash provided by operating activities before income tax paid	***33***	***779***	***(5)***	***807***
Income tax (paid)/received, net	(8)	(57)	-	(65)
Net cash provided by operating activities	**25**	**722**	**(5)**	**742**
Investing activities				
Capital expenditures	(3)	(177)	-	(180)
Purchases of consolidated companies, after acquired cash	-	(165)	-	(165)
Investments in equity affiliates	-	-	-	-
Increase in financial assets	(2)	(45)	-	(47)
Investments	***(5)***	***(387)***	***-***	***(392)***
Proceeds from sales of property, plant, equipment and intangible assets	-	4	-	4
Proceeds from sales of consolidated companies, after divested cash	-	19	-	19
Decrease in financial assets	-	19	-	19
Divestitures	**-**	**42**	**-**	**42**
Dividends received from equity affiliates	-	-	5	5
Dividends received from unconsolidated companies	-	-	-	-
Interest received	-	7	(7)	-
Net cash provided by/(used for) investing activities	***(5)***	***(338)***	***(2)***	***(345)***
Financing activities				
Other transactions with shareowners	-	-	-	-
Dividends paid by consolidated companies to their non-controlling interests	-	(105)	-	(105)
Transactions with shareowners	***-***	***(105)***	***-***	***(105)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	-	74	19	93
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	-	(73)	23	(50)
Other changes in short-term borrowings and other financial liabilities	(13)	-	-	(13)
Interest paid, net	-	(79)	7	(72)
Other cash items related to financial activities	-	2	-	2
Transactions on borrowings and other financial liabilities	***(13)***	***(76)***	***49***	***(40)***
Repayment of lease liabilities and related interest expenses	(8)	(328)	-	(336)
Net cash provided by/(used for) financing activities	**(21)**	**(509)**	**49**	**(481)**
Foreign currency translation adjustments of continuing operations	-	(7)	4	(3)
Change in cash and cash equivalents	**(1)**	**(132)**	**46**	**(87)**
Cash and cash equivalents				
At beginning of the period	**1**	**878**	**59**	**938**
At end of the period	**-**	**746**	**105**	**851**

(in millions of euros)	Prisma Media (reported data)	Lagardère (reported data)	Presentation adjustment (Vivendi method)	Louis Hachette Group Illustrative (unaudited)
	Year ended December 31, 2021			
Operating activities				
Gross cash provided by operating activities before income tax paid	***22***	***577***	***(1)***	***598***
Other changes in net working capital	4	276	-	280
Net cash provided by operating activities before income tax paid	***26***	***853***	***(1)***	***878***
Income tax (paid)/received, net	(4)	(38)	-	(42)
Net cash provided by operating activities	**22**	**815**	**(1)**	**836**
Investing activities				
Capital expenditures	(2)	(136)	-	(138)
Purchases of consolidated companies, after acquired cash	(1)	(259)	(9)	(269)
Investments in equity affiliates	-	-	-	-
Increase in financial assets	-	(20)	-	(20)
Investments	***(3)***	***(415)***	***(9)***	***(427)***
Proceeds from sales of property, plant, equipment and intangible assets	-	13	-	13
Proceeds from sales of consolidated companies, after divested cash	-	76	-	76
Decrease in financial assets	-	5	-	5
Divestitures	***-***	***94***	***-***	***94***
Dividends received from equity affiliates	-	-	1	1
Dividends received from unconsolidated companies	-	-	-	-
Interest received	-	8	(8)	-
Net cash provided by/(used for) investing activities	**(3)**	**(313)**	**(16)**	**(332)**
Financing activities				
Other transactions with shareowners	-	99	-	99
Dividends paid by consolidated companies to their non-controlling interests	-	(22)	-	(22)
Transactions with shareowners	***-***	***77***	***-***	***77***
Setting up of long-term borrowings and increase in other long-term financial liabilities	-	1,193	-	1,193
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	-	(1,161)	(37)	(1,198)
Other changes in short-term borrowings and other financial liabilities	(12)	-	9	(4)
Interest paid, net	-	(81)	8	(73)
Other cash items related to financial activities	-	(9)	(2)	(11)
Transactions on borrowings and other financial liabilities	***(12)***	***(58)***	***(22)***	***(93)***
Repayment of lease liabilities and related interest expenses	(5)	(236)	-	(241)
Net cash provided by/(used for) financing activities	**(17)**	**(217)**	**(22)**	**(257)**
Foreign currency translation adjustments of continuing operations	-	(12)	16	4
Change in cash and cash equivalents	**1**	**273**	**(23)**	**251**
Cash and cash equivalents				
At beginning of the period	**-**	**605**	**82**	**687**
At end of the period	**1**	**878**	**59**	**938**

Note 1: Prisma Media data

Prisma Media's data consist of the reported statement of cash flows, as included in Vivendi's audited consolidated financial statements for the years ended December 31, 2023, 2022 and 2021, which have been prepared in accordance with IFRS standards as adopted by the EU. These consolidated financial statements were audited by Deloitte & Associés and Ernst & Young and Other and are included, along with their audit reports, in Chapter 5 of Vivendi's 2023, 2022 and 2021 Universal Registration Document (URD).

Note 2: Lagardère data

Lagardère's data consist of the Lagardère's audited consolidated statement of cash flows, as included in Lagardère's audited consolidated financial statements (and, in particular, its consolidated statement of cash flows) for the years ended December 31, 2023, 2022 and 2021, which have been prepared under IFRS as adopted by the EU. These consolidated financial statements were audited by Deloitte & Associés and Mazars for the year ended December 31, 2023 and by Ernst & Young et Autre and Mazars for the years ended December 31, 2022 and 2021 and are included, together with their audit reports, in Lagardère's 2023, 2022 and 2021 Universal Registration Document (URD).

Note 3: Reclassifications, eliminations and illustrative adjustments

The reclassifications, eliminations and other adjustments applied in the illustrative unaudited statement of cash flows are as follows:

a) **Reclassifications:** The reclassifications, eliminations and other adjustments applied in the illustrative unaudited statement of cash flows primarily relate to the different classification of bank overdrafts, which are classified as short-term borrowings by Vivendi and as a deduction from cash and cash equivalents by Lagardère. The Bank overdrafts classification was aligned with Vivendi's for the years ended December 31, 2023, 2022 and 2021 (€82 million, €105 million, €59 million respectively), together with their respective impacts on cash flows;

b) **Date of acquisition of Prisma Media**: for the year ended December 31, 2021, Vivendi has fully consolidated Prisma Media over the seven-month period from June 1; Prisma Media's cash-flows for the five-month period from January 1 to May 31, 2021 (Investing activities: Purchases of consolidated companies, after acquired cash -€9 million; Financing activities: Other changes in short-term borrowings and other financial liabilities €9 million) were included in the illustrative unaudited statement of cash flows for the year ended December 31, 2021.

14.3.3.6. Explanatory notes for the half-years ended June 30, 2024 and 2023

	Six months ended June 30, 2024			
(in millions of euros)	**Prisma Media** (reported data)	**Lagardère** (reported data)	**Presentation adjustment** (Vivendi method)	**Louis Hachette Group Illustrative** (unaudited)
Operating activities				
Gross cash provided by operating activities before income tax paid	***13***	***566***	***-***	***579***
Other changes in net working capital	(7)	(121)	-	(128)
Net cash provided by operating activities before income tax paid	***6***	***445***	***-***	***451***
Income tax (paid)/received, net	(8)	(20)	-	(28)
Net cash provided by operating activities	**(2)**	**425**	**-**	**423**
Investing activities				
Capital expenditures	(1)	(123)	-	(124)
Purchases of consolidated companies, after acquired cash	-	(28)	-	(28)
Investments in equity affiliates	-	(1)	-	(1)
Increase in financial assets	(10)	(24)	-	(34)
Investments	***(11)***	***(176)***	***-***	***(187)***
Proceeds from sales of property, plant, equipment and intangible assets	-	1	-	1
Proceeds from sales of consolidated companies, after divested cash	-	2	-	2
Decrease in financial assets	-	9	-	9
Divestitures	***-***	***12***	***-***	***12***
Dividends received from equity affiliates	-	16		16
Dividends received from unconsolidated companies	-	-	-	-
Interest received	-	-		-
Net cash provided by/(used for) investing activities	**(11)**	**(148)**	**-**	**(159)**
Financing activities				
Dividends paid to Vivendi SE	-	(56)	-	(56)
Other transactions with shareowners	-	(1)	-	(1)
Dividends paid by consolidated companies to their non-controlling interests	-	(73)	-	(73)
Transactions with shareowners	***-***	***(130)***	***-***	***(130)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	-	1,315	-	1,315
Principal payment on short-term borrowings	-	(1,581)	-	(1,581)
Other changes in short-term borrowings and other financial liabilities	17	369	-	386
Interest paid, net	1	(61)	-	(60)
Other cash items related to financial activities	-	-	-	-
Transactions on borrowings and other financial liabilities	***18***	***42***	***-***	***60***
Repayment of lease liabilities and related interest expenses	(5)	(282)	-	(287)
Net cash provided by/(used for) financing activities	**13**	**(370)**	**-**	**(357)**
Foreign currency translation adjustments of continuing operations	-	(9)	-	(9)
Change in cash and cash equivalents	**-**	**(102)**	**-**	**(102)**
Cash and cash equivalents				
At beginning of the period	**1**	**467**	**-**	**468**
At end of the period	**1**	**365**	**-**	**366**

(in millions of euros)	Prisma Media (reported data)	Lagardère (reported data)	Presentation adjustment (Vivendi method)	Louis Hachette Group Illustrative (unaudited)
	Six months ended June 30, 2023			
Operating activities				
Gross cash provided by operating activities before income tax paid	***19***	***416***	***(5)***	***430***
Other changes in net working capital	(7)	(169)	-	(176)
Net cash provided by operating activities before income tax paid	***12***	***247***	***(5)***	***254***
Income tax (paid)/received, net	4	(29)	-	(25)
Net cash provided by operating activities	**16**	**218**	**(5)**	**229**
Investing activities				
Capital expenditures	(1)	(104)	-	(105)
Purchases of consolidated companies, after acquired cash	(1)	(124)	-	(125)
Investments in equity affiliates	-	-	-	-
Increase in financial assets	-	(22)	-	(22)
Investments	***(2)***	***(250)***	***-***	***(252)***
Proceeds from sales of property, plant, equipment and intangible assets	-	2	-	2
Proceeds from sales of consolidated companies, after divested cash	-	-	-	-
Decrease in financial assets	-	9	-	9
Divestitures	***-***	***11***	***-***	***11***
Dividends received from equity affiliates	-	-	5	5
Dividends received from unconsolidated companies	-	-	-	-
Interest received	-	8	(8)	-
Net cash provided by/(used for) investing activities	**(2)**	**(231)**	**(3)**	**(236)**
Financing activities				
Dividends paid to Vivendi SE	-	-	-	-
Other transactions with shareowners	-	-	-	-
Dividends paid by consolidated companies to their non-controlling interests	-	(214)	-	(214)
Transactions with shareowners	***-***	***(214)***	***-***	***(214)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	-	-	-	-
Principal payment on short-term borrowings	-	(385)	-	(385)
Other changes in short-term borrowings and other financial liabilities	(10)	428	(13)	405
Interest paid, net	-	(42)	8	(34)
Other cash items related to financial activities	-	-	-	-
Transactions on borrowings and other financial liabilities	***(10)***	***1***	***(5)***	***(14)***
Repayment of lease liabilities and related interest expenses	(4)	(204)	-	(208)
Net cash provided by/(used for) financing activities	**(14)**	**(417)**	**(5)**	**(436)**
Foreign currency translation adjustments of continuing operations	-	2	(10)	(8)
Change in cash and cash equivalents	**-**	**(428)**	**(23)**	**(451)**
Cash and cash equivalents				
At beginning of the period	**-**	**746**	**105**	**851**
At end of the period	**-**	**318**	**82**	**400**

Note 1: Prisma Media data

Prisma Media's data consist of the reported unaudited condensed statement of cash flows, as included in Vivendi's unaudited condensed financial statements for the half-years ended June 30, 2024 and 2023, which were prepared in accordance with IAS 34 - *Interim Financial Reporting* as endorsed by the European Union and published by the IASB. These unaudited condensed financial statements were reviewed by Deloitte & Associés and Grant Thornton and are included, along with their review report, in Vivendi's Unaudited Condensed Financial Statements for Half-Year ended June 30, 2024.

Note 2: Lagardère data

Lagardère's data consist of the Lagardère's unaudited condensed statement of cash flows, as included in Lagardère's unaudited condensed financial statements for the half-years ended June 30, 2024 and 2023 (and, in particular, its condensed statement of cash flows) for the half-years ended June 30, 2024 and 2023, which were prepared in accordance with IAS 34 - *Interim Financial Reporting* as endorsed by the European Union and published by the IASB. These unaudited condensed financial statements were reviewed by Deloitte & Associés and Mazars and are included, along with their review report, in Lagardère's Unaudited Condensed Financial Statements for Half-Year ended June 30, 2024.

Note 3: Reclassifications, eliminations and adjustments

The reclassifications, eliminations and other adjustments applied in the illustrative condensed statement of cash flows are as follows:

a) **Reclassifications:** The reclassifications, eliminations and other adjustments applied in the illustrative condensed statement of cash flows primarily relate to the different classification of bank overdrafts, which are classified as short-term borrowings by Vivendi and as a deduction from cash and cash equivalents by Lagardère. The bank overdrafts classification was aligned with Vivendi's for the half-year ended June 30, 2023 (€82 million), together with their respective impacts on cash flows.

14.4 Key Performance Indicators

See Part B, Section 7.3, "*Alternative performance measures*".

14.5 Dividend policy

As the Company is a holding company without material direct business operations, it did not distribute any dividends in the years ended December 31, 2021, 2022 or 2023.

Following the completion of the Louis Hachette Group Partial Demerger, the Company's objective is to maximize value creation for its shareholders by gradually deleveraging the Lagardère Group and implementing steady dividend distributions to shareholders, while preserving the ability of the Group to pursue growth opportunities in line with its strategic objectives, in each case, subject to its liquidity needs, the decision of the Board and the approval of the Company's shareholders.

14.6 Legal and arbitration proceedings

The Group is involved in various legal proceedings involving the Lagardère Group and the Prisma Media Group, and subject to investigations, inspections, audits, inquiries and similar actions by governmental authorities, arising in the ordinary course of its business. The types of allegations that arise in connection with such legal proceedings vary in nature, but can include claims related to contract, employment, tax and intellectual property matters. The Group assesses all ongoing proceedings in connection with each reporting period and records provisions for resulting losses that the Group determines are reasonably quantifiable and probable. In certain cases, the Group cannot reasonably estimate the potential loss because, for example, the proceedings are at an early stage.

Except as described in this Section 14.6, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past, a significant effect on the Company's or the Group's financial position or profitability. Although the stakes involved in the legal proceedings described below can be high, the Group does not anticipate that any potential related liabilities will in the aggregate be material to its activities or to its consolidated financial position.

A summary of certain legal proceedings is provided below. Please also see Note 26, "*Litigation*" to the Combined Financial Statements and Note 18, "*Litigation*" to the Unaudited Interim Combined Financial Statements.

14.6.1 Spanish competition investigation – Lagardère Publishing

Following a complaint filed by a publisher, the Spanish competition authority (CNMC) carried out searches at the premises of the ANELE (the school textbook publishers' trade association) and three publishers (including Anaya, a Lagardère Publishing company) and subsequently launched a sanction procedure in October 2017.

On May 30, 2019, the CNMC issued its ruling, which followed the recommendation of its investigating officers, and ordered Anaya and a number of its subsidiaries to pay total damages of approximately EUR 8 million for:

- discussions held between publishers – with a view to promoting ethical behavior and ensuring buyers' independence – about providing for a special clause in an ANELE Code of Conduct that limits the bonuses and gifts offered by publishers to the buyers' organizations when those organizations order textbooks; and

- discussions between publishers about the terms and conditions for selling digital versions of textbooks when negotiations are carried out with certain regions.

Anaya has filed an appeal against this decision with the Spanish national court (Audiencia Nacional), which had the effect of suspending payment of the fine. A decision is expected in 2024.

14.6.2 Tax reassessments – LS Travel Retail Italia

In December 2019, LS Travel Retail Italia received a “Report of Verification” (tax reassessment notice) relating to fiscal year 2016.

The notice disputes the tax deductibility of notional interest on equity at the time of the EUR 230 million capital increase carried out upon the acquisition of the company. The tax inspection has been extended to cover fiscal years 2014 to 2018. The total amount in dispute for the five years (2014 to 2018) and subsequent fiscal years (2019–2023), in the event of an extension of the tax inspection to these five additional years, is estimated at EUR 24.24 million, including taxes and penalties. LS Travel Retail Italia is contesting the tax reassessment, considering the arguments put forward by the Italian tax authorities to be legally unfounded.

Three first instance decisions were handed down in favor of LS Travel Retail Italia on March 28, 2023, April 30, 2024, and September 20, 2024 in respect of the 2016, 2017 and 2014 fiscal years, respectively. An appeal has been lodged by the Italian tax authorities against the decision relating to the 2016 fiscal year. No appeal has yet been lodged against the decision relating to the 2017 and 2014 fiscal years.

On July 11, 2024, the Tax Agency of Venice issued the notice of assessment for the fiscal year 2018. LS Travel Retail Italia has lodged an appeal before the competent Court.

14.6.3 Arbitration against former Lebanese partner – Lagardère Travel Retail

Between the end of 2016 and early 2017, Lagardère Travel Retail, Monla Group SAL Holding (“Monla”) and Chalhoub Group Limited (“Chalhoub”) began talks regarding a potential joint response to a request for proposals for a duty free concession at Beirut airport.

On May 10, 2017, Monla filed an arbitration claim against Lagardère Travel Retail and Chalhoub with the International Chamber of Commerce, asserting wrongful behavior in the conduct and suspension of their three-party discussions. Monla was seeking damages (plus miscellaneous expenses) from the respondents for the alleged harm caused, in particular to its image, and for loss of opportunity.

The decision handed down by the arbitration tribunal at the end of December 2019 dismissed all of Monla’s claims and ordered it to repay the costs incurred by LTR and Chalhoub in the arbitration.

Lagardère Travel Retail has initiated proceedings to enforce the decision, which Monla has tried to resist. Lagardère Travel Retail considers that Monla can no longer lodge an action for annulment of this decision in view of the time that has elapsed. Lagardère Travel Retail obtained an exequatur order (a judicial decision authorizing the enforcement of a decision handed down by a foreign court or arbitration tribunal) in Lebanon.

Monla lodged an appeal against this order on April 12, 2021, which was dismissed on January 9, 2024 by the Beirut Court of Appeal. LTR notified Monla of this decision on January 23, 2024. Monla filed an appeal against the decision of the Beirut Court of Appeal on March 21, 2024 with the Court of Cassation. The appeal was dismissed on August 14, 2024 by the Court of Cassation. Therefore, the exequatur order is now final.

14.6.4 U.S. cyberattack class action – The Paradies Shops (Lagardère Travel Retail)

The Paradies Shops was the victim of a cyberattack on its computer servers in October 2020, which resulted in the possible breach of the personal data of tens of thousands of individuals, consisting mostly of current and former employees. Following exhaustive analysis of the potential affected parties, those individuals whose data have been potentially compromised were notified and offered lengthy credit monitoring services. Notwithstanding the remedial services offered, one of the potentially affected individuals involved initiated a class action filed in the United States in July 2021. The Paradies Shops filed a motion to dismiss the class action, which was granted by the judge in August 2022. The plaintiff has appealed this decision.

In June 2023, the appellate courts dismissed one count alleged against Paradies (breach of contract) but remanded the remaining count (negligence) back to the lower court for further adjudication. Since then, the parties have been engaged in discovery, which has been suspended pending the outcome of settlement discussions between the parties. Subsequently, Lagardère SA, as policyholder of the Lagardère Group's cyber insurance policy, has received confirmation that the full amount of the compensation to be paid by The Paradies Shops to the class members under the negotiated settlement would be covered by the insurance carriers. On September 16, 2024, the plaintiff filed a motion before the competent court for preliminary approval of the settlement. Final court approval of the settlement is expected in early 2025.

14.6.5 French photographer litigation – Lagardère Group

Disputes are in process with freelance and salaried photographers who contributed to magazines published by Lagardère Group. Most of these disputes concern returns of analogue photographic archives and retaining photographs, as well as the resulting operating losses.

Two of these cases concern part of the photographic archives of Paris Match. As Lagardère SA sold Paris Match to the LVMH group on October 1, 2024, the costs and financial consequences of these cases for Paris Match will be covered by a specific indemnity commitment from Lagardère, in accordance with usual practice in such transactions.

In another case, the plaintiffs appealed to the French Court of Cassation on February 20, 2023 against an unfavorable appeal ruling.

Although the proceedings have so far been favorable to the Lagardère Group, they are still ongoing.

14.6.6 WSG India and WSG Mauritius/Indian Premier League dispute – Lagardère Group

This matter relates to an ongoing dispute in the sport industry that continues to be managed by the Lagardère Group, despite the sale of the Sports division to H.I.G. Capital in 2021, since WSG India and WSG Mauritius were not part of the scope sold to H.I.G. Capital and remained Lagardère Group companies.

In 2007, the Board of Control for Cricket in India (BCCI) launched a call for tenders for the worldwide rights to its new cricket competition, the Indian Premier League (IPL), until 2017. WSG India—which became a subsidiary of Lagardère Sports and Entertainment in May 2008 – was awarded most of these rights in early 2008, with the remainder awarded to an unrelated operator, MSM. A global reorganization of the distribution of these rights took place in March 2009 at the initiative of the BCCI. In the context of the negotiations, the BCCI granted to WSG India the IPL rights worldwide, excluding the Indian subcontinent, for the period from 2009 to 2017.

In June 2010, the BCCI terminated the 2009/2017 contract to market IPL rights worldwide, excluding the Indian subcontinent, and WSG India immediately began proceedings in order to preserve its rights.

In spring 2011, the Indian Supreme Court took a series of interim measures that – without calling into question the marketing already carried out by WSG India and without prejudging the substance of the case – temporarily granted the BCCI, under the supervision of the Court and pending the final ruling, media rights to the IPL outside the Indian subcontinent that are not already marketed by WSG India, as well as recovery of the amounts owed by the broadcasters and held in escrow. An arbitration award was handed down on July 13, 2020 in respect of the proceedings on the merits of the case, dismissing WSG India's compensation claim. Based on this award, the BCCI recovered the amounts held in escrow.

WSG India has filed an appeal for annulment of the award on the grounds that it has no legal basis, and has applied to the competent Indian courts to have the sums concerned taken back into escrow.

On March 16, 2022, the Bombay High Court issued a ruling granting WSG India's application to set aside the arbitration award handed down on July 13, 2020. BCCI has appealed these awards and the proceedings are still ongoing.

On October 13, 2010, the BCCI filed a criminal complaint with the Chennai police authorities in India against seven individuals, including the former President of the IPL and four former managers of WSG India, alleging breaches of the Indian criminal code in connection with the attribution to WSG India in March 2009 of certain IPL media rights for the 2009–2017 seasons. WSG India is not aware of any progress in this investigation since 2010.

After the Indian tax authorities' inspection of WSG India's operations, a tax reassessment notice was brought before the courts. WSG India was ordered to make a deposit for part of the theoretical amount of the adjustment. Following appeal decisions in favor of WSG India in 2023 and the subsequent refunds obtained amounting to almost EUR 2.6 million, the Indian tax authorities lodged an appeal with the Supreme Court. The financial risk represents approximately EUR 13.5 million (euro amounts calculated using the INR exchange rate as at December 31, 2023).

Lastly, as part of an investigation by the Indian authorities into money-laundering allegations concerning the former managers of the BCCI and its commercial partners in the IPL, on May 24, 2016, WSG Mauritius received a notification from Mauritius' Attorney General requesting it to provide certain documents. The hearings before the Attorney General took place in July 2016. WSG India's managers have since received requests for information and documentation, to which WSG India has responded.

14.6.7 Action from SAS PRD Percier Réalisation et Développement against Hachette Livre SA – Lagardère Group

On December 22, 2023, Hachette Livre informed Percier Réalisation et Développement SAS ("**PRD**") that Hachette Livre was suspending its project to build a new logistics warehouse in Germainville (France), which had been entrusted to PRD under a lease-off plan (*bail en l'état futur d'achèvement* (BEFA)) entered into in April 2023, subject to certain conditions precedent.

On March 21, 2024, PRD filed a lawsuit against Hachette Livre before the Chartres Commercial Court, seeking an order against PRD for (i) the costs incurred, (ii) the loss of profits suffered by PRD and (iii) the damage to PRD's image and reputation. The Chartres Commercial Court handed down a judgment to discontinue the proceedings on May 29, 2024, duly acknowledging the parties' agreement to submit the dispute to the jurisdiction of the Paris Commercial Court.

The hearing before the Paris Commercial Court is expected to take place in December 2024, with a decision expected in 2025.

14.6.8 Tax reassessment – Lagardère Group

A number of Lagardère Group's companies have received tax reassessment notices, relating to several different fiscal years, as part of the routine tax audits carried out by the French and foreign tax authorities. Provision has been made to take account of the reassessments accepted by the companies and also for the amount estimated as the risk corresponding to disputes over challenged reassessments.

14.6.9 VSD and Georges Ghosn against the Prisma Media Group, Rolf Heinz, Gruner+Jahr Communication and Bertelsmann

On September 12, 2022, VSD and Georges Ghosn, who had acquired VSD from the Prisma Media Group in 2018, filed a complaint against the Prisma Media Group, Rolf Heinz, Gruner +Jahr and Bertelsmann before the Paris Commercial Court. They are alleged to have breached their pre-contractual obligations of good faith and disclosure during the negotiations and acquisition of VSD and, more specifically, to have provided inaccurate accounting estimates, to have concealed the extent of losses at the date of the sale and to have knowingly concealed the number of journalists likely to exercise their transfer clause. On June 28, 2024, the Paris Commercial Court issued its decision, ordering the Prisma Media Group to pay VSD €100,000 for financial damages resulting from the failure to transfer certain assets, as well as €20,000 under Article 700 of the French *Code de procédure civile*.

14.7 Any significant change in the financial position of the Group

None.

14.8 Cash position and indebtedness as of September 30, 2024

The below tables set out the Group's historical cash position and indebtedness as of September 30, 2024. The Group's historical cash position and indebtedness as of September 30, 2024 is unaudited and derived from the Lagardère Group's and the Prisma Media Group's management accounts as of and for the nine months period ended September 30, 2024.

Investors should read this table in conjunction with the Group's Combined Financial Statements and the Unaudited Interim Combined Financial Statements, as well as the notes thereto, and with Part B, Section 7, "*Operating and Financial Review*" and Section 15.1, "*Share capital and other financial instruments*" of the Information Document.

(in EUR millions)	**September 30, 2024**
Cash and Indebtedness	
A. Cash[(1)]	221
B. Cash equivalents[(2)]	165
C. Other current financial assets[(3)]	17
D. Liquidity (A+B+C)	**404**
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)[(4)]	863
F. Current portion of non-current financial debt	-
G. Current financial indebtedness (E+F)	**863**
H. Net-current financial indebtedness (G-D)	**459**
I. Non-current financial debt (excluding current portion and debt instruments)[(4)]	1,904
J. Debt instruments	2
K. Non-current trade and other payables	-
L. Non-current financial indebtedness (I+J+K)	**1,906**
M. Total financial indebtedness (H+L)[(5)]	**2,366**

(1) "A. Cash" comprises cash and deposits at banks. There is no restriction on the availability of cash.

(2) "B. Cash equivalents" comprises short-term deposits at banks. There is no restriction on the availability of cash equivalents.

(3) "C. Other current financial assets" represents cash balance surpluses under the Prisma Media Group's cash pooling arrangement with Vivendi.

(4) "E. Current financial debt" and "I. Non-current financial debt" include the current portion of borrowings of Lagardère SA (€79 million) and Prisma Media S.A.S. (€212 million) under shareholder loans from Vivendi, and the non-current portion of borrowings of Lagardère SA (€500 million) under shareholder loans from Vivendi. Following the disposition of Paris Match on October 1, 2024, Lagardère SA repaid €72 million of amounts outstanding under one of its shareholder loans with Vivendi. On October 18, 2024, Vivendi's loan to Prisma Media S.A.S. was converted into share capital to an amount of €212 million.

(5) "M. Total financial indebtedness" excludes commitments to purchase non-controlling interests and lease liabilities.

There have been no material changes to the Group's indebtedness since September 30, 2024. See Part B, Section 7.8, "*Financial debt*", Section 7.9, "*Cash position*", Section 7.10, "*Net financial debt*", Section 7.11, "*Off-balance sheet commitments*" and Section 7.12, "*Principal financings*", as well as Note 9, "*Leases*" and Note 15, "*Borrowings and Other Financial Liabilities and Financial Risk Management*" to the Unaudited Interim Combined Financial Statements.

15. ADDITIONAL INFORMATION

15.1 Share capital and other financial instruments

The following paragraphs summarize information concerning the Company's share capital, as of the Listing Date, unless expressly stated otherwise.

15.1.1 Issued capital and breakdown by class of share capital

Immediately following completion of the Louis Hachette Group Partial Demerger, the share capital of the Company will be equal to EUR 198,399,298.80 and comprised of 991,996,494 Louis Hachette Shares.

All of the Louis Hachette Shares will be of the same class.

15.1.2 Shares not representing capital

None.

15.1.3 Treasury shares held by the Issuer, on its behalf or by its subsidiaries

None.

15.1.4 Convertible, exchangeable securities or securities with warrants

None.

15.1.5 Acquisition rights and/or obligations over authorized but unissued capital or an undertaking to increase the capital

None.

15.1.6 Options on share capital of the members of the Group

In the context of Vivendi's takeover of Lagardère SA, Vivendi granted to holders of Lagardère SA shares a total of 31,139,281 rights to sell shares of Lagardère SA to Vivendi, exercisable at a unit price of EUR 24.10 per Lagardère SA share (the "**Lagardère Transfer Rights**"). The exercise period of the Lagardère Transfer Rights was initially open until December 15, 2023 and has been extended to June 15, 2025 pursuant to the authorization of the general meeting of the beneficiaries of Lagardère Transfer Rights held on December 11, 2023.

The Lagardère Transfer Rights will not be transferred by Vivendi to the Company as part of the Louis Hachette Group Partial Demerger and their terms and conditions will remain unchanged. The number of Lagardère Transfer Rights outstanding on October 31, 2024 was 19,109,267.

15.1.7 History of share capital prior to completion of the Louis Hachette Group Partial Demerger

The Company was incorporated by Vivendi on January 14, 2015 as a simplified joint-stock company (*société par actions simplifiée*) under the laws of France with a share capital of EUR 37,000, corresponding to 37,000 fully paid up, issued and outstanding ordinary shares with a nominal value of EUR 1.00 each.

On October 8, 2024, the Company implemented a stock split to reduce the nominal value of the Company's shares from EUR 1.00 to EUR 0.20. Following the stock split, the Company's share capital amounted to EUR 37,000 and was comprised of 185,000 fully paid up, issued and outstanding ordinary shares with a nominal value of EUR 0.20 each.

On October 9, 2024, Vivendi sold one share of the Company to Compagnie Hoche.

15.1.8 Description of any share-based incentive program

For a description of any share-based incentive program in place at the level of the Company or any members of the Group, please see Part B, Section 11.2, "*Share-based incentive programs*".

15.1.9 Ownership reporting thresholds

In accordance with Article 223-15-1 of the AMF's General Regulations (*Règlement général*), any person, acting alone or in concert with other persons, who comes to hold, directly or indirectly, a number of Louis Hachette Shares representing more than fifty percent. (50%) or ninety percent. (90%) of the Company's share capital or voting rights, shall notify the threshold crossing to the AMF before market close on the fourth (4^{th}) trading day following the threshold crossing. This notification shall detail, in particular, the total number of Louis Hachette Shares and voting rights held as well as the total number of securities giving a deferred claim to the share capital of the Company and the potential voting rights attached thereto, in accordance with Articles 223-11 *et seq.* of the AMF's General Regulations. In addition, in accordance with Rule 4.3.2 of the Euronext Growth Markets Rule Book (*Book I: Harmonised rules*), the Company shall make public within five (5) trading days of becoming aware, any situation where a person, acting alone or in concert with other persons, reaches, exceeds or falls below a major holding threshold of fifty percent. (50%) or ninety percent. (90%) of the Company's capital or voting rights.

Furthermore, in accordance with the Articles of Association, any individual or legal entity, acting alone or in concert, who comes to hold or ceases to hold, directly or indirectly, a number of Louis Hachette Shares representing at least 0.5% of the Company's capital or voting rights, or above the threshold of 5% of the capital or voting rights, at least 1% of the Company's capital or voting rights, or any multiple of these percentages, is required to inform the Company by registered letter with acknowledgement of receipt sent to the registered office within four (4) trading days of crossing each of these thresholds, indicating the total number of shares and voting rights held (alone, directly or indirectly, or in concert), as well as (a) the number of securities giving future access to the share capital held and the number of voting rights attached thereto, (b) the securities and voting rights already issued that this person may acquire, by virtue of an agreement or financial instrument, and (c) all the information specified in Article L. 233-7 of the French *Code de commerce*. These disclosure obligations under the Articles of Association cease to apply in the event of a single or joint shareholder holding more than 50% of voting rights, without prejudice to the first paragraph of this Section 15.1.9 of Part B.

The individual or legal entity required to provide the information in accordance with the Articles of Association is required to declare, when crossing such threshold of 10% or 20% of the capital or voting rights, the objectives such person intends to pursue over the next six months. The declaration must specify: how the acquisition will be financed; whether it is acting alone or in concert; whether it intends to stop or continue its purchase of securities of the Company; and whether it intends to acquire control of the Company; the strategy it envisages for the Company and the operations to implement it; its intentions regarding the settlement of the agreements and instruments mentioned in (4) and (4 bis) of Section (I) of Article L. 233-9 of the French *Code de commerce*, if it is a party to such agreements or instruments; any temporary transfer agreement concerning shares and voting rights of the Company; and whether it intends to request its own appointment or that of one or more persons as director of the Company. This declaration must be sent to the Company within five (5) trading days of crossing each of the relevant thresholds. Such information may be published by the Company on its website. In the event of a change of intention within six months of the filing of this declaration, a new declaration must be sent to the Company without delay, and may be published by the Company on its website. This new declaration restarts the six-month period mentioned above.

16. IMPORTANT CONTRACTS

The contracts listed below have been entered into by the Group in the three years immediately preceding publication of the Information Document and are material to the Group (other than those entered into in the ordinary course).

16.1 Acquisition of Paperblanks

On January 14, 2022, Hachette UK signed an agreement to acquire the entire share capital of Paperblanks, a publisher of notebooks, diaries, journals and other premium stationery.

16.2 Acquisition of Creative Table Holdings Ltd.

On April 1, 2022, Lagardère Travel Retail acquired a majority share in Creative Table Holdings Ltd, based in the United Arab Emirates, thereby conferring on Lagardère Travel Retail the control of the company.

Over many years, Creative Table Holdings Ltd has successfully developed a catering offering at Dubai airport, as well as an award-winning portfolio of food and beverage brands (local and healthy concepts), that complements that of Lagardère Travel Retail.

16.3 Tender to operate stores in Paris airports

Following the public consultation launched in November 2021, Lagardère Travel Retail was selected in July 2022 as co-shareholder of Groupe ADP (Paris-Charles de Gaulle and Paris-Orly airports) in the future Extime Duty Free joint venture, which will be responsible for the design, development and operation of nearly 150 Duty Free & Fashion stores in the Paris-Charles de Gaulle and Paris-Orly airports for the next ten years.

16.4 Acquisition of Welbeck Publishing Group

On November 30, 2022, Hachette UK, the UK subsidiary of Lagardère Publishing, acquired the entire share capital of the independent UK publisher Welbeck Publishing Group.

16.5 Acquisition of Marché International

On February 1, 2023, Lagardère Travel Retail acquired 100% of the shares in Marché International AG, the holding company of the Marché group, from Carlton Holding AG. Marché International is a well-established international dining operator in travel and leisure locations.

The acquisition of Marché International, a long-standing and highly recognized brand globally, considerably strengthens Lagardère Travel Retail's portfolio of in-house brands and helps consolidate its network of restaurants across Europe.

16.6 Disposal of Gala

On July 26, 2023, the Prisma Media Group entered into a put option agreement with Groupe Figaro for the full sale of the Gala magazine. The sale closed on November 21, 2023.

16.7 Acquisition of Tastes on the Fly Holdings, Inc.

On November 1, 2023, HDS Retail North America LLC, a subsidiary of Lagardère North America Inc., acquired the entire share capital of Tastes on the Fly Holdings, Inc., part of Paradies Lagardère, the North American division of Lagardère Travel Retail.

This acquisition makes Lagardère Travel Retail the second-largest player in the North American travel retail and dining sector, operating in more than 90 airports and with total annual revenues in excess of USD 1.5 billion.

16.8 Disposal of Paris Match

On May 22, 2024, the Board of Directors of Lagardère SA authorized the signature of a preliminary memorandum of understanding in connection with the contemplated sale of *Paris Match* to the LVMH group, on the basis of an enterprise value of €120,000,000. The sale closed on October 1, 2024.

16.9 Partial Demerger Terms

The Company and Vivendi have prepared partial demerger terms for the Partial Demerger in accordance with the French legal regime applicable to demergers (*apport partiel d'actifs soumis au régime des scissions*) set forth in Articles L. 236-27 *et seq.* of the French *Code de commerce* (the "**Partial Demerger Terms**"). The Partial Demerger Terms set out the main terms and conditions of the Partial Demerger, as described in Part B, Section 18.1.2.2, "*Overview of the Vivendi Spin-Off*", in accordance with French law requirements.

The Board approved the Partial Demerger Terms on October 28, 2024. The Supervisory Board of Vivendi authorized the Management Board of Vivendi to sign the Partial Demerger Terms on behalf of Vivendi on October 28, 2024 and the Management Board of Vivendi approved the Partial Demerger Terms on October 28, 2024. The Partial Demerger Terms were signed by the Company and Vivendi on October 28, 2024. The Partial Demerger Terms were filed with the clerk (*greffe*) of the Commercial Court (*Tribunal de commerce*) of Paris on October 29, 2024.

The Partial Demerger Terms are available on the Company's and Vivendi's corporate websites and the other documents required under French law for purposes of the Partial Demerger are also made available on the Company's and Vivendi's corporate websites and at their corporate offices. In accordance with applicable law, the Partial Demerger Terms and the transactions contemplated thereby will be submitted to the vote of the Shareholders and the Vivendi Shareholders on the date of the Vivendi General Meeting. For additional information, please refer to Part B, Section 18.1.2.2 "*Overview of the Vivendi Spin-Off*".

16.10 Financings

For a description of the Group's material financing arrangements, see Part B, Section 7.12, "*Operating and Financial Review – Principal financings*".

17. OTHER ADDITIONAL INFORMATION FROM THIRD PARTIES, EXPERT STATEMENTS AND INTERNET STATEMENTS

None.

18. OTHER RELEVANT INFORMATION

18.1 The Spin-Off

18.1.1 Overview

As of the date of the Information Document, the Publishing and Travel Retail Businesses are directly or indirectly owned by Vivendi.

On December 13, 2023, Vivendi announced the initiation of a feasibility study in relation to the separation of several entities from the Vivendi Group, including Louis Hachette Group, each of which would become an independent, publicly listed company, operating separately from Vivendi (which shares would remain listed on Euronext Paris). The transactions required to implement this separation are referred to, collectively, as the "**Vivendi Spin-Off**". A description of the Vivendi Spin-Off, including Vivendi's reasons therefor and the conditions thereto, is included in Part B, Section 18.1.2, "*The Vivendi Spin-Off*".

On October 28, 2024, after completion of that feasibility study and the information and consultation process of the relevant employee representative bodies of the Vivendi Group in relation thereto, the Management Board and the Supervisory Board of Vivendi decided to implement the Vivendi Spin-Off and convened the Vivendi General Meeting to approve the Vivendi Spin-Off, including the Louis Hachette Group Partial Demerger, pursuant to which all of the shares held by Vivendi in Lagardère SA as at September 30, 2024 and all of the shares held by Vivendi in Prisma S.A.S. would be contributed to the Company, and the Vivendi Shareholders (excluding Vivendi itself) would receive Louis Hachette Shares issued and allocated directly to them by the Company in consideration for such contribution on a pro rata basis. The Louis Hachette Shares are expected to be admitted to trading on Euronext Growth (Paris), with the first trading day occurring in the days following the Vivendi General Meeting. The Louis Hachette Group Partial Demerger is described in further detail in Part B, Section 18.1.2.3, "*The Louis Hachette Group Partial Demerger*".

If the Vivendi Shareholders approve the Vivendi Spin-Off at the Vivendi General Meeting, each Vivendi Shareholder (excluding Vivendi itself) will receive one (1) ordinary share of Havas, one (1) newly issued ordinary share of Canal+ and one (1) newly issued Louis Hachette Share for each Vivendi Share held by such Vivendi Shareholder, as further described in Part B, Section 18.1.2, "*The Vivendi Spin-Off*". Vivendi Shareholders will continue to own their Vivendi Shares unless they sell or transfer them in the ordinary course.

Completion of the Vivendi Spin-Off is subject to the satisfaction of a number of conditions, including approval by a two-thirds (⅔) majority of the votes cast by the Vivendi Shareholders at the Vivendi General Meeting, which are described in more detail in Part B, Section 18.1.2.3, "*Conditions to the Vivendi Spin-Off*". In addition, Vivendi may at any time until the Vivendi General Meeting decide to abandon the Vivendi Spin-Off or modify or change the terms thereof.

18.1.2 The Vivendi Spin-Off

18.1.2.1. *Reasons for the Vivendi Spin-Off*

Vivendi has expressed the following reasons for the Vivendi Spin-Off:

- Since the distribution by Vivendi of a 60% stake in Universal Music Group N.V. in 2021, the shares of Vivendi have been trading at a significantly high conglomerate discount, substantially reducing their valuation and thereby limiting Vivendi's ability to carry out external growth transactions for its subsidiaries, such as Groupe Canal+ S.A., Havas S.A. and Lagardère SA, which are currently experiencing strong growth in an international context marked by numerous investment opportunities.

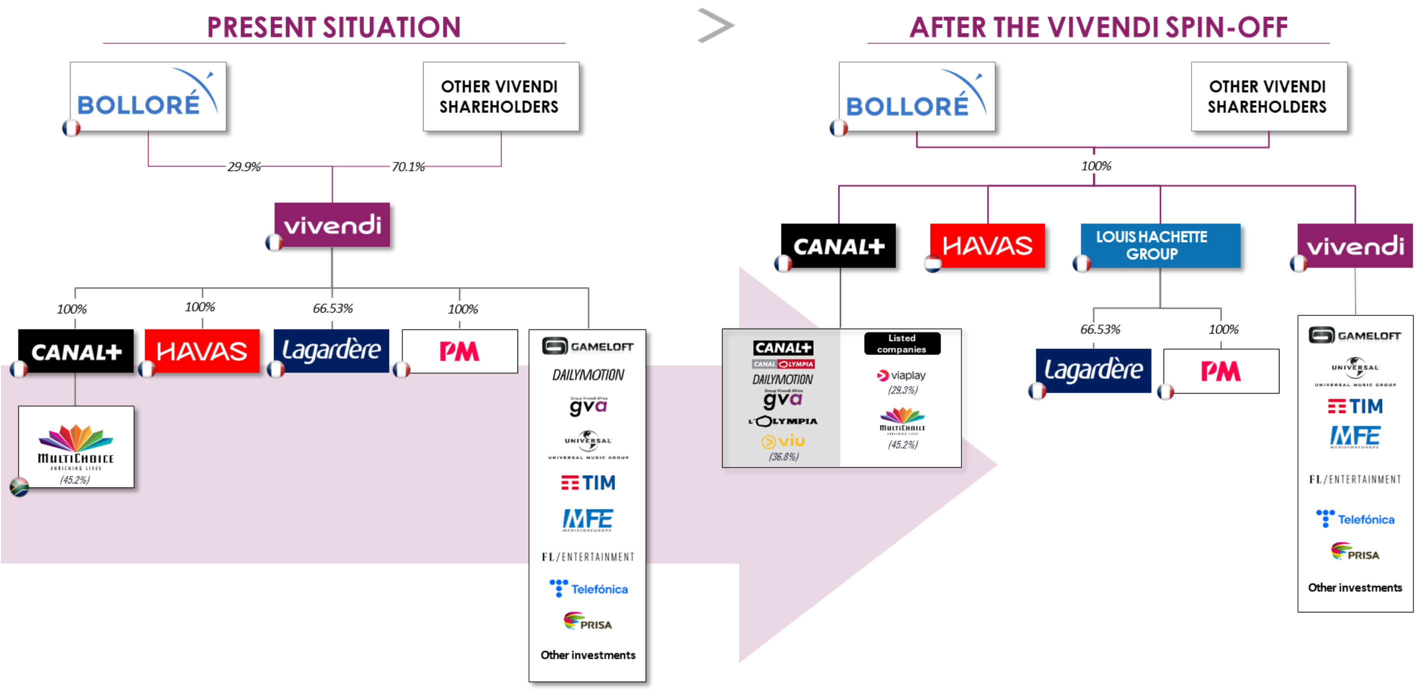
- Further to the spin-off feasibility study initiated in December 2023, and after completion of the information and consultation process of the relevant employee representative bodies of the Vivendi Group, Vivendi has decided to seek its shareholders' approval to separate several entities from the Vivendi Group, each of which would become an independent, publicly listed company, operating separately from Vivendi (which would remain listed on Euronext Paris). These new entities would comprise the Havas business (including Havas S.A.), to be owned and operated by a Dutch company to be named Havas N.V., the Canal+ businesses (including Groupe Canal+ S.A.), to be owned and operated by a French company named Canal+ S.A., and the Publishing and Travel Retail Businesses (including Vivendi's 66.53% shareholding in Lagardère SA as at September 30, 2024, and Prisma S.A.S.), to be owned and operated by the Company, as further described below.

- The Vivendi Spin-Off is designed to fully unleash the development potential of all of the activities of the Vivendi Group by separating these businesses from the remaining existing activities of the Vivendi Group. Following the Vivendi Spin-Off, Havas, Canal+ and Louis Hachette Group will have the capacity to independently allocate their capital to address their specific market dynamics, optimize their respective capital structure in an effort to drive profitable growth and pursue their strategic objectives, including through acquisitions and other growth opportunities.

- The target capital structures of Canal+ and Havas are expected to provide strategic and financial flexibility to each company to pursue investment and growth opportunities, taking advantage of their reduced financial leverage at the time of the Vivendi Spin-Off (which, for Canal+, will primarily comprise the debt incurred in connection with its ongoing takeover offer for MultiChoice Group Limited). Likewise, Louis Hachette Group will have no net debt of its own upon the Vivendi Spin-Off, while Lagardère SA's net financial debt will amount to approximately €2 billion.

- In addition, the shares of Havas and Canal+ will be listed on stock exchanges deemed to be attractive for long-term investors and best suited to match each company's business needs and geographic footprint. Louis Hachette Group's listing on Euronext Growth (Paris) is expected to provide the company with greater flexibility and to minimize the duplication of regulatory costs in light of Lagardère SA's separate listing on Euronext Paris.

The below chart provides an overview of the Vivendi Group as of the date of the Information Document and immediately after the completion of the Vivendi Spin-Off.



Vivendi further indicated the following:

- The shares of **Canal+** will be listed on the London Stock Exchange to reflect the company's international footprint, particularly in light of the ongoing combination with MultiChoice Group Limited. With close to two thirds of its over 25 million subscribers outside of France, a film and TV series distribution network present on all continents and growth drivers resulting from its recent developments on the African, European and Asia-Pacific markets, a London-based listing represents an attractive solution for international investors likely to be interested in the group. Canal+ will remain a French company, governed by French law and will not be subject to mandatory takeover regulations in either the United Kingdom or France. Furthermore, Canal+, depending on the success of its ongoing mandatory takeover offer for MultiChoice Group Limited, may consider a secondary listing of its shares on the Johannesburg Stock Exchange after completion of the Vivendi Spin-Off.

- **Havas**, with the majority of its activities being carried out internationally by more than 23,000 employees spread across more than 100 markets, will be a Dutch public limited liability company (*naamloze vennootschap*) which shares will be listed on Euronext Amsterdam. Havas N.V. will be subject to Dutch securities laws and will adhere to the Dutch Corporate Governance Code. Havas will be in the best possible position to stabilize its share capital, thus ensuring its sustainability for its talents and clients, as a Dutch legal foundation would guarantee the preservation of the Havas group's independence and identity, and a loyalty voting structure will allow long-term committed shareholders to benefit from multiple voting rights, initially double voting rights after two years of uninterrupted shareholding, and then quadruple voting rights after two more years of uninterrupted shareholding.

- **Louis Hachette Group** will combine Vivendi's assets in publishing and distribution (represented by Vivendi's 66.53% shareholding in Lagardère SA as at September 30, 2024 and its 100% shareholding in Prisma S.A.S.). Lagardère SA is a worldwide group present in more than 40 countries with over 27,000 employees. It is the third largest consumer book publisher (comprising the trade publishing market and K-12 education publishing market) and a global leader in travel retail, as well as press and live entertainment activities. The Prisma Media Group is the leader of magazine publications and online media in France with a portfolio of over 40 brands. The shares of Louis Hachette Group will be listed on Euronext Growth (Paris), consistent with the continued listing of its subsidiary Lagardère SA on a regulated market, Euronext Paris.

- **Vivendi** will remain a leading player in the creative and entertainment industries. Its shares will remain listed on Euronext Paris. Vivendi will continue to develop and transform Gameloft and actively manage a portfolio of investments, including its minority stake in Universal Music Group N.V., in sectors perfectly familiar to its teams for many years, while having the means and ambition to initiate new investments in related activities. Vivendi will also retain the minority interest in Lagardère SA it may acquire as from October 1, 2024, as a result of the put option rights granted by Vivendi in connection with Vivendi's takeover offer for Lagardère SA in 2022, which may be exercised until June 15, 2025. Vivendi will also provide certain services to Havas, Canal+ and Louis Hachette Group after completion of the Vivendi Spin-Off.

- Following the completion of the Vivendi Spin-Off, Havas, Canal+ and Louis Hachette Group's respective decision-making centers and operational teams will be in France. Although listed on stock exchanges outside of France, Canal+ and Havas, are expected to remain French tax residents for French corporate income tax purposes.

18.1.2.2. *Description of the Vivendi Spin-Off*

The implementation of the Vivendi Spin-Off will require the completion, on or around the same time, of three (3) series of transactions to effect the separation from Vivendi of the Havas business (the

“**Havas Distribution**”), the Canal+ businesses (the “**Canal+ Partial Demerger**”) and the Publishing and Travel Retail Businesses (the “**Louis Hachette Group Partial Demerger**” and, with the Canal+ Partial Demerger, the “**Partial Demergers**”).

The following discussion of the transactions forming the Vivendi Spin-Off and the conditions thereto is based on the reports of the Management Board of Vivendi that have been made available to the Vivendi Shareholders in connection with the Vivendi General Meeting.

(a) The Havas Distribution

On October 28, 2024, Vivendi contributed all of the shares it holds in Havas S.A. to Havas B.V., in exchange for the issuance by Havas B.V. of new ordinary shares to Vivendi. The Havas Distribution will be implemented, subject to the approval of the Vivendi Spin-Off by the Vivendi General Meeting, by the distribution by Vivendi of all of the ordinary shares it holds in Havas N.V. to the Vivendi Shareholders on a pro rata basis. The ordinary shares of Havas N.V. are expected to be conditionally admitted to listing and trading on Euronext Amsterdam prior to the Vivendi General Meeting, with the first trading day occurring in the days following the Vivendi General Meeting.

(b) The Canal+ Partial Demerger

The Canal+ Partial Demerger will be implemented by means of a partial asset contribution subject to the French legal regime applicable to demergers (*apport partiel d’actifs soumis au régime des scissions*), whereby Vivendi will contribute to Canal+ all of the ordinary shares Vivendi holds in the share capital of Groupe Canal+ S.A., and shares of Canal+ issued in consideration for such contribution will be allocated directly to the shareholders of Vivendi, in accordance with Article L. 236-27, para. 2 of the French *Code de commerce.* The Excluded Vivendi Shares will not be eligible to receive shares of Canal+ pursuant to French law, resulting in shares of Canal+ being issued and allocated to all of the other Vivendi Shareholders on the Effective Date. The ordinary shares of Canal+ are expected to be admitted to listing and trading on the London Stock Exchange (commercial companies (equity shares) category), with the first trading day occurring in the days following the Vivendi General Meeting.

(c) The Louis Hachette Group Partial Demerger

Please refer to Part B, Section 18.1.3, “*The Louis Hachette Group Partial Demerger*” for a detailed description of the Louis Hachette Group Partial Demerger.

18.1.2.3. *Conditions to the Vivendi Spin-Off*

The Vivendi Spin-Off and the listings of the Company, Canal+ and Havas are expected to be completed on or around December 18, 2024, provided that the following material conditions shall have been satisfied or waived by Vivendi (to the extent such waiver is permitted by law):

(i) the Havas Distribution and the Partial Demergers having been approved by the Vivendi Shareholders at the Vivendi General Meeting scheduled for December 9, 2024, and by the Canal+ and Louis Hachette Group shareholders at the extraordinary shareholders’ meetings of Canal+ and Louis Hachette Group, which approvals may be given, withheld or withdrawn in their absolute and sole discretion;

(ii) the Financial Conduct Authority of the United Kingdom (the “**FCA**”) having acknowledged to Canal+ or its agents (and such acknowledgement not having been withdrawn) that the application for the admission of the ordinary shares of Canal+ to the Official List with an equity shares (commercial companies) category: (a) has been approved; and (b) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions have been satisfied;

(iii) the London Stock Exchange having acknowledged to Canal+ or its agents (and such acknowledgement not having been withdrawn) that the ordinary shares of Canal+ will be admitted to trading on its main market for listed securities (commercial companies (equity shares) category);

(iv) the FCA having approved the prospectus relating to the admission of Canal+ Shares to the equity shares (commercial companies) category of the Official List of the FCA and to the London Stock Exchange's main market for listed securities;

(v) Euronext Amsterdam N.V. having approved the admission to trading of the ordinary shares of Havas N.V. on Euronext Amsterdam (subject to technical deliverables only);

(vi) the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) having approved the prospectus relating to the admission of the ordinary shares of Havas N.V. to trading on Euronext Amsterdam; and

(vii) Euronext Paris S.A. having approved (a) the Information Document, and (b) the admission to trading of the Louis Hachette Shares on Euronext Growth (Paris) (subject to technical deliverables only).

The Louis Hachette Group Partial Demerger, the Havas Distribution and the Canal+ Partial Demerger will be effective following the approvals by the relevant shareholders described in subsection (i) above. The listings of each of the Company, Canal+ and Havas are also subject to the respective listing conditions described above.

Neither the Company, nor Vivendi can assure the Vivendi Shareholders that any or all of the above conditions to the Vivendi Spin-Off and the listings of the Company, Canal+ and Havas will be satisfied or waived.

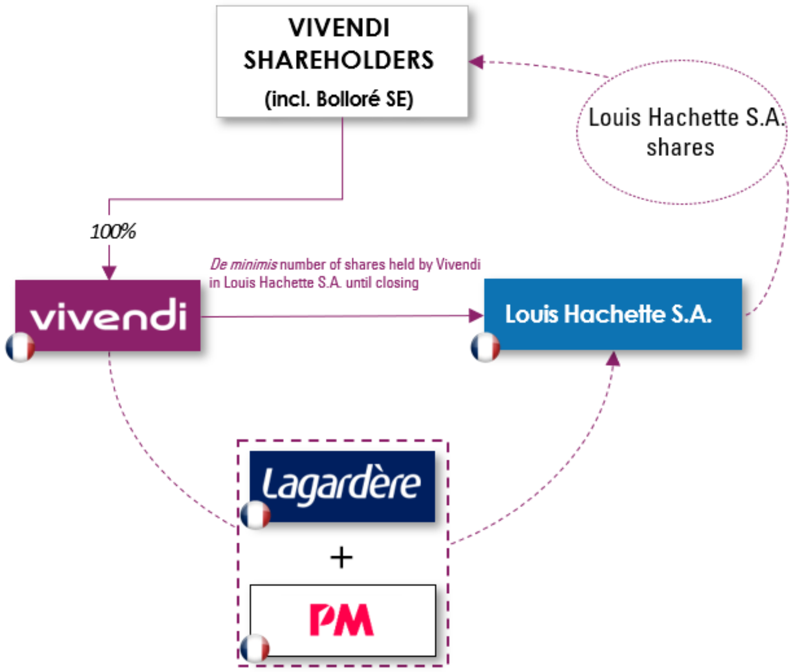
18.1.3 <u>The Louis Hachette Group Partial Demerger</u>

The Louis Hachette Group Partial Demerger will be implemented by means of a partial asset contribution subject to the French legal regime applicable to demergers (*apport partiel d'actifs soumis au régime des scissions*), whereby Vivendi will contribute to Louis Hachette Group (i) all of the ordinary shares Vivendi held in the share capital of Lagardère SA as of September 30, 2024, and (ii) all of the ordinary shares of Prisma S.A.S. In consideration for such contribution, the Company will issue and allocate directly to the shareholders of Vivendi on the Effective Date, in accordance with Article L. 236-27, para. 2 of the French *Code de commerce*, 991,811,494 shares of the Company, resulting in an increase of the share capital of the Company for an amount of EUR 198,362,298.80 and a share premium of EUR 1,959,833,631.90. Excluded Vivendi Shares will not be eligible to receive shares of Louis Hachette Group pursuant to French law, resulting in shares of Louis Hachette Group being issued and allocated to all of the other Vivendi Shareholders at the Effective Date. In connection with the Louis Hachette Group Partial Demerger, the Company sought and obtained from the AMF, pursuant to a decision of the AMF Board (*Collège*) at its meeting held on November 5, 2024, an exemption to the mandatory filing of a takeover bid on Lagardère SA's outstanding shares in accordance with Article 234-9(1) of the AMF's General Regulations (*Règlement général*).

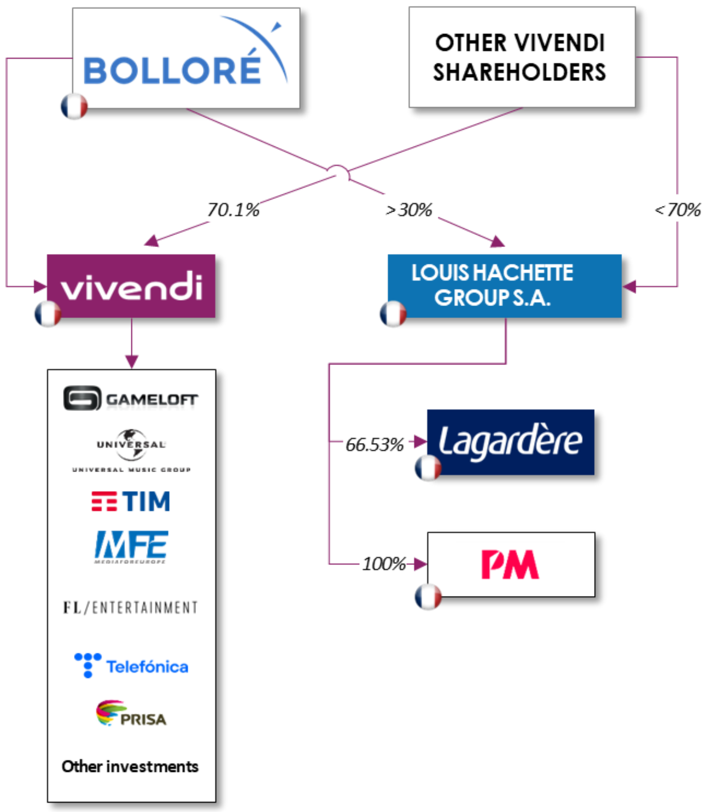
Following completion of the Louis Hachette Group Partial Demerger, the share capital of the Company will amount to EUR 198,399,298.80, comprising 991,996,494 ordinary shares with EUR 0.20 nominal value.

The ordinary shares of Louis Hachette Group are expected to be conditionally admitted to listing and trading on Euronext Growth (Paris) prior to the Vivendi General Meeting, with the first trading day occurring in the days following the Vivendi General Meeting.

As result of the Louis Hachette Group Partial Demerger, each Vivendi Shareholder (except Vivendi itself) will be allotted one (1) Louis Hachette Share for each Vivendi Share it holds in Vivendi prior to the Ex Date, *i.e.*, on the Effective Date (the "**Allocation Ratio**"). See Part B, Section 18.1.3.2, "*Number of Louis Hachette Shares*". The below chart provides an overview of the Louis Hachette Group Partial Demerger.



The below chart provides a simplified corporate structure of the Group and the Vivendi Group immediately after the completion of the Louis Hachette Group Partial Demerger.



The completion of the Louis Hachette Group Partial Demerger is subject to the satisfaction (or waiver by Vivendi to the extent possible under applicable laws) of certain conditions, including the approval of the Louis Hachette Group Partial Demerger by the Vivendi Shareholders at the Vivendi General Meeting, which is expected to be held on December 9, 2024. The completion of the Louis Hachette Group Partial Demerger is not conditional upon the completion of the Canal+ Partial Demerger or the Havas Distribution.

The Settlement and Paying Agent will arrange for the allocation of the Louis Hachette Shares to Account Holders of Vivendi Shares. An "Account Holder" is a financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV. Uptevia S.A. will act as the share registrar for the Louis Hachette Shares.

From a legal perspective, the effective date of the Louis Hachette Group Partial Demerger is expected to be December 13, 2024 at 11:59 p.m. (CET) (the "**Effective Date**"). Louis Hachette Group will become an independent company, no longer part of the Vivendi group, at 11:59 p.m. (CET) on the Effective Date.

From a trading perspective, the date of detachment in respect of the Louis Hachette Group Partial Demerger will take place on December 16, 2024 (the "**Ex Date**"). The right to receive Louis Hachette Shares will be detached from the Vivendi Shares on the Ex-Date. As a consequence, the last day of trading of the Vivendi Shares on Euronext Paris which include the right to receive Louis Hachette Shares will be December 13, 2024. Investors purchasing Vivendi Shares as from December 16, 2024 will not be entitled to receive Louis Hachette Shares in the Louis Hachette Group Partial Demerger. Investors acquiring or selling Vivendi Shares as from December 14, 2024 in over-the-counter or other transactions not effected on Euronext Paris should ensure such transactions take into account the treatment of the Louis Hachette Shares to be distributed in respect of such Vivendi Shares in the Louis Hachette Group Partial Demerger. Shareholders should contact their bank or broker for further information if they intend to engage in any such transaction.

Louis Hachette Shares will commence trading on an independent basis on Euronext Growth (Paris) at 9:00 a.m. (CET) on the Listing Date (*i.e.*, December 16, 2024, initially on an "if-and-when-delivered" basis with settlement of such trades on Louis Hachette Shares to take place on December 18, 2024). The date of determination of the holders of Vivendi Shares entitled to receive one (1) Louis Hachette Share for each Vivendi Share that such shareholder owns will take place on December 17, 2024 after market close (the "**Record Date**"). Depending on the respective shareholders' bank or broker, it is expected that Vivendi Shareholders due to receive Louis Hachette Shares will be able to commence trading such Louis Hachette Shares on Euronext Growth (Paris) as from the Listing Date. See Part C, Section 4.2, "*Listing and trading of the Louis Hachette Shares*".

Regular trading in the Louis Hachette Shares on Euronext Growth (Paris) will start at 9:00 a.m. (CET) on December 18, 2024. In the event there are any changes to the above timetable, or new material information relating to the Louis Hachette Group Partial Demerger becomes available, Louis Hachette Group and Vivendi will publish any such changes or updates in a press release, to the extent required under applicable law.

18.1.3.1. *When and how to receive Louis Hachette Shares*

Any person (other than Vivendi itself) who has acquired Vivendi Shares (without having resold them) until the Effective Date, *i.e.*, prior to the Ex Date, will be allocated Louis Hachette Shares as a result of the Louis Hachette Group Partial Demerger, in accordance with the applicable rules described in the Information Document.

The Louis Hachette Group Partial Demerger that will be submitted to the approval of the Vivendi Shareholders at the Vivendi General Meeting to be held on December 9, 2024 will be effective on the

Effective Date, with delivery of the Louis Hachette Shares made as further described under Part C, Section 4.3.2, "*Initial delivery of the Louis Hachette Shares*".

18.1.3.2. *Number of Louis Hachette Shares*

In the context of the Louis Hachette Group Partial Demerger, approximately 99.99% of the Louis Hachette Shares (being approximately 991,811,494 Louis Hachette Shares), will be directly allocated to the Vivendi Shareholders. As a result of the Louis Hachette Group Partial Demerger, the Vivendi Shareholders (except Vivendi itself) will receive Louis Hachette Shares issued by the Company *pro rata* to their shareholdings in Vivendi, at a ratio of one (1) Louis Hachette Share for each Vivendi Share that such shareholders hold.

In accordance with Article L. 236-3, para. II, 2° of the French *Code de commerce*, no Louis Hachette Share will be issued or allocated as part the Louis Hachette Group Partial Demerger in respect of any Excluded Vivendi Share.

18.1.3.3. *Use of proceeds*

The Company will not receive any proceeds from the Louis Hachette Group Partial Demerger.

18.1.4 <u>Shareholders' decisions in the context of the Admission</u>

Prior to the Admission, the shareholders of the Company expect to pass the following resolutions relating to the share capital of the Company at a General Meeting:

Resolution	**Maximum duration**	**Expected conditions**
▪ Authorization to the Board to execute a buyback of shares of the Company in accordance with the provisions of Article L. 22-10-62 of the French *Code de commerce*	18 months	▪ <u>Maximum offering price</u>: 200% of market price upon Admission (defined as VWAP of closing prices of the Louis Hachette Share over the three first trading days since the commencement of trading on Euronext Growth Paris). ▪ <u>Maximum nominal amount</u>: 10% of the share capital of the Company.
▪ Delegation of authority to the Board to decide to increase the capital of the Company through the capitalisation of premiums, reserves, profits or any other amounts.	26 months	▪ <u>Maximum nominal amount</u>: EUR 100 million.
▪ Authorization to the Board to decide the issuance of shares and/or securities giving immediate or future access to shares to be issued by the Company as consideration for contributions in kind consisting of equity securities or securities giving access to the capital.	12 months	<u>Maximum nominal amount</u>: 20% of the share capital of the Company.
▪ Delegation of authority to the Board to decide to increase the Company's share capital by issuing shares and/or securities giving immediate or future access to the share capital, with preferential subscription rights.	26 months	<u>Maximum nominal amount</u>: 33% of the share capital of the Company.

Resolution	Maximum duration	Expected conditions
▪ Delegation of authority to the Board to increase the number of securities to be issued in the event of a capital increase, with or without preferential subscription rights.	26 months	Maximum nominal amount: 15% of the original issue(1).
▪ Delegation of authority to the Board to decide to increase the Company's share capital by issuing shares and/or securities giving immediate or future access to the capital, without preferential subscription rights, reserved for members of savings plans.	26 months	Maximum nominal amount: 1% of the share capital of the Company(2).
▪ Authorization to the Board to make free allocations of existing shares or shares to be issued to employees and officers of the Group or to some of them.	26 months	Maximum nominal amount: 2% of the share capital of the Company(2).
▪ Authorization to the Board to cancel shares acquired by the Company in accordance with the provisions of Article L. 22-10-62 of the French *Code de commerce*.	24 months	Maximum nominal amount: 10% of the share capital of the Company(2).

(1) Within the limits of the maximum amount of the authorization pursuant to which the original issue of shares is made.
(2) The maximum aggregate nominal amount of capital increases that may be carried out under this authorization shall be deducted from the overall cap for capital increases of one-third of the share capital.

18.2 Environmental, social and corporate governance

Each of the Lagardère Group and the Prisma Media Group have adopted corporate and social responsibility (CSR) programs and objectives, which the Group supports.

18.2.1 Lagardère Group

The Lagardère Group's CSR strategy is based on four pillars: limiting the environmental impact of products and services, placing people at the heart of the strategy, sharing the social and cultural diversity of businesses and ensuring ethical and responsible corporate governance.

18.2.1.1. *Limiting the environmental impact of products and services*

In 2021, the Lagardère Group updated its carbon footprint in accordance with Greenhouse Gas Protocol guidance, based on all the direct and indirect emissions from its 2019 scope of reporting. On the basis of these findings, the Lagardère Group crafted an emissions reduction strategy and its supporting action plan. The Lagardère Group aims to place all its direct and indirect emissions (Scopes 1, 2 and 3) on a pathway in line with the Paris Agreement (in other words, compatible with the overall objective of reaching net-zero emissions by 2050 by reducing greenhouse gas emissions to a level as close to zero as possible, with any residual emissions being absorbed, for example, by oceans and forests). The Lagardère Group has also set medium-term objectives (2030) for reducing Scope 1, 2 and 3 emissions, integrated in top executives' remuneration.

The manufacturing of certain products essential to the deployment and development of the Lagardère Group's activities involves the use of many natural resources. As a result, the Lagardère Group has implemented certain mitigation measures to limit the negative environmental impacts generated by these activities, mainly covering paper, food waste and plastic.

18.2.1.2. *Placing people at the heart of the strategy*

Developing the professional expertise and individual responsibilities of employees is crucial to the Lagardère Group's success. It therefore focuses on promotion, internal mobility and training to enhance their individual employability. The Lagardère Group also provides guidance and training for young people by hosting interns and promoting work-study placements and programs. Moreover, the issues of engagement and quality of work-life have become increasingly important in recent years, particularly in the wake of the health crisis. The Lagardère Group's various divisions and entities are gradually structuring their processes by strengthening initiatives already under way for a number of years and by taking new approaches. Work-life balance, physical well-being and employee engagement are core drivers of the HR strategy in this area.

The Lagardère Group also believes that having a diverse workforce drives creativity and growth. Adapting to local cultures, the diversity of consumers and the increasing number of markets are strategic factors in the development of all Lagardère Group businesses. Given its wide range of business activities and the broad array of expertise provided by its workforce, the Lagardère Group promotes diversity and inclusion throughout its organization. These principles has been translated into three main focal points: (i) gender balance; (ii) breaking down stereotypes based on race or social class; and (iii) integrating employees with disabilities.

18.2.1.3. *Sharing the social and cultural diversity of businesses*

Culture, in all its forms and all its diversity, is the driving force behind the Lagardère Group. Promoting a plurality of ideas, freedom of expression, critical thinking, the ability to analyze and understand the world, the accessibility of content and the transmission of knowledge are just some of the commitments demonstrated by the Lagardère Group's operating entities, depending on their particular sensitivities, geographic locations and local situations. This involves, in particular, forming partnerships and deploying new systems. For example, Lagardère Publishing uses digital technologies to make books accessible to people with reading difficulties. Lagardère Travel Retail relies on its store network to organize and/or support a large number of initiatives designed to promote reading and culture.

The Lagardère Group's approach to corporate citizenship and social involvement in the fields of culture and education is mainly expressed through its two Foundations. Since 2019, Jean-Luc Lagardère Foundation supports artistic creation by financing talented young people for their projects (such as writers, film makers, journalist and musicians). In 2022, the Hachette Foundation, was created to prevent illiteracy and foster education through the pleasure of reading.

18.2.1.4. *Ensuring ethical and responsible corporate governance*

The Lagardère Group is committed to growing its business in accordance with the leading quality, compliance and ethical standards while endeavoring to seize all the opportunities that arise in addressing the related issues. The Lagardère Group has adopted policies to integrate social responsibility in its supply chain, to respect privacy and personal data of its employees and third parties, and to fight corruption, among others. According to their activities, the various divisions and entities deploy an action plan for the hygiene and safety of the products they sell.

18.2.2 Prisma Media Group

Since its integration to the Vivendi Group in 2021, the Prisma Media Group is articulating its CSR strategy around three main pillars: Creation for the Planet, Creation for Society and Creation with All.

18.2.2.1. *Creation for the Planet*

Creation for the Planet aims to contribute to the fight against climate change and includes a decarbonization pathway approved by the Science-Based Targets initiative. The Prisma Media Group is also committed to getting its partners and suppliers involved in its strategy, as well as contributing to the global offsetting of carbon emissions.

Environmental impact is at the core of the Prisma Media Group's strategy, consisting of four main commitments: environmentally friendly manufacturing, in particular with the use of recycled paper in magazines or heat-sealable paper packaging, highly environmental quality headquarters, waste treatment and carbon strategy.

18.2.2.2. *Creation for Society*

Creation for Society aims to inspire change by working to make culture, as an instrument of empowerment and social cohesion, accessible to as many people as possible and to contribute to the emergence of more inclusive, sustainable and responsible perspectives. In order to imagine the society of tomorrow, and given its role as a leading cultural player, the Prisma Media Group strives to ensure that everyone has access to a diverse and innovative cultural offering that helps them to build their own identity and better understand others, the world and themselves.

At Prisma Media Group, editorial teams are made up of journalists with a press card. All editors-in-chief are also press card holders. This ensures the respect of the principles of independence in the exercise of the profession and uncompromising integrity in the verification and sourcing of the information reported. The Prisma Media Group is particularly careful to ensure that all editors-in-chief of titles recognized as "General and political information" (*NEON*, *Capital*, *GEO*) are press card holders.

Like *GEO*, which adopted a charter of commitment to responsible journalism in 2023, *Capital* also has its own editorial code of conduct, which is incorporated into the employment contracts of its staff. It reaffirms the principles of independence and integrity of information and sets out the obligations of the editorial teams and the Prisma Media Group's management in this area.

In addition, workshops are held regularly with lawyers specializing in issues related to media law, copyright and image rights to reinforce knowledge of the appropriate practices, based on practical examples and case studies.

Finally, Prisma Media Solutions is committed to responsible advertising practices.

18.2.2.3. *Creation with All*

Creation with All affirms collective commitment and the importance of every person's role in building a more sustainable and inclusive society. This primarily concerns the Prisma Media Group's employees, but also all its diverse artistic talents, wherever they may be in the world, without forgetting other stakeholders (customers, business partners, suppliers).

Everyone can take action and make a positive impact. To build a more responsible world together, the Prisma Media Group aims to discover and develop a wide range of talent, who uphold the cultural appropriateness of its content.

It creates the conditions to help them flourish through an attractive and inclusive work environment in which their artistic endeavors and commitments are valued.

18.3 Regulatory environment

18.3.1 Lagardère Publishing

Lagardère Publishing's book publishing and distribution business is subject to specific local regulations, including those relating to intellectual property rights, legal copyright registration requirements, book pricing and VAT rules.

In France, for example, the Lagardère Group's businesses are subject to regulations imposing a fixed book price set by the publisher or importer, which restrict any qualitative or quantitative discounts granted to distributors. Further regulations also apply to books in the children and young adult segment and to broadening access to out-of-print books.

Lagardère Publishing closely monitors applicable laws and regulations on copyright, libel and slander, image rights, privacy, artificial intelligence and cybersecurity.

18.3.2 Lagardère Travel Retail

Lagardère Travel Retail is subject to specific regulations relating to its activities and the products it sells. These regulations vary according to the jurisdictions in which Lagardère Travel Retail operates.

Relevant regulations include rules applicable to the sale of press, foodstuffs, tobacco, alcohol and duty-free products (which may be governed by conventions signed with the local customs authorities) and freight operations. For example, press distribution in France is regulated by the Bichet Act. See Part B, Section 18.3.3, "*Regulatory environment – Prisma Media Group*".

The World Health Organization's framework convention on tobacco control recommends various measures to reduce the supply and demand of tobacco, banning or restricting duty-free and tax-free sales of tobacco products to international travelers and banning smoking in public transport and public places. In response to this framework convention, as well as to other measures, stricter regulations are regularly being put in place regarding the sale and consumption of tobacco and could thus have an impact on Lagardère Travel Retail's businesses.

Simultaneously, the restriction on tobacco importation by travelers is becoming stricter (for example, in Australia in the second half of 2012, the allowances applicable to the importation of tobacco were reduced from 250 cigarettes to 50 cigarettes; this measure was also implemented in New Zealand on November 1, 2014).

Various countries have also introduced environmental protection measures (such as recycling certain products) that may affect the operation of Lagardère Travel Retail's stores.

Each country has specific regulations governing the manufacturing and marketing of food and beverage products, primarily aimed at consumer protection. These regulations pertain to consumer information regarding product composition, storage conditions (mainly temperature), manufacturing dates, packaging dates and sell-by or consumption dates. They also cover compliance by manufacturers, distributors and retailers with production and storage rules that ensure product quality and hygiene and product traceability. In certain countries, regulations govern promotions applicable to food products and/or prohibit resale at a loss.

In France, rigorous formalism applies to the purchase of products for resale (contracts are to be signed by March 1 of each year) and the contents of contracts entered into with suppliers is highly regulated, including with respect to services provided to suppliers, which must be real, limited and justified, payment terms and the termination of commercial relationships. The Besson Moreau Law of October 18, 2021, added obligations related to the negotiation and purchase of food products, particularly requiring buyers to provide motivated comments on the General Conditions of Sale within one month of receipt for mass consumption products and food products, limiting price negotiation and including indexing/renegotiation clauses.

The marketing of alcoholic beverages is regulated in many countries to protect the consumer and limit fraud.

Storage and duty-free sales in France, as well as in other countries, are subject to authorizations from customs, as well as specific regulations including strict storage procedures in specific and protected locations and the limitation of sales to travelers to identified destinations.

Transportation and shipping activities are, depending on the country, subject to administrative authorizations and strict operating rules to ensure vehicle reliability (such as periodic checks of equipment or tire wear levels), driver professionalism (licenses) and vigilance (driving hours) and compliance with technical vehicle constraints (weight, loading volume).

The European General Data Protection Regulation (GDPR) has been applicable since May 25, 2018, in all European Union countries and to any company collecting personal data of European nationals, whether or not they have a physical presence in the EU. Personal data must be processed in a manner that ensures appropriate security and confidentiality.

Lastly, certain activities of Lagardère Travel Retail may require prior authorizations in certain countries (*e.g.*, retail tobacco sales, alcohol sales, duty-free warehousing and sales, freight activities as carrier or principal).

18.3.3 Prisma Media Group

The Prisma Media Group, as a French magazine publisher and online media company, is subject to specific regulations applying to press companies and press distribution, as well as personal data protections.

Press companies are subject to specific laws and regulations relating to shareholder transparency and a specific tax regime governing how these companies are created, organized, financed and taxed.

Press companies can benefit from some State aid schemes, the aim of which is to contribute to fostering information/media pluralism, such as through a lighter applicable tax regime on business property tax (*cotisation foncière des entreprises*), corporate income tax (*impôts sur les sociétés*) and value-added tax. They can also benefit from certain subsidies, including in the form of reduced postal rates or specific public subsidies.

In France, the distribution of press is governed in France by law n°47-585 of April 2, 1947, known as the Bichet Law.

It follows a vertical circuit from publisher to reader, involving three main categories of professionals. Distribution is based on a mandate system, with magazines remaining the property of the publisher until the final sale to the reader.

The first category of press distribution professionals is press distribution companies, known as authorized press distribution companies (*sociétés agréées de distribution de la presse*). Under the Bichet law, press publishers can choose whether to distribute their titles themselves or to form a cooperative company (*société cooperative*) with other publishers, which is then obliged to accept any new publisher wishing to entrust it with the distribution of its titles. In practice, the cooperative company sets up an operating subsidiary to act as an authorized press distribution company on behalf of its members. To date, two companies have been appointed by cooperative companies to operate as authorized press distribution companies in France pursuant to a bundling agreement (*contrat de groupage*) entered into between them:

- France Messagerie (formerly Presstalis) distributes the titles of all national daily newspaper publishers and certain magazine publishers; and

- MLP distributes the titles of magazine publishers grouped together within the cooperative company Messageries Lyonnaises de Presse.

The second category of press distribution professionals is resellers (*dépositaires*). Each reseller is in charge of exclusively supplying a given geographical area. To this end, it receives the titles delivered to them by the cooperative companies, sorts them and delivers them to the distributors in their area.

The third and final category of press distribution professionals is newsagents (*diffuseurs*). They comprise newsstands, press houses and supermarket press departments, which sell newspapers and magazines to readers.

The Prisma Media Group processes personal data in connection with its targeted advertising activities, in particular from its customers, subscribers and users, which can be both natural and legal persons. The Prima Media Group is subject to applicable laws and regulations governing personal data, in particular (i) GDPR and the French Law of June 20, 2018, reforming Law No. 78-17 of January 6, 1978 on data processing, data files and individual liberties (*Loi Informatique et Libertés*, or the "French Data Protection Act"), as amended, and the French Law of June 21, 2004 on confidence in the digital economy (*Loi pour la confiance dans l'économie numérique*).

The Prisma Media Group's sites and apps, which are mainly accessible free of charge, rely on an advertising-based business model. Advertisers use targeted and customized advertising based on the profile and browsing habits of users, which is collected through the use of cookies, mobile identifiers or other tracers. The Prisma Media Group is responsible for informing and obtaining the user consent in respect of such cookies or other tracers.

18.3.4 Other Activities

18.3.4.1. *Lagardère Radio*

Lagardère Radio activities are subject to broadcasting regulations. In France, this concerns in particular (i) the Law of September 30, 1986 and its enabling decrees, (ii) the inter-industry agreements relating in particular to government oversight and (iii) broadcasters' contributions to audiovisual production and the terms and conditions governing their implementation.

In accordance with the Law of September 30, 1986, for its Radio activities in France Lagardère Radio must seek authorization for specific periods determined by ARCOM. Radio activities are also governed by conventions signed with ARCOM, renewed in compliance with the above-mentioned law.

Pursuant to French Law of September 30, 1986, foreigners who are not members of the European Union or the European Economic Area are prohibited from holding, directly or indirectly, more than 20% of the capital of a company that has an authorization to provide terrestrial radio services in French. By the same logic, French Law of November 14, 2016 promoting media freedom, independence and pluralism, prohibits ARCOM from granting authorization to operate a French language terrestrial radio service to companies whose capital ownership by non-French entities exceeds a certain threshold. Violations of these rules on foreign ownership of the media could lead to criminal penalties.

Within the scope of its content editing and advertising sales brokerage activities, Lagardère Radio is subject to various regulations, both at national level (for example, French Law of June 21, 2004 designed to build trust in the digital economy and the provisions of the French online retailing consumer code) and internationally (*e.g.*, Regulation (EU) of April 27, 2016, applicable as of May 25, 2018). Lagardère Radio's Advertising activities are subject to applicable laws and regulations, in particular those relating to tobacco and alcohol advertising, online gaming, sustainable development and false or misleading advertising. They are also subject to French Law of January 29, 1993 on anti-corruption and transparency of the economy and of public procedures.

Lastly, Lagardère Radio also closely monitors laws and regulations on copyright, press freedom (including libel and slander), image rights and privacy.

18.3.4.2. *Lagardère News*

Lagardère News' press business is subject, for example, to (i) press law (French Law of July 29, 1881 on the freedom of the press and French Law of August 1, 1986 reforming the legal regime for the press), (ii) intellectual property law, including copyright and related rights, (iii) consumer rights and data protection regulations, and (iv) the October 18, 2019 law on the modernization of press distribution (reforming the Bichet Act), which requires press publishers to form a cooperative if they pool distribution and use approved press distribution companies.

Lagardère News' digital business is subject in particular to French Law of June 21, 2004 designed to build trust in the digital economy.

Pursuant to the Law of August 1, 1986, foreigners who are not members of the European Union or the European Economic Area are prohibited from holding, directly or indirectly, more than 20% of the capital of a company that publishes works in French.

Its content production activities operate under the aegis of the relevant legislation, in particular, restrictions on tobacco and alcohol advertising, online gambling laws, sustainability and laws concerning false and misleading advertising. Lagardère News complies with the rules of the French Joint Commission of Press Publications and Agencies (CPPAP), whose policy statements determine aid granted to the printed and online press.

Lastly, Lagardère News also closely monitors laws and regulations on copyright, trademarks, libel and slander, image rights and privacy.

18.3.4.3. *Lagardère Live Entertainment*

Lagardère Live Entertainment's activities are not only subject to intellectual property law, labor law and standards for establishments receiving members of the public, but also to special regulations pertaining to certain professions (entertainment producers, venue operators).

Pursuant to Decree No. 2019-1004 of September 27, 2019, companies that operate performance venues and/or produce or broadcast live performances in France must file a statement of intent with the Ministry of Culture, whose receipt of filing serves as a license to exercise these activities, subject to compliance with a certain number of conditions.

18.3.4.4. *Lagardère Paris Racing*

Lagardère Paris Racing is subject to regulations applicable to establishments receiving members of the public and occupying public land, and to town planning law, the sports code and the statutes and regulations of the federations of the sports practiced within its facilities.

18.4 Insurance

18.4.1 Lagardère Group

The Lagardère Group generally seeks to insure all assets for their estimated value, and business interruptions for their estimated cost, in keeping with the relevant best practices.

The Lagardère Group currently maintains insurance coverage in respect of property damage and, in certain cases, business interruption. Insurance coverage for property damage and business interruption generally cover the risks relating to fire/explosion, lightning, water damage or storms, natural disasters and terrorism, subject to relevant provisions of national legislation. The Lagardère Group also maintains insurance coverage for public, product and professional liability for claims by third parties arising from bodily injury, material damage or consequential losses. Cyber insurance coverage is also in place, covering the consequences of either a breach of data held or managed, or damage to information systems. Insurance policies subscribed for by the Lagardère Group are generally subject to excesses, deductibles, caps/limits or exclusions that vary depending on the nature of risks, the subscribing entities within the Lagardère Group, the concerned countries, availability of coverage on the market or other factors. For instance, the highest insurance coverage limit for cyber insurance subscribed by the Lagardère Group in 2024 amounted to €10 million, while for liability insurance the highest insurance coverage limit in 2024 was subscribed for coverage in the United States for an amount of €71 million.

The Lagardère Group selects its insurers carefully and regularly reviews their creditworthiness. However, due to the terms of applicable insurance policies, applicable law and other factors, entities within the Lagardère Group may not be covered in all circumstances or existing insurance coverage may not always be effective.

18.4.2 Prisma Media Group

As of the date of the Information Document, the Prisma Media Group benefits from insurance coverage subscribed to by Vivendi for the benefit of its subsidiaries due to its current ownership of the Prisma Media Group. Insurance coverage in place within the Vivendi Group covers a number of risks associated with the Prisma Media Group's activities, such as (i) property damage and business interruption; (ii) political violence and terrorism; (iii) general and professional liability; (iv) third-party liability of directors, and senior executives; (v) employment practices liability; (vi) third-party liability for data breach and/or security incidents; (vii) cyber-related threats; and (viii) fraud. Such insurance policies are entered into with leading French and international insurance groups and the coverage provided is consistent with other insurance products available on the market and appropriate considering the Vivendi Group's risk profile (which varies based on the type of activity and market). Prisma S.A.S. or its subsidiaries may also purchase additional insurance coverage from time to time.

In connection with the Vivendi Spin-Off, the Prisma Media Group plans to transition from the Vivendi Group's insurance coverage to coverage provided under new insurance policies subscribed for by the Group. There can be no guarantee that the terms and conditions of these new policies will be at least as favorable as those of the Vivendi Group, including in respect of the premium, excesses, deductibles, caps/limits or exclusions.

18.4.3 Directors and officers

As of the date of the Information Document, directors and officers of the Lagardère Group benefit from the directors and officers ("**D&O**") insurance policy subscribed by Lagardère SA (the "**Lagardère D&O Policy**"), and directors and officers of the Company and of the Prisma Media Group benefit from the D&O insurance policy subscribed by Vivendi (the "**Vivendi D&O Policy**").

In connection with the Louis Hachette Group Partial Demerger, directors and officers of the Company and its subsidiaries who benefitted from the Vivendi D&O Policy will cease to be insured persons under this insurance policy. Therefore, the Group intends to substitute the Company for Lagardère SA as the subscriber of the Lagardère D&O Policy, effective on or before the Listing Date, in order to expand the current coverage under the Lagardère D&O Policy to all directors and officers of the Company and its subsidiaries.

18.5 French taxation

This Section 18.5 outlines certain tax consequences under current French tax laws and regulations that may arise in connection with the Louis Hachette Group Partial Demerger, as well as certain French tax consequences that may apply to the purchase, ownership and disposal of the Louis Hachette Shares.

Existing shareholders of Vivendi and prospective shareholders of the Company should note, however, that the information contained in this Information Document is only a summary of certain tax rules applicable under current French tax law, presented for general information purposes.

The rules described below could be impacted by possible changes in laws and regulations, including by the upcoming finance law for 2025, which could have a retroactive effect or could apply to the current fiscal year, or by possible changes in their interpretation by the French tax authorities (the "**FTA**").

Besides, the tax information set forth below does not constitute a comprehensive description of all the tax consequences that may apply to existing shareholders of Vivendi and prospective shareholders of the Company as part of the Louis Hachette Group Partial Demerger.

Existing shareholders of Vivendi and prospective shareholders of the Company must consult with their usual tax advisor in order to determine the tax regime applicable to their particular situation. Special rules (not described herein) may apply to persons such as employees or former employees, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services, pension funds, partnerships, trusts, insurance companies or collective investment schemes or where shares are held through a trust, fiduciary arrangement, foundation, insurance contract or mutual fund. Concerned persons must consult with their usual tax advisor since these particular rules are not described below.

18.5.1 General introductory French tax considerations regarding the tax treatment of the Louis Hachette Group Partial Demerger relevant for French resident and non-French resident shareholders

It is important to highlight that the Louis Hachette Group Partial Demerger is part of a more global transaction, the Vivendi Spin-Off, which will entail the completion, on the same date, of three series of transactions, namely the Canal+ Partial Demerger, the Havas Distribution and the Louis Hachette Group Partial Demerger. The following developments only cover the French tax treatment of the Louis Hachette Group Partial Demerger. Concerned shareholders are invited to consult the Information Document published by Vivendi to determine the tax treatment applicable to the Canal+ Partial Demerger and the Havas Distribution.

The tax information below does not constitute a comprehensive description of all tax consequences that may result from the Louis Hachette Group Partial Demerger for existing shareholders of Vivendi who are French tax residents. Such shareholders must consult their own tax advisor for a comprehensive advice on the tax treatment applicable to them in the context of the Louis Hachette Group Partial Demerger.

A partial demerger (*scission partielle*) is a form of corporate reorganization which has only recently been introduced into French corporate law by Ordinance No. 2023-393 of May 24, 2023 reforming the rules governing mergers, demergers, partial contributions of assets and cross-border transactions by commercial companies, and Decree No. 2023-430 of June 2, 2023 specifying the implementation provisions of this reform. While the French accounting treatment of such reorganizations (at the level of the participating entities as well as the level of their shareholders) has been clarified by the French accounting authorities in the Regulation No. 2023-08 of November 22, 2023 amending the Regulation No. 2014-03 relating to the French General Chart of Accounts, the French tax treatment of such reorganizations has not been clarified by law nor by the FTA in their guidelines and is therefore not free from uncertainties. The draft finance law for 2025 contemplates to amend the French *Code général des* *impôts* to provide that the regime of the partial demergers shall be the same as that applicable to spin-off transactions (*apport-distribution*), which are usually implemented under French corporate and tax laws as a two-step transaction (*e.g.*, contribution of the business or shares to a beneficiary company followed by the subsequent distribution by the contributor of the shares issued by the beneficiary company). The following developments should be read in that context.

Against this background, Vivendi is taking the view that a partial demerger ought to be treated at shareholder level under the same conditions as spin-off transactions (*apport-distribution*).

Vivendi is of the view that the Louis Hachette Group Partial Demerger will not be eligible for the favorable regime set forth in Article 115-2 of the French *Code général des impôts*.

As a result, the issuance of the Louis Hachette Shares as a result of the Louis Hachette Group Partial Demerger is expected to be treated for French tax purposes as a taxable distribution except for such portion that may qualify as a return of capital contribution (*remboursement d'apport*), as explained in further detail below.

Based on the analysis of the composition of standalone alone net equity (*capitaux propres*) of Vivendi, Vivendi expects that the Louis Hachette Group Partial Demerger should not be entirely treated as a taxable distribution for French tax purposes but rather as a mix of (i) a taxable distribution (the "**Distribution Component**") and, (ii) a return of capital (*remboursement d'apport*) within the meaning of Article 112 of the French *Code général des impôts* (the "**Return of Capital Component**").

Since the Partial Demergers and the Havas Distribution are expected to become effective simultaneously, Vivendi is taking the reasonable view that the taxable reserves and retained earnings comprised in its net equity shall be allocated on a *prorata* basis among the various SpinCos Shares (based on the respective values used for (i) the contribution by Vivendi of all the shares it held in Havas S.A. to Havas B.V. and (ii) the Partial Demergers). However, shareholders should note that there is no administrative guidance specifically supporting this position.

Subject to any conflicting indication it may receive from the French tax authorities, Vivendi's best estimate as of the date hereof is that the Distribution Component for the Louis Hachette Group Partial Demerger will be equal to EUR 0.74 per Vivendi Share. If, for any reason whatsoever, this assumption were to change, Vivendi SE will issue a press release to inform the shareholders about the revised amount of the Distribution Component. The amount of the Return of Capital Component for the Louis Hachette Group Partial Demerger will depend on the opening price of the Louis Hachette Shares on the day such shares will be first listed and will be equal to the difference (if positive) between such the opening price of the Louis Hachette Shares and the amount of the Distribution Component.

For French tax purposes:

- in the event of the subsequent sale of the Louis Hachette Shares received as a result of the Louis Hachette Group Partial Demerger, the acquisition price of a Louis Hachette share to be used for the purposes of determining the capital gain is expected to be equal to the opening price of the Louis Hachette Shares on the day such shares will be first listed; and

- the consequences of the Louis Hachette Group Partial Demerger on the acquisition price of the Vivendi Shares are described further below in the relevant section describing the tax treatment of the Return of Capital Component.

French resident corporate shareholders should note that this would lead to a different outcome than the expected accounting treatment resulting from Regulation No. 2023-08 of November 22, 2023 amending the Regulation No. 2014-03 relating to the French General Chart of Accounts and must consult with their own tax advisor to assess the possible tax consequences for them.

18.5.2 Certain French tax consequences of the Louis Hachette Group Partial Demerger for existing shareholders of Vivendi who are French tax residents

French resident shareholders must read the general introductory French tax considerations regarding the tax treatment of the Louis Hachette Group Partial Demerger included in Section 18.5.1.

18.5.2.1. *Individual French tax residents*

(a) *Individual French tax residents holding Vivendi Shares as part of their private estate, who do not trade on the markets on a regular basis, do not hold their shares through a share savings plan (plan d'épargne en actions or "PEA") and have not acquired their shares through a company or group share plan or as part of an employee incentive scheme (e.g., free shares, performance share units, restricted share units or shares acquired pursuant to the exercise of stock options or pursuant to an employee share purchase plan)*

(i) *Tax treatment of the Distribution Component of the Louis Hachette Group Partial Demerger*

The following developments apply to the Distribution Component of the Louis Hachette Group Partial Demerger.

Shareholders who are natural persons and whose tax residence is in France should note that the Distribution Component will be subject, under the conditions set out below, to (i) a non-discharging tax levy of 12.8% on the gross amount of the Distribution Component (unless they are exempt as described below) as well as to (ii) various social levies in an aggregate amount of 17.2% of the gross amount of the Distribution Component, *i.e.*, total tax and social levies amounting to 30% of the gross amount of the Distribution Component.

Where such levies are collected by the paying agent, the amounts required to pay the tax and social levies must be made available to the paying agent prior to the delivery of the Louis Hachette Shares as part of the Louis Hachette Group Partial Demerger. If necessary, the paying agent may sell the number of Louis Hachette Shares required to pay the applicable tax and social levies. Vivendi existing shareholders must contact their financial intermediary with respect to the processes they will put into place in this respect.

Personal income tax

The Distribution Component of the Louis Hachette Group Partial Demerger will be subject to income tax in France under the conditions described below.

The gross amount of the Distribution Component of the Louis Hachette Group Partial Demerger is subject to personal income tax either (i) at a flat rate of 12.8%, without the possibility of benefiting from the 40% rebate provided for in Article 158, 3-2° of the French *Code général des impôts* or (ii) if expressly, globally, irrevocably and annually elected, at the progressive income tax rate scale (with a top marginal tax rate of 45%). In the latter case, the gross amount of the Distribution Component is taken into account for the determination of the global income of the taxable French shareholders in the category of investment income, subject to income tax at the progressive rates, after application of a rebate equal to 40% of the gross amount of the Distribution Component of the Louis Hachette Group Partial Demerger.

The gross amount of the Distribution Component of the Louis Hachette Group Partial Demerger will also be included in the taxpayer's reference tax income, which may be subject to the exceptional contribution on high income at a rate of 3% or 4%, as well as to the new incremental surtax on high income contemplated by the draft finance law for 2025, as applicable. Such contributions are described below.

Non-discharging tax levy of 12.8%

Pursuant to Article 117 *quater* of the French *Code général des impôts* and subject to the exceptions set forth below, individuals domiciled in France are subject to a non-discharging tax levy at a rate of 12.8% on the gross amount of the Distribution Component of the Louis Hachette Group Partial Demerger. This levy is withheld by the paying agent if it is established in France. If the paying agent is established outside of France, the income is declared and the corresponding levy paid within the first 15 days of the month following the month in which the distribution occurs, either by the taxpayer or by the paying agent if it is established in a member State of the European Union or in another State party to the agreement on the EEA that has concluded an administrative assistance agreement with France to fight against tax fraud and tax evasion, and has been mandated for this purpose by the taxpayer.

However, in cases where the paying agent is established in France, individuals belonging to a tax household whose reference tax income for the penultimate year, as defined in Article 1417, IV, 1° of the French *Code général des impôts*, is less than EUR 50,000 for single, divorced or widowed taxpayers and less than EUR 75,000 for taxpayers subject to joint taxation, may request an exemption from this levy, under the conditions provided for in Article 242 *quater* of the French *Code général des impôts*, *i.e.*, by producing, no later than November 30th of the year preceding the year in which the distributed income is paid, to the persons responsible for paying it, a sworn statement indicating that their reference tax income appearing on the tax notice issued in respect of the income for the penultimate year preceding the payment of said income is below the aforementioned thresholds. French resident shareholders who did not meet this deadline should consult with their tax advisor to assess alternatives available to them.

Where the paying agent is established outside of France, only individuals belonging to a tax household whose reference tax income for the penultimate year, as defined in Article 1417, IV, 1° of the French *Code général des impôts*, is equal to or greater than the amounts mentioned in the above paragraph are subject to the 12.8% non-discharging tax levy.

This levy does not release the taxpayer from income tax or, where applicable, the exceptional contribution on high income, nor from the new incremental surtax on high income contemplated by the draft finance law for 2025. However, it can be offset against the income tax due for the year in which it is levied, and any excess payment is refundable. Unless the taxpayer exercises an option to take into account investment income (with the exception of certain tax-exempt income) and capital gains in the determination of the overall net income subject to the progressive income tax rate scale, the non-discharging tax levy of 12.8% will correspond to the flat tax rate applicable for personal income tax purposes. Election for the progressive income tax rate scale applies on an annual basis to all investment income (with the exception of certain tax-exempt income) and capital gains falling within the scope of the above mentioned flat-rate tax of 12.8% and earned during the same year.

Social levies

In addition, the Distribution Component of the Louis Hachette Group Partial Demerger will be subject to social levies. Whether or not the 12.8% non-discharging tax levy described above is applicable and whether or not the taxpayer has opted for taxation according to the progressive income tax rate scale, the gross amount of the Distribution Component of the Louis Hachette Group Partial Demerger will also be subject in full (without any rebate) to social levies at an overall rate of 17.2%, broken down as follows:

- the general social contribution (*contribution sociale généralisée*, "**CSG**"), at a rate of 9.2%;
- the contribution for social debt repayment (*contribution pour le remboursement de la dette sociale*, "**CRDS**"), at a rate of 0.5%; and

- the solidarity levy (*prélèvement de solidarité*), at a rate of 7.5%.

If the Distribution Component of the Louis Hachette Group Partial Demerger is subject to income tax at the abovementioned 12.8% flat rate, none of these social levies are deductible from the taxable income. If the taxpayer opts for the taxation based on the progressive income tax rate scale, the CSG will be partially deductible, in the amount of 6.8%, from the taxable income of the year during which it is paid, it being understood that other social levies will not be deductible from the taxable income.

These social levies are withheld and collected in the same way as the 12.8% non-discharging tax levy described above when applicable, it being specified that when the paying agent is established outside of France, it is the taxpayer who is, in principle, liable for the social levies (unless a mandate is given under the conditions set forth above for the non-discharging tax levy). Existing shareholders of Vivendi must consult with their usual tax advisor in order to determine the conditions of payment of social levies when the 12.8% non-discharging tax levy is not applicable.

Shareholders must consult their usual tax advisor to determine the conditions for the declaration and payment of the 12.8% non-discharging tax levy and social levies applicable to the Distribution Component of the Louis Hachette Group Partial Demerger, as well as, more generally, the tax regime applicable to their particular situation (including, in particular, the regime applicable to the Distribution Component of the Louis Hachette Group Partial Demerger for income tax purposes, whether or not the taxpayer should opt for the progressive income tax rate scale and the applicable tax regime in the event that the taxpayer decides to opt out of the application of the 12.8% flat-rate tax for income tax and the conditions for applying the exceptional contribution on high income, as well as the new incremental surtax on high income contemplated by the draft finance law for 2025, as applicable, described below).

Exceptional contributions on high income

Article 223 *sexies* of the French *Code général des impôts* provides that taxpayers subject to personal income tax are also subject to an exceptional contribution on high income applicable when their reference income for tax purposes exceeds certain thresholds. This contribution is calculated by applying a rate of:

- 3% for the portion of reference income exceeding (i) EUR 250,000 and representing less than or equal to EUR 500,000 for taxpayers who are single, widowed, separated, divorced or married but taxed separately and (ii) EUR 500,000 and representing less than or equal to EUR 1,000,000 for taxpayers subject to joint taxation; and
- 4% for the portion of reference income exceeding (i) EUR 500,000 for taxpayers who are single, widowed, separated, divorced or married but taxed separately and (ii) in excess of EUR 1,000,000 for taxpayers subject to joint taxation.

For the purposes of such rules, the reference income of a tax household is defined in accordance with Article 1417, IV, 1° of the French *Code général des impôts*, without application of the "*quotient*" rules defined under Article 163-0 A of the French *Code général des impôts*, and, where applicable, by applying the specific quotient rules provided for in Article 223 *sexies*, II of the French *Code général des impôts*.

The abovementioned reference tax income includes the gross amount of the Distribution Component of the Louis Hachette Group Partial Demerger, before the application of the income tax rebate, if such a rebate is applicable in accordance with the conditions described above, in the event that the taxpayer opts for taxation according to the progressive income tax rate scale.

The draft finance law for 2025 contemplates the implementation of an incremental surtax on high income earners falling within the scope of the exceptional tax on high income, described hereinabove, which aims at ensuring that such taxpayers are subject to a minimum effective taxation of 20% of their reference income (taking into account income tax and the current and new tax on high income). Taxpayers falling within the scope of the exceptional tax on high income must consult their usual tax advisor to determine the potential impact of such new tax on their personal situation.

(ii) *Tax treatment of the Return of Capital Component of the Louis Hachette Group Partial Demerger*

The following developments apply to the Return of Capital Component of the Louis Hachette Group Partial Demerger.

Subject to the following developments, the portion of the Louis Hachette Group Partial Demerger that will have the nature of a return of capital (*remboursement d'apport*) will not be taxable.

Pursuant to the French administrative guidelines (BOI-RPPM-PVBMI-20-10-20-40, December 20, 2019, paragraph 240), in the event of a subsequent sale of Vivendi Shares owned by French individual shareholders of Vivendi at the time of the Louis Hachette Group Partial Demerger, as applicable, the amount of the Return of Capital Component of the Louis Hachette Group Partial Demerger shall reduce the acquisition price of the Vivendi Shares, as determined by Article 150-0 D of the French *Code général des impôts*, for the purpose of determining any capital gain or loss resulting from any future disposal of the shares.

Individual shareholders whose tax basis for Vivendi Shares is lower than the aggregate amount of the Return of Capital Component of the Louis Hachette Group Partial Demerger, as well as shareholders who benefited from a tax deferral (*report d'imposition*) or a rollover (*sursis d'imposition*) in respect of their Vivendi Shares, must consult their usual tax advisor to determine the tax consequences resulting from such particular circumstances.

(b) *Individual French tax residents holding Vivendi Shares through a PEA*

French resident shareholders holding their Vivendi Shares through a PEA will receive the corresponding Louis Hachette Shares on their PEA.

(i) *Tax treatment of the Distribution Component of the Louis Hachette Group Partial Demerger*

<u>Personal income tax and social levies</u>

The following developments apply to the Distribution Component of the Louis Hachette Group Partial Demerger.

The 12.8% non-discharging tax levy does not apply to the Distribution Component of the Louis Hachette Group Partial Demerger where such income is related to shares held in a French PEA.

Subject to certain conditions, the PEA offers (i) during the lifetime of the PEA, an exemption from personal income tax and social levies with respect to capital gains and other income derived from investments made through the PEA (including the receipt of the Louis Hachette Shares as a result of Louis Hachette Group Partial Demerger provided that such shares are booked on the securities account of the PEA), provided, in particular, that such income and capital gains are maintained within the PEA and (ii) at the time of the closing of the PEA (if this occurs more than five (5) years after the PEA opening date) or at the time of a partial withdrawal from the PEA (if such withdrawal occurs more than five (5) years after the PEA opening, unless otherwise specified), an exemption from personal income tax for net gains realized since the opening of the plan.

The net gain recognized upon closing or withdrawal from the PEA more than five (5) years after the PEA opening date is not taken into account for the calculation of the reference income, but remains subject to the social levies described in paragraph above – "*Social levies*" at a rate of 17.2% for net gains realized as from January 1, 2018. However, the applicable rate of these social levies may vary depending on the date of realization of such net gains for (i) net gains acquired or recognized before January 1, 2018 and (ii) net gains realized within the first five years following the opening of the plan, where such plan was opened before January 1, 2018.

Specific provisions, not described in this document, apply if capital losses are realized, if the plan is closed before the end of the fifth year following the opening of the PEA or if a withdrawal is made from the PEA in the form of an annuity. Concerned persons must consult with their usual tax advisor.

Shareholders holding their Vivendi Shares through a PEA must consult with their usual tax advisor in order to determine the tax consequences applicable to them in case of a closing of, or withdrawal from, their PEA.

(ii) *Tax treatment of the Return of Capital Component of the Louis Hachette Group Partial Demerger*

For Vivendi individual shareholders holding Vivendi Shares through a PEA, the tax consequences of treating a portion of the Louis Hachette Group Partial Demerger as a return of capital (*remboursement d'apport*) should be assessed with the assistance of their usual tax advisor.

18.5.2.2. *Legal entities that are tax residents in France and subject to corporate income tax ("CIT") and own less than 5% of the share capital of Vivendi*

(a) *Tax treatment of the Distribution Component of the Louis Hachette Group Partial Demerger*

The following developments apply to the Distribution Component of the Louis Hachette Group Partial Demerger.

The Distribution Component of the Louis Hachette Group Partial Demerger received by legal entities that are tax residents in France, subject to CIT in France under standard rules and own less than 5% of the share capital of Vivendi, is subject to CIT in France under the following conditions.

The gross amount of the Distribution Component of the Louis Hachette Group Partial Demerger received is included in the income subject to CIT at the standard rate plus the 3.3% social contribution (Article 235 *ter* ZC of the French *Code général des impôts*), where applicable, which is assessed on the basis of the amount of CIT after application of a rebate which may not exceed an amount of EUR 763,000 per twelve-month period. The standard CIT rate for fiscal years opened on or after January 1, 2022 is currently 25%. However, the applicable CIT rate may depend on the legal entity's turnover and the amount of its taxable income (notably, under certain conditions, for legal entities which qualify as SMEs). Shareholders must consult with their usual tax advisor in order to determine the tax rate applicable to them. In addition, the finance law for 2025 contemplates the implementation of additional surtax for large companies, which may therefore apply on top of the CIT and the 3.3% social contribution. Concerned entities must liaise with their usual tax advisor.

Legal entities owning an interest representing 5% or more of the share capital of Vivendi must consult with their usual advisor to determine the tax regime applicable to their particular situation.

(b) *Tax treatment of the Return of Capital Component of the Louis Hachette Group Partial Demerger*

The following developments apply to the Return of Capital Component of the Louis Hachette Group Partial Demerger.

The FTA have not officially commented on the tax treatment of return of capital and its impact on the acquisition cost of the Vivendi Shares for legal entities subject to CIT.

Shareholders must consult their own usual tax advisor in order to determine the tax treatment of the Return of Capital Component of the Louis Hachette Group Partial Demerger and its impact on the acquisition cost of the Vivendi Shares they own as at the time of the Louis Hachette Group Partial Demerger.

18.5.3 Certain French tax consequences of the Louis Hachette Group Partial Demerger for existing shareholders of Vivendi who are not French tax residents

Non-French resident shareholders must read the general introductory French tax considerations regarding the tax treatment of the Louis Hachette Group Partial Demerger included in Section 18.5.1.

18.5.3.1. *Tax treatment of the Distribution Component of the Louis Hachette Group Partial Demerger*

Under current French tax law and subject to the possible application of international tax treaties, the following developments summarize certain French tax consequences with regard to withholding taxes on the Distribution Component of the Louis Hachette Group Partial Demerger, likely to apply to existing shareholders of Vivendi (i) who are not domiciled in France within the meaning of Article 4 B of the French *Code général des impôts* or whose registered office is located outside France, and (ii) whose ownership of the shares is not effectively connected with a permanent establishment or fixed base subject to tax in France. Such investors should consult their usual tax advisor about the tax treatment applicable to their particular situation, and notably to determine the tax treatment applicable in their state of residence.

Subject to provisions of tax treaties which may apply and subject to the exceptions listed below, the Distribution Component of the Louis Hachette Group Partial Demerger will in principle be subject to a French withholding tax, withheld by the paying agent of those dividends, where the tax residence or registered office of the effective beneficiary is located outside France.

Subject to (i) what is stated below and (ii) more favorable provisions of international tax treaties, as applicable, the withholding tax rate is set at a rate of (i) 12.8% if the beneficiary is an individual, (ii) 15% if the beneficiary is a non-profit organization having its registered office in a European Union Member State or in another Member State of the European Economic Area having entered with France into a tax treaty providing for administrative assistance against tax fraud and evasion, to the extent that such organization would be taxed according to the special treatment referred to in paragraph 5 of Article 206 of the French *Code général des impôts* if it had its registered office in France and as construed by the guidelines issued by the French tax authorities, BOI-IS-CHAMP-10-50-10-40, No. 580 *et seq.*, dated March 25, 2013, and relevant case law; and (iii) the standard corporate income tax rate set forth in the second paragraph of Article 219-I of the French *Code général des impôts* which is currently set at a rate of 25%.

Furthermore, subject to the provisions of international tax treaties, regardless of the place of residence, the registered office, or the status of the beneficiary, where the Distribution Component of the Louis Hachette Group Partial Demerger are made outside of France in a NCSTs as defined in Article 238-0 A of the French *Code général des impôts*, other than those mentioned in paragraph 2 bis-2 of Article 238-0 A of the French *Code général des impôts* (*i.e.*, other than those included in such list on the basis of an European criterion other than the facilitation of offshore structures and arrangements), the Distribution Component of the Louis Hachette Group Partial Demerger will be subject to French withholding tax at a rate of 75%, except if it can be demonstrated that the payment of the Distribution Component of the Louis Hachette Group Partial Demerger has neither as their object nor as their effect to allow, for tax fraud purpose, its location in such State or territory. The list of the NCSTs is published by ministerial decree and may be updated at any time and generally at least once a year. The provisions of the French *Code général des impôts* referring to Article 238-0 A of the French *Code général des* *impôts* shall apply to states or territories added on this list as from the first day of the third month following the publication of the ministerial decree.

Shareholders that are legal persons may benefit from a reduction or an exemption of withholding tax under Article 119 *ter* or Article 119 *quinquies* of the French *Code général des impôts* with respect to of the Distribution Component of the Louis Hachette Group Partial Demerger, provided that they are the beneficial owners of such distributions and, subject to satisfying the other conditions set forth in those provisions.

Article 119 *ter* of the French *Code général des impôts* applies under certain conditions to legal entities (to the extent they are the beneficial owner of the distributions):

- having their effective place of management in a Member State of the European Union or in another Member State of the European Economic Area Agreement that has concluded with France a tax treaty providing for administrative assistance against tax fraud and evasion, which are not considered, under the terms of a tax treaty concluded with a third State, to have their tax residence outside the European Union or the European Economic Area Agreement;
- having one of the forms listed in Part A of Annex I to Council Directive 2011/96/EU of November 30, 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States or an equivalent form where the company has its effective place of management in a Member State of the European Economic Area Agreement, being subject, in the Member State of the European Union or in the Member State of the European Economic Area Agreement where they have their effective place of management, to corporate income tax, without the possibility of an option and without being exempt from it;
- holding at least 10% of the company distributing the dividends during two years and otherwise satisfying all the conditions of such article as construed by the guidelines issued by the French tax authorities BOI-RPPM-RCM-30-30-20-10 dated July 3, 2019, it being however specified that (i) the ownership threshold is reduced to 5% of the capital of the French distributing company where the legal person being the beneficial owner of the dividends meets the conditions to benefit from the French participation exemption regime set forth in Article 145 of the French *Code général des impôts* and has no possibility to offset the French withholding tax in its State of residence, (ii) the ownership thresholds are assessed taking into account shares held both in full or bare ownership; and (iii) Article 119 *ter* of the French *Code général des impôts* does not apply to dividends distributed as part of an arrangement or series of arrangements which, having been set up to seek the grant of, as a main objective or as part of one of the main objectives, a tax advantage that is against the object or the purpose of Article 119 *ter* of the French *Code général des impôts*, is not genuine taking into account all the relevant facts and circumstances.

Article 119 *quinquies* of the French *Code général des impôts* applies to legal entities (to the extent they are the beneficial owner of the distributions):

- being in a loss making position (or where the permanent establishment to which the income is allocated is in a loss making position) based on the rules applicable in the jurisdiction in which it is established;
- having their effective place of management (x) in a Member State of the European Union or (y) in another Member State of the European Economic Area Agreement that is not a NCST and that has concluded with France a tax treaty providing for administrative assistance against tax fraud and evasion and a mutual assistance agreement on recovery with a similar scope to that provided for in Council Directive 2010/24/EU of March 16, 2010, or (z) in a State outside the European Union or the European Economic Area, that is not a NCST and that has concluded with France the administrative and mutual assistance agreements for recovery mentioned above, provided that the shareholding held in the distributing company does not allow the

beneficiary to participate effectively in the management or control of this company or organization, and

- provided that they are subject to a judicial liquidation procedure that is comparable to that mentioned in Article L. 640-1 of the French *Code de commerce* (or where there is no such procedure available, in a situation of cessation of payments with recovery being manifestly impossible) and otherwise meet all the conditions of Article 119 *quinquies* of the French *Code général des impôts*.

Moreover, dividend income distributed to collective investment undertakings incorporated under foreign law which (i) are located in a Member State of the European Union or in another State that has concluded with France a tax treaty providing for administrative assistance against tax fraud and evasion which meets the conditions specified in Article 119-*bis* 2 of the French *Code général des impôts*, (ii) raise capital from a certain number of investors with the purpose of investing it in the interest of such investors, pursuant to a defined investment policy and (iii) have characteristics similar to those required of collective undertakings fulfilling the conditions set forth in Article 119-*bis* 2, 2 of the French *Code général des impôts* and the guidelines issued by the French tax authorities (BOI-RPPM-RCM-30-30-20-70 dated October 6, 2021), also benefit from a withholding tax exemption.

Existing shareholders of Vivendi may also benefit from a reduction or an exemption of withholding tax pursuant to the provisions of applicable tax treaties.

In addition, Article 235 *quater* of the French *Code général des impôts* provides for a mechanism enabling under certain conditions to obtain a temporary refund of the withholding tax (which triggers a taxation in an equivalent amount that is subject to a payment deferral) which is applicable to Shareholders who are legal entities or organizations (a) whose result of the fiscal year during which the dividends distribution is received generates tax losses, (b) whose registered office or permanent establishment in the result of which the income and profits are included is located (x) in a Member State of the European Union, (y) in another Member State of the European Economic Area Agreement that is not a NCST and that has concluded with France a tax treaty providing for administrative assistance against tax fraud and evasion and a mutual assistance agreement on recovery with a scope similar to that provided for in Council Directive 2010/24/EU of March 16, 2010 or (z) in a State outside the European Union or the European Economic Area, that is not a NCST and that has concluded with France the above-mentioned conventions, provided that the shareholding held in the distributing company does not allow the beneficiary to participate effectively in the management or control of this company or organization and (c) complying with the reporting obligations set forth in Article 235 *quater* of the French *Code général des impôts*. The payment deferral would terminate with respect to the fiscal year in which the concerned shareholder would become profitable as well as in cases set out in Article 235 *quater* of the French *Code général des impôts*.

Furthermore, Article 235 *quinquies* of the French *Code général des impôts*, provides for a refund of a portion of the withholding tax in an amount corresponding to the difference between the upfront withholding tax paid and the withholding tax as determined on a basis net of any acquisition and holding charges directly linked to the dividends received, to the extent that the following conditions are met:

- the beneficiary is a legal entity or an organization (a) whose results are not subject to personal income tax at the level of its shareholder, (b) whose registered office or permanent establishment in which the income and sums are included is located in a Member State of the European Union or in another Member State of the European Economic Area Agreement that is not a NCST and that has concluded with France a tax treaty providing for administrative assistance against tax fraud and evasion and a mutual assistance agreement on recovery with a scope similar to that provided for in Council Directive 2010/24/EU of March 16, 2010, or in any other State which has concluded the above-mentioned tax treaty with France, provided that (i) this State is not an NCST and that (ii) the shareholding held in the distributing company or organization does not allow the beneficiary to actually participate in the management or control of this company or this organization;

- the acquisition and holding charges relating to such income and amounts would be deductible if the beneficiary were located in France; and
- the taxation rules applicable in its State of residence for tax purposes do not allow the beneficiary to offset the withholding tax.

Prospective shareholders must consult their usual tax advisors to (i) determine whether they are likely to fall within the scope of the legislation relating to NCSTs, and/or to qualify for a reduction to or exemption from the withholding tax by virtue of the provisions of international tax treaties or any of the abovementioned provisions (and under which conditions) and (ii) determine the practical formalities to be complied with to benefit from these tax treaties, including those provided for by BOI-INT-DG-20-20-20-20 dated September 12, 2012 relating to the so-called "standard" or "simplified" procedure for the reduction of or exemption from the withholding tax or from the abovementioned provisions and (iii) more generally to determine the tax regime applicable in the light of their own specific situation.

Moreover, the shareholders' attention is drawn to the fact that Article 119 *bis* A of the French *Code général des impôts* provides for an anti-abuse measure, whereby the paying agent is required to withhold the withholding tax applicable to dividends in case of temporary sales of Shares or similar transactions around the dividend payment date allowing non-resident shareholders of French companies to avoid the withholding tax normally applicable. In this case, the withholding tax would apply without the beneficiary being able to avail himself of the so-called simplified procedure in order to benefit from the more favorable provisions of the applicable international tax treaties (if any). However, this measure provides, under certain conditions, for a safe-harbor provision in order to obtain reimbursement of all or part of the withholding tax thus levied if the non-resident shareholder is able to demonstrate that this payment corresponds to a transaction which has mainly a purpose and effect other than to avoid the application of a withholding tax or to obtain the benefit of a tax advantage. As part of the ongoing discussions on the draft finance law for 2025, several proposals emerged to amend the scope of Article 119 bis A of the French *Code général des impôts*; it cannot be excluded that the rules governing the anti-abuse measure provided for by Article 119 bis A of the French *Code général des impôts* will change in the future, and more generally that other anti-abuse measures will be adopted.

Prospective shareholders who could be concerned are invited to consult their usual tax advisor in order to determine the consequences of such provisions to their particular situation

Lastly, non-French tax residents must also comply with the tax laws in force in their state of residence, as may be modified by the tax treaties for the avoidance of double taxation signed between France and such jurisdiction.

Procedures for claiming treaty benefits

Pursuant to the guidelines issued by the French tax authorities BOI-INT-DG-20-20-20-20, shareholders who are entitled to treaty benefits under an applicable tax treaty with France may under certain conditions claim such benefits under a simplified procedure (provided that it is possible under the provisions of the tax treaty) or under the standard procedure. Specific requirements apply to certain investors, such as UCITS or pension funds.

The procedure to be followed generally depends upon whether the application for treaty benefits is filed before or after the dividend payment.

Under the simplified procedure, in order to benefit from the lower rate of withholding tax applicable under the relevant treaty, the shareholder must complete and deliver to the bank or financial institution managing its account or to the paying agent, before the dividend payment, a certificate of residence (Form 5000) stamped by the tax authorities of the jurisdiction of residence of such shareholder stating in particular that the recipient of the dividend:

- is beneficially entitled to the income for which the treaty benefits are being claimed;
- is a resident of the other contracting State for the purposes of the relevant tax treaty;
- does not have any establishment or permanent base in France to which the dividend income is attached; and
- has reported or will report this dividend to the tax authorities of the shareholder's country of residence.

If the Form 5000 is not filed prior to the dividend payment date, the normal procedure is applicable. In such a case, a withholding tax is levied at the ordinary French withholding tax rate, and the shareholder has to claim a refund for the excess withholding tax by filing both Form 5000 and Form 5001, with the French tax authorities, no later than December 31st of the second year following the year during which the dividend is paid or no later than the date provided by the applicable tax treaty.

Copies of Form 5000 and Form 5001 are available on www.impots.gouv.fr. Information on such website is not a part of this offering memorandum.

Shareholders must consult their usual tax advisors to determine the practical formalities to be complied with to benefit from these provisions.

18.5.3.2. *Tax treatment of the Return of Capital Component of the Louis Hachette Group Partial Demerger*

The Return of Capital Component of the Louis Hachette Group Partial Demerger will not be subject to any taxation in France.

18.5.4 Taxation in France of dividends derived from the Louis Hachette Shares

18.5.4.1. *Individual French tax residents*

(a) Individual French tax residents holding the Louis Hachette Shares as part of their private estate, who do not trade on the markets on a regular basis, do not hold their shares through a PEA and have not acquired their shares through a company or group share plan or as part of an employee incentive scheme (e.g., free shares, performance share units, restricted share units or shares acquired pursuant to the exercise of stock options or pursuant to an employee share purchase plan)

The tax treatment described above in Section 18.5.2.1(a)(i) for the Distribution Component of Louis Hachette Group Partial Demerger will apply *mutatis mutandis* to the dividends derived from the Louis Hachette Shares by the individual shareholders of the Company who are French tax residents and who own the Louis Hachette Shares as part of their private estate and who do not trade on the markets on a regular basis.

(b) Individual French tax residents holding the Louis Hachette Shares through a PEA

If the Louis Hachette Shares are held in a French PEA, the tax treatment described above in Section 18.5.2.1(b)(i) will apply *mutatis mutandis* to dividends derived from the Louis Hachette Shares.

18.5.4.2. *Legal entities that are tax residents in France and subject to CIT and own less than 5% of the share capital of the Company*

The tax treatment described above in Section 18.5.2.2(a) for the Distribution Component of Louis Hachette Group Partial Demerger will apply *mutatis mutandis* to the dividends derived from the Louis Hachette Shares held by the legal entities that are tax residents and subject CIT in France and, own less than 5% of the share capital of the Company.

Legal entities owning an interest representing 5% or more of the share capital of the Company or otherwise eligible to the parent subsidiary regime must consult with their usual advisor to determine the tax regime applicable to their particular situation.

18.5.4.3. *Non-French tax residents*

The developments contained in Section 18.5.3.1 are *mutatis mutandis* applicable to the tax treatment of dividends received from the Louis Hachette Shares by the Company shareholders who are not French residents for tax purposes.

18.5.5 Taxation in France of capital gains derived from the Louis Hachette Shares

18.5.5.1. *Individual French tax residents*

(a) *Individual French tax residents holding the Louis Hachette Shares as part of their private estate, who do not trade on the markets on a regular basis, do not hold their shares through a PEA and have not acquired their shares through a company or group share plan or as part of an employee incentive scheme (e.g., free shares, performance share units, restricted share units or shares acquired pursuant to the exercise of stock options or pursuant to an employee share purchase plan)*

Net gains from the sale of the Louis Hachette Shares by individuals who are French tax residents are subject to a 12.8% flat tax, without rebate.

However, taxpayers may elect, before the deadline for filing their income tax return for the year in question, that such net capital gains be taken into account for the purposes of determining the net global income subject to the progressive income tax rate scale (with a top marginal tax rate of 45%). The election is global, irrevocable, express and applies on a yearly basis to all investment income (with the exception of certain tax-exempt income) and capital gains falling within the scope of the 12.8% flat tax and earned during said year.

Persons with reportable net capital losses or recognizing capital losses on the sale of the Louis Hachette Shares must consult with their usual tax advisor in order to review the conditions for the use of such capital losses.

Net capital gains are also included in the taxpayer's reference tax income, which may be subject to the exceptional contribution on high income at a rate of 3% or 4%, as well as to the new incremental surtax on high income contemplated by the draft finance law for 2025, as described in Section 18.5.2.1(a)(i), "*Exceptional contributions on high income*."

In addition, capital gains resulting from the sale of the Louis Hachette Shares will also be subject to social levies as described in Section 18.5.2.1(a)(i) "*Social levies*" (it being specified that in the case of capital gains, social levies are collected by assessment).

(b) *Individual French tax residents holding the Louis Hachette Shares through a PEA*

If the Louis Hachette Shares are held in a French PEA, the tax treatment described above in Section 18.5.2.1(b)(i) will apply *mutatis mutandis* to capital gains made upon the sale of the Louis Hachette Shares.

18.5.5.2. *Legal entities that are tax residents in France and subject to CIT and own less than 5% of the share capital of the Company*

Except where a specific regime applies, net capital gains resulting from the sale of the Louis Hachette Shares generated by legal entities subject to CIT in France and that do not own their shares as *titres de* *participation et titres assimilés* shall be included in the income subject to CIT at the standard rate plus the 3.3% social levy (Article 235 *ter* ZC of the French *Code général des impôts*), where applicable, which is assessed on the basis of the amount of CIT after application of a rebate which may not exceed an amount of EUR 763,000 per twelve-month period. The standard CIT rate for fiscal years opened on or after January 1, 2022 is currently 25%. However, the applicable CIT rate may depend on the legal entity's turnover and the amount of its taxable income (notably, under certain conditions, for legal entities which qualify as SMEs). Shareholders must consult with their usual tax advisor in order to determine the tax rate applicable to them. In addition, the finance law for 2025 contemplates the implementation of additional surtax for large companies, which may therefore apply on top of the CIT and the 3.3% social contribution. Concerned entities must liaise with their usual tax advisor.

In principle, and except where a specific regime applies (such as the regime of *titres de participation et titres assimilés*), capital losses resulting from the sale of the Louis Hachette Shares are deductible from the legal entity's taxable income.

Legal entities that are residents in France for which the Louis Hachette Shares qualify as equity investment or assimilated securities for the purposes of Article 219 I-a *quinquies* of the French *Code général des impôts* (*titres de participation et titres assimilés*) must consult with their usual tax advisor in order to determine the tax regime applicable to their particular situation.

18.5.5.3. *Non-French tax residents*

Subject to the provisions of applicable double tax treaties, as a matter of principles, under French tax law, capital gains arising from the disposal of shares or rights by individuals who are not residents of France for tax purposes within the meaning of Article 4 B of the French *Code général des impôts* or by legal entities whose seat is located outside France (and who do not own their shares in connection with a fixed base or a permanent establishment subject to tax in France and on the balance sheet of which the shares are recorded), and provided that the seller has not held directly or indirectly, alone or together with relatives in the case of individuals, a stake representing more than 25% of the rights in the Company's earnings (*droits aux bénéfices sociaux*) at any point in time during the five-year period preceding the disposal, are not subject to French tax under Articles 244-*bis* B and C of the French *Code général des impôts*.

However, pursuant to Article 244-*bis* B of the French *Code général des impôts* and subject to any applicable double tax treaties, capital gains realized on the sale of securities for consideration of a company subject to corporate tax and having its seat in France by persons, who are not resident in France for tax purposes within the meaning of Article 4 B of the French *Code général des impôts* or whose registered office is located outside France, are subject to a tax in France when such persons:

- have held, at any time during the five years preceding the sale, directly or indirectly, with their spouse, ascendants and descendants, more than 25% of the rights in the Company's profits, in which case the levy is fixed at (i) the standard rate of corporate income tax set out in the second paragraph of Article 219, I of the CGI (*i.e.*, 25% for fiscal years beginning as from January 1, 2022) when due by a legal person or entity in any form or (ii) the rate of 12.8% when due by an individual; or

- are domiciled, established or incorporated outside France in an NCST other than those mentioned in Article 238-0 A, 2 *bis*, 2° of the CGI (whatever the percentage of rights held in the profits of the concerned company), in which case the levy is fixed at the rate of 75%, unless they provide proof that the transactions to which these profits correspond mainly have an object and an effect other than to allow them to be located in an NCST.

Persons falling in the scope of one of these two categories should consult with their usual tax advisors to assess the possible impact of the provisions of Article 244 bis B of the French *Code général des impôts*.

Furthermore, upon disposal of their shares, foreign shareholders are invited to consult appropriate counsel so as to assess their tax obligations in their country of residence as well as possibly in France in case the Company could then be considered as a real estate rich entity pursuant to Article 244-*bis* A of the French *Code général des impôts* or in case Article 244-*bis* B of the French *Code général des impôts* applies or whether they may be able to claim an exemption.

18.5.6 French transfer taxes and financial transaction tax

In principle, the Louis Hachette Shares should not fall within the scope of the French financial transaction tax set forth in Article 235 *ter* ZD of the French *Code général des impôts* since the Louis Hachette Shares will not be admitted to trading on a French, European or foreign regulated market (within the meaning of the provisions of Articles L. 421-4, L. 422-1 or L. 423-1 of the French *Code monétaire et financier*). As part of the ongoing discussions on the draft finance law for 2025, several proposals emerged to amend the scope of the French FTT and its rate; it cannot be excluded that the rules governing the application of the French FTT will change in the future.

Pursuant to Article 726 of the French *Code général des impôts*, no French transfer, stamp or registration taxes, are payable on the disposal of the Louis Hachette Shares, provided that the sale is not evidenced by a deed. If the sale is evidenced by a deed (whether signed in France or outside of France), a 0.1% transfer tax assessed on the higher of the sale price of the shares or their fair market value will apply. Unless otherwise agreed by the parties, such tax is borne by the purchaser.

18.5.7 French inheritance and gift tax

Under French law, shares or rights issued by French companies and acquired by way of inheritance or gift by an individual not residing in France for French tax purposes fall within the scope of French inheritance tax and gift duties, and where applicable are subject thereto. The tax applies without regard to the tax residence of the transferor. However France has entered into tax treaties with some jurisdictions so as to avoid double taxation on inheritance or gifts, which allow for persons residing in these jurisdictions to be exempted under certain conditions from inheritance or gift duties or to be granted a tax credit.

18.6 Certain U.S. federal income tax consequences

The following is a summary of certain U.S. federal income tax considerations that are likely to be relevant to the receipt, ownership and disposition of Louis Hachette Shares by a U.S. Holder (as defined below).

This summary is based on provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), and regulations, rulings and judicial interpretations thereof, in force as of the date hereof and the Convention Between the Government of the United States of America and the Government of the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital (the "**Treaty**"). Those authorities are subject to change and differing interpretation at any time, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below.

This summary is not a comprehensive discussion of all of the tax considerations that may be relevant to a particular investor's receipt, holding or disposition of Louis Hachette Shares. In particular, this summary is directed only to U.S. Holders that hold Louis Hachette Shares and their Vivendi Shares as capital assets and does not address tax consequences that may be applicable to holders that are not U.S. Holders or U.S. Holders who may be subject to special tax rules, such as banks, brokers or dealers in securities or currencies, traders in securities electing to mark to market, financial institutions, life insurance companies, tax-exempt entities, regulated investment companies, entities or arrangements that are treated as partnerships for U.S. federal income tax purposes (or partners therein), holders that own or are treated as owning 5% or more of Vivendi's stock by vote or value, persons holding Vivendi Shares as part of a hedging or conversion transaction or a straddle, persons required to accelerate any item of income as a result of such item's inclusion on any applicable financial statement or persons whose functional currency is not the U.S. dollar. Moreover, this summary does not address state, local or non-U.S. taxes, any U.S. tax other than income taxes, such as U.S. federal estate and gift taxes, the Medicare contribution tax applicable to net investment income of certain non-corporate U.S. Holders, or any alternative minimum tax consequences of receiving, acquiring, holding or disposing of Louis Hachette Shares.

For purposes of this summary, a "**U.S. Holder**" is a beneficial owner of Vivendi Shares and/or Louis Hachette Shares (as applicable) that is a citizen or resident of the United States or a U.S. domestic corporation or that otherwise is subject to U.S. federal income taxation on a net income basis in respect of such Vivendi Shares and/or Louis Hachette Shares (as applicable) and that is fully eligible for benefits under the Treaty (including pursuant to its "Limitation on Benefits" article).

U.S. Holders should consult their own tax advisors about the consequences of the receipt, acquisition, ownership, and disposition of the Louis Hachette Shares, including the relevance to their particular situations of the considerations discussed below and any consequences arising under non-U.S., state, local or other tax laws.

18.6.1 U.S. federal income taxation of the Louis Hachette Group Partial Demerger

The Louis Hachette Group Partial Demerger will generally be treated for U.S. federal income tax purposes as a distribution of the Louis Hachette Shares by Vivendi. Generally, the distribution of property by a corporation in respect of its stock, such as the distribution of the Louis Hachette Shares in the Louis Hachette Group Partial Demerger, is taxable to U.S. stockholders. However, under Sections 368 and 355 of the Code, if numerous requirements are met, the distribution by one corporation of an amount of stock constituting "control" (within the meaning of Section 368(c) of the Code) of another corporation may be made on a tax-free basis. While the matter is not free from doubt, Louis Hachette and Vivendi believe, based on currently applicable tax law (including the administrative guidance and interpretation thereof), that the Louis Hachette Group Partial Demerger would likely not satisfy certain of such requirements and that, accordingly, it likely constitutes a taxable transaction for U.S. federal income tax purposes. The remainder of this discussion assumes such treatment is respected, and, accordingly, each U.S. Holder who receives Louis Hachette Shares in the Louis Hachette Group Partial Demerger will be treated as receiving a taxable distribution in an amount equal to the fair market value of the Louis Hachette Shares received (determined at the time of the Louis Hachette Group Partial Demerger). There can be no assurance that the Louis Hachette Group Partial Demerger will qualify for such treatment. Furthermore, U.S. law does not prescribe any particular methodology for determining fair market value for tax purposes, and any methodology chosen by a taxpayer is not binding on the IRS or any other taxing authority. *U.S. Holders should consult their own tax advisors with respect to the consequences to them of the Louis Hachette Group Partial Demerger.*

Assuming that the Louis Hachette Group Partial Demerger is a taxable distribution, then such distribution will be treated as a dividend for U.S. federal income tax purposes to the extent of Vivendi's current and accumulated earnings and profits, as determined for U.S. federal income tax purposes. To the extent that the amount of the taxable distribution exceeds such earnings and profits, the distribution will be treated to each U.S. Holder first as a non-taxable return of capital until such U.S. Holder's adjusted tax basis in its Vivendi Shares is $0, and thereafter as gain from the taxable sale or exchange of a capital asset. Vivendi does not maintain calculations of its earnings and profits for U.S. federal income tax purposes, and, accordingly, U.S. Holders should expect that the Louis Hachette Group Partial Demerger will be treated as a dividend in its entirety.

Subject to certain exceptions for short-term positions, the dividends received by an individual with respect to the Vivendi shares would be subject to taxation at a preferential rate if (i) Vivendi is eligible for the benefits of a comprehensive tax treaty with the United States that the U.S. Treasury determines is satisfactory for purposes of this provision and that includes an exchange of information program (including the Treaty), and (ii) Vivendi was not a passive foreign investment company (a "**PFIC**") in the year prior to the Louis Hachette Group Partial Demerger or in the year of the Louis Hachette Group Partial Demerger. Vivendi believes it is eligible for the benefits of the Treaty, and, based on its financial statements and relevant market and shareholder data, Vivendi believes that it was not treated as a PFIC for US federal income tax purposes with respect to its 2023 taxable year. In addition, based on Vivendi's financial statements and its current expectations regarding the value and nature of its assets, and the sources and nature of its income, Vivendi does not anticipate becoming a PFIC for its 2024 taxable year.

Because Vivendi is not a U.S. corporation, U.S. Holders that are corporations will generally not be entitled to claim a dividends received deduction with respect to the Louis Hachette Group Partial Demerger. Moreover, each U.S. Holder's tax basis in the Louis Hachette Shares received in the Louis Hachette Group Partial Demerger will be equal to the fair market value of such Louis Hachette Shares (determined at the time of the Louis Hachette Group Partial Demerger).

Subject to generally applicable limitations and conditions and the discussion above at Section 18.5.2.1(a)(i), "*Tax treatment of the Distribution Component of the Louis Hachette Group Partial Demerger*", French withholding tax with respect to the Louis Hachette Group Partial Demerger paid at the appropriate rate applicable to a U.S. Holder may be eligible for a credit against such U.S. Holder's U.S. federal income tax liability. These generally applicable limitations and conditions include requirements adopted by the IRS in regulations promulgated in December 2021, and any French tax will need to satisfy these requirements in order to be eligible to be a creditable tax for a U.S. Holder. In the case of a U.S. Holder that consistently elects to apply a modified version of these rules under recently issued temporary guidance and complies with specific requirements set forth in such guidance, the French tax on dividends will be treated as meeting the requirements promulgated in December 2021 and therefore as a creditable tax. In the case of all other U.S. Holders, the application of these requirements to the French tax on dividends is uncertain and Louis Hachette has not determined whether these requirements have been met. If the French dividend tax is not a creditable tax for a U.S. Holder or the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year, the U.S. Holder may be able to deduct the French tax in computing such U.S. Holder's taxable income for U.S. federal income tax purposes. Distributions treated as dividends for U.S. federal income tax purposes (including the Louis Hachette Group Partial Demerger as described above) will generally constitute income from sources without the United States and, for U.S. Holders that elect to claim foreign tax credits, generally will constitute "passive category income" for foreign tax credit purposes.

The availability and calculation of foreign tax credits and deductions for foreign taxes depend on a U.S. Holder's particular circumstances and involve the application of complex rules to those circumstances. The temporary guidance discussed above also indicates that the Treasury and the IRS are considering proposing amendments to the December 2021 regulations and that the temporary guidance can be relied upon until additional guidance is issued that withdraws or modifies the temporary guidance. U.S. Holders should consult their own tax advisors regarding the application of these rules to their particular situations.

Holders should consult their personal tax advisors regarding the U.S. federal income tax consequences of the Louis Hachette Group Partial Demerger to them.

18.6.2 Certain U.S. federal income tax considerations relating to the Louis Hachette Shares

18.6.2.1. *Taxation of dividends*

Louis Hachette does not expect to maintain calculations of its earnings and profits in accordance with U.S. federal income tax principles. U.S. Holders therefore should expect that distributions generally will be treated as dividends for U.S. federal income tax purposes.

For a U.S. Holder, cash dividends paid in a currency other than U.S. dollars generally will be includible in such U.S. Holder's income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day such U.S. Holder receives the dividends. Any gain or loss on a subsequent sale, conversion or other disposition of such non-U.S. currency by such U.S. Holder generally will be treated as ordinary income or loss and generally will be income or loss from sources within the United States.

Subject to certain exceptions for short-term positions, the U.S. dollar amount of dividends received by an individual with respect to Louis Hachette Shares will be subject to taxation at a preferential rate if the dividends are "qualified dividends." Dividends paid on the Louis Hachette Shares will be treated as qualified dividends if (i) the Louis Hachette Shares are readily tradable on an established securities market in the United States or Louis Hachette, as applicable, is eligible for the benefits of a comprehensive tax treaty with the United States that the U.S. Treasury Department determines is satisfactory for purposes of this provision and that includes an exchange of information program, and (ii) Louis Hachette was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, PFIC.

The U.S. Treasury has determined that the Treaty meets the requirements for reduced rates of taxation, and Louis Hachette expects to be eligible for the benefits of the Treaty. Based on Louis Hachette's financial statements and relevant market and shareholder data, Louis Hachette believes that neither it nor any predecessor of it was treated as a PFIC for U.S. federal income tax purposes with respect to its 2023 taxable year. In addition, based on its financial statements and current expectations regarding the value and nature of their assets, the sources and nature of their income, and relevant market and shareholder data, Louis Hachette does not anticipate becoming a PFIC for its 2024 taxable year or in the foreseeable future. Holders should consult their own tax advisors regarding the availability of the reduced dividend tax rate in light of their own particular circumstances.

Subject to generally applicable limitations and conditions and the discussion above at Section 18.5.3.1, "*Tax treatment of the Distribution Component of the Louis Hachette Group Partial Demerger*", French dividend withholding tax paid at the appropriate rate applicable to the U.S. Holder may be eligible for a credit against such U.S. Holder's U.S. federal income tax liability. The limitations and conditions applicable to claiming a foreign tax credit for U.S. federal income tax purposes in respect of such dividends are generally the same as those discussed above at Section 18.6.1, "*U.S. federal income taxation of the Louis Hachette Group Partial Demerger*" in connection with the availability of foreign tax credits for French dividend withholding tax on the Louis Hachette Group Partial Demerger, *mutatis mutandis*.

The availability and calculation of foreign tax credits and deductions for foreign taxes depend on a U.S. Holder's particular circumstances and involve the application of complex rules to those circumstances. U.S. Holders should consult their own tax advisors regarding the application of these rules to their particular situations.

U.S. Holders that receive distributions of additional shares or rights to subscribe for shares as part of a pro rata distribution to all Louis Hachette's shareholders generally will not be subject to U.S. federal income tax in respect of the distributions, unless the U.S. Holder has the right to receive cash or property other than such additional shares or rights to subscribe for shares, in which case the U.S. Holder will be treated as if it received cash equal to the fair market value of the distribution.

18.6.2.2. *Taxation of dispositions of shares*

Subject to the discussion below in Section 18.6.2.3, "*Passive Foreign Investment Company status*", upon a sale, exchange or other taxable disposition of Louis Hachette Shares, U.S. Holders will realize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realized on the disposition and the U.S. Holder's adjusted tax basis in the Louis Hachette Shares, as determined in U.S. dollars as discussed below. Such gain or loss will be capital gain or loss, and will generally be long-term capital gain or loss if the Louis Hachette Shares have been held for more than one year. Long-term capital gain realized by a U.S. Holder that is an individual generally is subject to taxation at a preferential rate. The deductibility of capital losses is subject to limitations.

If a U.S. Holder sells or otherwise disposes of Louis Hachette Shares in exchange for currency other than U.S. dollars, the amount realized generally will be the U.S. dollar value of the currency received at the spot rate in effect on the date of sale or other disposition (or, if the Louis Hachette Shares are traded on an established securities market at such time, in the case of cash basis and electing accrual basis U.S. holders, the settlement date). An accrual basis U.S. Holder that does not elect to determine the amount realized using the spot exchange rate on the settlement date will recognize foreign currency gain or loss equal to the difference between the U.S. dollar value of the amount received based on the spot exchange rates in effect on the date of the sale or other disposition and the settlement date. A U.S. Holder generally will have a tax basis in the currency received equal to the U.S. dollar value of the currency received at the spot rate in effect on the settlement date. Any currency gain or loss realized on the settlement date or the subsequent sale, conversion, or other disposition of the non-U.S. currency received for a different U.S. dollar amount generally will be U.S.-source ordinary income or loss, and will not be eligible for the reduced tax rate applicable to long-term capital gains. If an accrual basis U.S. Holder makes the election described in the first sentence of this paragraph, it must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

Additionally, capital gain or loss recognized by a U.S. Holder on the sale or other disposition of Louis Hachette Shares generally will be U.S. source gain or loss for U.S. foreign tax credit purposes. A U.S. Holder should consult its own tax advisors regarding the treatment of any foreign currency gain or loss realized with respect to any currency received in a sale or other disposition of Louis Hachette Shares.

18.6.2.3. *Passive Foreign Investment Company status*

Special U.S. tax rules apply to companies that are considered to be PFICs. Louis Hachette will be classified as a PFIC in a particular taxable year if, taking into account its proportionate share of the income and assets of its subsidiaries under applicable "look-through" rules, either:

- 75 percent or more of its gross income for the taxable year is passive income; or
- the average percentage of the value of its assets that produce or are held for the production of passive income is at least 50 percent.

For this purpose, passive income generally includes dividends, interest, gains from certain commodities transactions, rents, royalties and the excess of gains over losses from the disposition of assets that produce passive income.

Based on Louis Hachette's financial statements and expectations about the nature and amount of its income, assets, activities and the market value of its equity, Louis Hachette and Vivendi do not believe that Louis Hachette (or any predecessor thereof) was a PFIC in 2023 and do not expect Louis Hachette to become a PFIC in the foreseeable future. In the event that, contrary to such expectation, Louis Hachette is classified as a PFIC in any year, and a U.S. Holder does not make a mark-to-market election, as described below, such U.S. Holder will be subject to a special tax at ordinary income tax rates on "excess distributions", including certain distributions by us and gain that such U.S. Holder recognizes on the sale of Louis Hachette Shares. The amount of income tax on any excess distributions will be increased by an interest charge to compensate for tax deferral, calculated as if the excess distributions were earned ratably over the period the relevant U.S. Holder holds such U.S. Holder's Louis Hachette Shares.

If Louis Hachette is a PFIC, U.S. Holders can avoid the unfavorable rules described above by electing to mark Louis Hachette Shares to market, provided the Louis Hachette Shares are considered "marketable". Louis Hachette Shares will be marketable if they are regularly traded on certain qualifying U.S. stock exchanges or on a foreign stock exchange that meets certain requirements. A U.S.

Holder who makes this mark-to-market election will be required in any year in which Louis Hachette is a PFIC to include as ordinary income the excess of the fair market value of such U.S. Holder's Louis Hachette Shares at the end of such U.S. Holder's taxable year over such U.S. Holder's basis in those Louis Hachette Shares. If at the end of a U.S. Holder's taxable year, such U.S. Holder's basis in the Louis Hachette Shares exceeds their fair market value, such U.S. Holder will be entitled to deduct the excess as an ordinary loss, but only to the extent of such U.S. Holder's net mark-to-market gains from previous years. A U.S. Holder's adjusted tax basis in Louis Hachette Shares will be adjusted to reflect any income or loss recognized under these rules. In addition, any gain recognized upon the sale of Louis Hachette Shares by a U.S. Holder will be taxed as ordinary income in the year of sale and any loss will be treated as an ordinary loss to the extent of such U.S. Holder's net mark-to-market gains from previous years.

Louis Hachette Shares will be considered to be regularly traded (i) during the current calendar year if they are traded, other than in *de minimis* quantities, on at least 1/6 of the days remaining in the quarter in which the Louis Hachette Group Partial Demerger occurs, and on at least 15 days during each remaining quarter of the calendar year; and (ii) during any other calendar year if they are traded, other than in *de minimis* quantities, on at least 15 days during each calendar quarter.

Once made, the election cannot be revoked without the consent of the IRS unless the Louis Hachette Shares cease to be marketable.

Classification as a PFIC may also have other adverse tax consequences, including, in the case of individuals, the denial of a step-up in the basis of Louis Hachette Shares at death.

A U.S. Holder that owns an equity interest in a PFIC generally must annually file IRS Form 8621 and may be required to file other IRS forms. A failure to file one or more of these forms as required may toll the running of the statute of limitations in respect of each of taxable years for which such form is required to be filed. As a result, the taxable years with respect to which a U.S. Holder fails to file the form may remain open to assessment by the IRS indefinitely, until the form is filed.

The U.S. federal income tax rules relating to PFICs are complex. U.S. Holders should consult their own tax advisors regarding the U.S. federal income tax considerations discussed above and the desirability of making a mark-to-market election.

18.6.2.4. *Foreign financial asset reporting*

Individual U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000 on the last day of the taxable year, or U.S.$75,000 at any time during the taxable year, are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on objective criteria. U.S. Holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors are encouraged to consult with their own tax advisors regarding the possible application of these rules, including the application of the rules to their particular circumstances.

18.6.3 Backup withholding and information reporting

Dividends paid to, and proceeds from a sale or other disposition by, a U.S. Holder in respect of the Vivendi Shares or the Louis Hachette Shares generally may be subject to the information reporting requirements of the Code and may be subject to backup withholding unless the U.S. Holder provides an accurate taxpayer identification number and makes any other required certification or otherwise establishes an exemption. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a refund or credit against the U.S. Holder's U.S. federal income tax liability, provided the required information is furnished to the IRS in a timely manner.

A holder that is not a U.S. Holder may be required to comply with certification and identification procedures in order to establish its exemption from information reporting and backup withholding.

18.7 Availability and publication of the Information Document

An electronic version of the Information Document is also available on the Company's website (www.louishachettegroup.com). The posting of the Information Document on the Internet does not constitute an offer to sell or a solicitation of an offer to buy any of the Louis Hachette Shares directed to any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person.

19. GLOSSARY

The following definitions are used in the Information Document:

"**Account Holder**"	A financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, such as Euroclear Bank S.A./N.V.
"**Admission**"	The admission to listing and trading of all Louis Hachette Shares on Euronext Growth (Paris).
"**ADR**"	American Depositary Receipt.
"**ADS**"	American Depositary Share.
"**Allocation Ratio**"	The exchange ratio (expected to be determined on a 1:1 basis) used to calculate the number of Louis Hachette Shares that will be distributed to the Vivendi Shareholders pursuant to the Louis Hachette Group Partial Demerger.
"**Alternative Performance Measures**"	Measures of performance that are not required by, nor are presented in accordance with, IFRS, including (as defined in Section 7.3, "*Alternative performance measures*") EBITA, revenues on a like-for-like basis, recurring EBIT and operating margin of the Lagardère Group and free cash flow (before and after changes in working capital) of the Lagardère Group.
"**AMF**"	The French Financial Markets Authority (*Autorité des Marchés Financiers*).
"**ARCOM**"	The French Regulatory Authority for Audiovisual and Digital Communication (*Autorité de Régulation de la Communication Audiovisuelle et Numérique*).
"**Articles of Association**"	The articles of association (*statuts*) of the Company as they will read on or prior to Admission.
"**Board**"	The board of directors (*conseil d'administration*) of the Company.
"**Board Regulations**"	The rules regarding the Board's functioning and internal organization.
"**Bolloré SE**"	Bolloré SE, a *Societas Europaea* governed by the laws of France, with its registered office at Odet, 29500 Ergué-Gabéric, France, registered with the Quimper Trade and Companies Register under number 055 804 124. The LEI of Bolloré SE is 969500LEKCHH6VV86P94.
"**Canal+ Partial Demerger**"	The transaction necessary to effect the separation from Vivendi of the Canal+ businesses, as described in Part B, Section 18.1.2.2(b), "*The Canal+ Partial Demerger*".

"**CET**"	Central European Time or Central European Summer Time, as the case may be.
"**Co-Financial Advisors**"	Bank of America, Banque Hottinguer, Barclays, CIC, Citi, Evercore, HSBC, Lazard, Morgan Stanley, Natixis and Société Générale.
"**Combined Financial Statements**"	The audited combined financial statements of the Publishing and Travel Retail Businesses, prepared in accordance with IFRS, as of and for the years ended on December 31, 2023, December 31, 2022 and December 31, 2021, as presented in Part B, Section 14, "*Financial Information Concerning the Issuer's Assets and Liabilities, Financial Position and Profit and Losses*" of the Information Document, together with the report thereon issued by Deloitte & Associés, one of the independent statutory auditors of Vivendi.
"**Compagnie Hoche**"	Compagnie Hoche SAS, a wholly-owned subsidiary of Vivendi organized as a *société par actions simplifiée* governed by the laws of France, with its registered office at 59 bis avenue Hoche, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 592 064 992.
"**Company**" or "**Issuer**"	Louis Hachette Group, a limited liability company (*société anonyme*) incorporated under the laws of France, with its registered office at 4, rue de Presbourg, 75116 Paris, France, registered with the Paris Trade and Companies Register under number 808 946 305. The LEI of Louis Hachette Group S.A. is 969500CV8XQ2XKU2DO25.
"**Conversion**"	The conversion of the Company into a limited liability company (*société anonyme*) governed by the laws of France, effective as of October 22, 2024.
"**EEA**"	European Economic Area.
"**Effective Date**"	December 13, 2024 at 11:59 p.m. (CET), which is the date on which the Vivendi Spin-Off will be completed from a legal perspective.
"**EU**"	European Union.
"**EU Member States**"	Member states of the European Union.
"**EUR**" or "**euro**" or "**€**"	The lawful currency of the European Economic and Monetary Union.
"**Euronext Growth (Paris)**"	The multilateral trading facility "Euronext Growth" operated by Euronext Paris S.A. in Paris.
"**Euronext Paris**"	The regulated market operated by Euronext Paris S.A. in Paris.

“Ex Date”	December 16, 2024 which is the date on which the right for the holders of Vivendi Shares to receive, for each Vivendi Share they hold, one (1) Louis Hachette Share will detach for trading purposes in respect of the Louis Hachette Group Partial Demerger.
“**Excluded Vivendi Shares**”	The Vivendi Shares held by Vivendi or any persons acting in their own name but on behalf of Vivendi on the Effective Date.
“**Financial Advisors**”	Each of the Lead Financial Advisors, the Co-Financial Advisors and the Other Financial Advisors.
“General Meeting”	General meeting of the Company, being the corporate body, or where the context so requires, the physical meeting of the Company’s shareholders.
“**Group**”	The Company, together with, following the completion of the Louis Hachette Group Partial Demerger, its consolidated subsidiaries and, when referring to the historical activities prior to the completion of the Louis Hachette Group Partial Demerger, the activities of the Lagardère Group and the Prisma Media Group that will form part of the Group after the completion of the Louis Hachette Group Partial Demerger, as described in Part B, Section 18.1.3, “*The Louis Hachette Group Partial Demerger*”.
“**Havas Distribution**”	The transactions necessary to effect the separation from Vivendi of the Havas business, as described in Part B, Section 18.1.2.2(a), “*The Havas Distribution*”.
“**IFRS**”	International Financial Reporting Standards as adopted by the European Union.
“**Information Document**”	This Information Document dated November 7, 2024.
“**ISIN**”	International Securities Identification Number.
“**K-12**” or “**K-12 education publishing market**”	Instructional content for educators and students in kindergarten (*maternelle*) through Grade 12 (*terminale*), and excludes the academic and professional publishing market.
“**Lagardère Group**”	Lagardère SA, together with its consolidated subsidiaries.
“**Lagardère SA**”	Lagardère SA, a limited liability company (*société anonyme*) governed by the laws of France, with its registered office at 4, rue de Presbourg, 75116 Paris, France, registered with the Paris Trade and Companies Register under number 320 366 446. The LEI of Lagardère SA is 969500VX2NV2AQQ65G45. The ordinary shares of Lagardère SA are admitted to trading on Euronext Paris under the ticker symbol “MMB” with ISIN FR0000130213.
“**Lead Financial Advisors**”	BNP Paribas, Crédit Agricole CIB and Goldman Sachs Bank Europe SE.

"**LEI**"	Legal entity identifier.
"**Listing Date**"	The date on which the Louis Hachette Shares will be admitted to trading on Euronext Growth (Paris), initially on an "if-and-when-delivered" basis, expected to be on December 16, 2024 at 9:00 a.m. (CET).
"**Listing Sponsor**"	Crédit Agricole Corporate and Investment Bank, a limited liability company (*société anonyme*) governed by the laws of France, with its registered office at 12, place des États-Unis, CS 70052, 92547 Montrouge Cedex, France, registered with the Nanterre Trade and Companies Register under number 304 187 701.
"**Louis Hachette**"	The Company.
"**Louis Hachette Shares**"	The ordinary shares in the Company's share capital, with a nominal value of EUR 0.20 each.
"**Market Abuse Regulation**"	Regulation (EU) No. 596/2014 of the European Parliament and the Council of April 16, 2014, on market abuse, as amended.
"**Other Financial Advisors**"	Banco Santander, COMMERZBANK, Intesa Sanpaolo, J.P. Morgan and Mizuho.
"**Partial Demergers**"	The Canal+ Partial Demerger and the Louis Hachette Group Partial Demerger.
"**Prisma Media Group**"	Prisma S.A.S., together with its consolidated subsidiaries.
"**Prisma S.A.S.**"	Prisma Group S.A.S., a simplified joint-stock company (*société par actions simplifiée*) governed by the laws of France, with its registered office at 59 bis avenue Hoche, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 829 674 381.
"**Prospectus Regulation**"	Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended.
"**Publishing and Travel Retail Businesses**"	The businesses of Louis Hachette described in Part B, Section 5, "*Business overview*" of the Information Document.
"Record Date"	December 17 2024, after market close.
"**SEC**"	The United States Securities Exchange Commission.
"**Settlement and Paying Agent**"	Uptevia S.A.

"**Settlement Date**"	The date on which the Louis Hachette Shares issued and allocated to Vivendi Shareholders pursuant to the Louis Hachette Group Partial Demerger will be settled and delivered to the securities accounts of the Vivendi Shareholders entitled to receive them.
"**U.S.**"	The United States of America.
"**U.S. Exchange Act**"	The United States Securities Exchange Act of 1934, as amended.
"**U.S. Securities Act**"	The United States Securities Act of 1933, as amended.
"**Unaudited Interim Combined Financial Statements**"	The unaudited interim condensed combined financial statements of the Publishing and Travel Retail Businesses as of and for the six months ended on June 30, 2024 prepared in accordance with IAS 34 "*Interim Financial Reporting*" as adopted by the European Union, and presented in Part B, Section 14, "*Financial Information Concerning the Issuer's Assets and Liabilities, Financial Position and Profit and Losses*" of the Information Document, together with the report thereon issued by Deloitte & Associés, one of the independent statutory auditors of Vivendi.
"**Vivendi**"	Vivendi SE, a *Societas Europaea* governed by the laws of France, with its registered office at 42 avenue de Friedland, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 343 134 763. The LEI of Vivendi SE is 969500FU4DRAEVJW7U54.
"**Vivendi General Meeting**"	The combined general meeting of the shareholders of Vivendi, expected to be held on or around December 9, 2024.
"**Vivendi Group**"	Vivendi, together with its consolidated subsidiaries and its direct and indirect equity interests, including, when referring to historical activities prior to the completion of the Louis Hachette Group Partial Demerger, the activities of the Lagardère Group and the Prisma Media Group that will form part of the Group after the completion of the Louis Hachette Group Partial Demerger.
"**Vivendi Shareholders**"	The holders of the Vivendi Shares on the relevant date.
"**Vivendi Shares**"	The issued and outstanding ordinary shares with a nominal value of EUR 5.50 per share composing the share capital of Vivendi and admitted to trading on Euronext Paris under the ticker symbol "VIV" with ISIN FR0000127771.
"**Vivendi Spin-Off**"	The transactions necessary to effect the separation from Vivendi of the Havas business (including Havas S.A.), the Canal+ businesses (including Group Canal+ S.A.) and the Publishing and Travel Retail Businesses, as described in Part B, Section 18.1.2, "*The Vivendi Spin-Off*", and including the Havas Distribution, the Canal+ Partial Demerger and the Louis Hachette Group Partial Demerger.

PART C DESCRIPTION AND OTHER SPECIFICITIES RELATED TO THE ADMISSION OF EQUITY SECURITIES

1. RISK FACTORS

1.1 Risks relating to the Louis Hachette Shares

1.1.1 There is no existing market for the Louis Hachette Shares and an active trading market for the Louis Hachette Shares may not develop or be sustained.

Prior to Admission, there has been no public trading market for the Louis Hachette Shares and the Company can give no assurance that an active trading market for the Louis Hachette Shares will develop or, if it does develop, could be sustained and be liquid following the Listing Date. Further, because the Company will have a lower market capitalization than Vivendi before completion of the Louis Hachette Group Partial Demerger, there may be less liquidity in the market for the Louis Hachette Shares than in the current market for the Vivendi Shares. If an active trading market is not developed or maintained, the liquidity and trading price of the Louis Hachette Shares could be materially and adversely affected, and the price volatility of the Louis Hachette Shares may increase significantly.

1.1.2 Bolloré SE will retain a significant interest in the Company upon Admission and its interests may differ from those of the other shareholders.

Upon Admission, Bolloré SE will retain a significant interest in the Company, including 30.4% of the Louis Hachette Shares, which are expected to represent approximately 30.4% of the voting rights of the Company, and will be part of the Bolloré Group, which will hold a total voting interest of 31.04%. See Part B, Section 12, "*Major Shareholders*". As a result, following Admission, Bolloré SE may possess sufficient voting power to exercise significant influence over all matters requiring shareholders' approval, including the election or removal of directors and advisers, the making of distributions and other matters to be determined by the General Meeting.

In exercising its voting rights, Bolloré SE may be motivated by interests that differ from those of the other shareholders and the interests of Bolloré SE could conflict with or differ from the Company's interests.

The concentration of ownership in Bolloré SE may have the effect of delaying, deferring or preventing a change of control of the Company or impeding a merger, takeover or other business combination which may otherwise be favorable for the Company or the Group. This in turn could have a material adverse effect on the trading price of the Louis Hachette Shares.

So long as Bolloré SE continues to own, whether directly or indirectly, a significant amount of the equity of the Company, Bolloré SE will continue to be able to substantially influence the Group's ability to enter into any corporate transactions.

1.1.3 There can be no assurance that dividends will be paid on the Louis Hachette Shares.

The Company may determine not to pay dividends. If it determines that it will pay dividends, there can be no assurance that it will be able to pay dividends in the future in accordance with its dividend policy. As a holding company, the Company's ability to pay dividends in the future will be affected by a number of factors, including having sufficient distributable reserves and its ability to receive sufficient dividends from its subsidiaries. The ability of companies within the Group to pay dividends and the Company's ability to receive distributions from its investments in other entities are subject to restrictions, including, but not limited to, the existence of sufficient distributable reserves and cash. Any of the foregoing could have a material adverse impact on the stock price of the Louis Hachette Shares.

1.1.4 The stock price of the Louis Hachette Shares may fluctuate or decline disproportionately in response to developments that are unrelated to the Group's operating performance.

Shareholders should be aware that the value of an investment in the Company and the Group may fluctuate and could be highly volatile. The price at which the Louis Hachette Shares may be quoted and the price that investors may realize for their Louis Hachette Shares will be influenced by a large number of factors, some specific to the Group and its operations or the Company itself (*e.g.*, low stock price), and some which may be unrelated to the Group's operating performance or prospects, such as factors that may affect the Group's industry as a whole, other comparable companies or publicly traded companies as a whole.

In particular, due to the high number of issued and outstanding Louis Hachette Shares following completion of the Louis Hachette Group Partial Demerger, the Company expects its stock price to trade in single digits, notwithstanding its market capitalization. This may result in relatively modest trading activity having a disproportionate effect on the Company's stock price. As a result, the Company's stock price may deviate, potentially significantly, from a price that more appropriately reflects the underlying performance of the Group's business, including as a result of concentrated sales or purchases by a relatively limited number of shareholders. This may be exacerbated if a liquid market for the Louis Hachette Shares does not develop. See Part C, Section 1.1.1, "*There is no existing market for the Louis Hachette Shares and an active trading market for the Louis Hachette Shares may not develop or be sustained*". Should our common stock experience run-ups and declines that are seemingly unrelated to our actual or expected operating performance and financial condition or prospects, prospective investors may have difficulty assessing the rapidly changing value of the Company's stock price.

The sentiments of the public market regarding the Vivendi Spin-Off and the Louis Hachette Group Partial Demerger will be one such factor. Following the Listing Date, there may be a period of relatively high-volume trading in the Louis Hachette Shares as the Company's shareholder base finds its natural composition. For example, the Louis Hachette Shares may become less attractive to certain classes of existing investors in Vivendi. The Company is unable to predict whether substantial amounts of the Louis Hachette Shares will be sold in the open market following Admission. Sales of a substantial number of the Louis Hachette Shares in the public market after Admission, or the perception that these sales might occur, could depress the stock price of the Louis Hachette Shares. See also Part C, Section 1.1.5, "*Future sales of Louis Hachette Shares, or the perception such sales might occur, could depress the stock price of the Louis Hachette Shares*".

This potential factor, together with other factors, including actual or anticipated fluctuations in the financial performance of the Group and its competitors, market fluctuations and/or factors generally affecting consumers, could lead to the stock price of the Louis Hachette Shares fluctuating.

1.1.5 Adverse market fluctuations impacting Lagardère SA's stock price, including the perception that sales of Lagardère SA's shares might occur, could depress the stock price of the Louis Hachette Shares.

Following the completion of the Louis Hachette Group Partial Demerger, the principal asset of the Company will be its 66.53% equity interest in Lagardère SA. As Lagardère SA's shares are admitted to trading on Euronext Paris, the Company will be exposed to risk of adverse market fluctuations affecting Lagardère SA's stock price for various reasons.

The evolution of the general economic context or political and social conditions, or changes to certain indices in which Lagardère SA's stock is included, are examples of external, general factors that may lead to a decline of Lagardère SA's stock price. In addition, the shareholding structure of Lagardère SA may also cause adverse fluctuations of Lagardère SA's stock price for several reasons, including the concentration of ownership of Lagardère SA's stock in the Company and several key shareholders. Developments relating to the remaining outstanding rights granted by Vivendi to certain shareholders of Lagardère SA allowing them to sell Lagardère SA shares to Vivendi at a unit price of EUR 24.10

(the "**Lagardère Transfer Rights**") may further increase this concentration and, in turn, reduce the liquidity of the market for Lagardère SA shares.

In addition, as outstanding Lagardère Transfer Rights will not transfer to the Company as part of the Louis Hachette Group Partial Demerger and will continue to be borne by Vivendi, Vivendi may have to purchase up to 13.53% of Lagardère SA's shares until the expiration of the Lagardère Transfer Rights on June 15, 2025. Vivendi will not be subject to lock-up obligations in respect of the purchased Lagardère SA shares and will therefore be able to sell them on the market at any time. The perception that such sales could occur may have a material adverse impact on the stock price of the Lagardère SA shares, the extent of which may be exacerbated by the lack of liquidity in the market for the Lagardère SA stock.

A decline in the stock price of Lagardère SA for the above or other reasons may have an adverse impact on the stock price of the Louis Hachette Shares or could increase the volatility of the stock price of the Louis Hachette Shares.

1.1.6 Future sales of Louis Hachette Shares, or the perception such sales might occur, could depress the stock price of the Louis Hachette Shares.

Upon Admission, Bolloré SE will hold 30.4% of the Company's share capital.

Bolloré SE is not subject to lock-up obligations and will therefore be able to sell its Louis Hachette Shares on the market on or after the Listing Date. The stock price for the Louis Hachette Shares may fall in anticipation of a sale of such Louis Hachette Shares. The perception that such sales could occur may also materially and adversely affect the stock price of the Louis Hachette Shares. This may make it more difficult for shareholders to sell the Louis Hachette Shares at a time and price that they deem appropriate and could also impede the Company's ability to issue equity securities in the future.

Furthermore, a sale of Louis Hachette Shares by any Director could be perceived as a lack of confidence in the performance and prospects of the Group and could cause the stock price of the Louis Hachette Shares to decline. In addition, any such sales could impair the Group's ability to raise capital through the issuance of equity securities in the future.

1.1.7 The Company may decide to offer additional Louis Hachette Shares in the future, diluting the interests of existing shareholders and potentially materially and adversely affecting the stock price of Louis Hachette Shares.

Other than in connection with the Admission or pursuant to employee share plans, the Company has no current plans for an offer of Louis Hachette Shares. However, if the Board decides to offer additional Louis Hachette Shares or other securities convertible into Louis Hachette Shares in the future, including as consideration for any acquisitions, this could dilute the interests of existing shareholders and/or have an adverse impact on the stock price of the Louis Hachette Shares as could the public perception that an offering may occur.

1.1.8 Shareholders may not be able to exercise pre-emption rights or participate in certain future issues of Louis Hachette Shares and U.S. and other overseas shareholders may not be able to participate in future issues of Louis Hachette Shares.

In the case of a future allotment of new Louis Hachette Shares for cash, existing shareholders have certain statutory pre-emption rights, unless those rights are disapplied pursuant to a resolution of shareholders at a General Meeting. An issue of new Louis Hachette Shares not for cash or when pre-emption rights have been disapplied could dilute the interests of the then-existing shareholders.

Securities laws of certain jurisdictions may restrict the Company's ability to allow participation by shareholders in future equity offerings. In particular, shareholders in the United States may not be entitled to exercise these rights, unless either the Louis Hachette Shares and any other securities that are offered and sold are registered under the U.S. Securities Act, or the Louis Hachette Shares and such other securities are offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Company will not have any obligation to register any such future offers or sales and under the U.S. Securities Act and cannot assure prospective investors it will register any such offers or sales under the U.S. Securities Act, that any exemption from such overseas securities law requirements would be available to enable U.S. or other shareholders to exercise their pre-emption rights or, if available, that the Company will utilize any such exemption. While U.S. shareholders might be able to sell their preferential subscription rights, there can be no assurance that there will be an active trading market for the preferential subscription rights, or as to the price at which U.S. shareholders might be able to sell their preferential subscription rights if a market develops. As a result, there is the risk that investors may suffer dilution of their shareholding should they not be permitted to participate in future equity offerings with preferential subscription right for existing shareholders.

1.1.9 <u>The ability of overseas shareholders to bring actions or enforce judgments against the Company or the Directors may be limited</u>.

The ability of an overseas shareholder to bring an action against the Company may be limited under law. The rights of holders of the Louis Hachette Shares are governed by French law and by the Articles of Association. These rights differ from the rights of shareholders in other jurisdictions, including the United States. Consequently, it may not be possible to effect service of process upon the Directors within an overseas shareholder's country of residence or to enforce judgments of courts of the overseas shareholder's country of residence, based on civil or commercial liabilities under that country's securities law, against the Directors.

In particular, it may be difficult to assert U.S. securities law claims in actions originally instituted outside of the United States. Foreign courts may refuse to hear a U.S. securities law claim because foreign courts may not be the most appropriate forums in which to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the law of the jurisdiction in which the foreign court resides, and not U.S. law, is applicable to the claim. Further, if U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process, and certain matters of procedure would still be governed by the law of the jurisdiction in which the foreign court resides. In particular, there is some doubt as to whether French courts would recognize and enforce certain civil liabilities under U.S. securities laws in original actions or judgments of U.S. courts based upon these civil liability provisions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in France. An award for monetary damages under the U.S. securities laws would be considered punitive if it does not seek to compensate the claimant for loss or damage suffered but is intended to punish the defendant. The enforceability of any judgment in France will depend on the particular facts of the case as well as the laws and treaties in effect at the time. The United States and France do not currently have a treaty providing for recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters.

In addition, as the rights and obligations of shareholders are regulated by French law, shareholders must follow French legal requirements in order to exercise their rights, in particular the resolutions of shareholders in General Meetings may be passed with majorities different from the majorities required for the adoption of equivalent resolutions under other laws.

1.1.10 <u>Future offerings of debt or equity securities by the Company, or the perception thereof, may adversely affect the stock price of the Louis Hachette Shares</u>.

In the future, the Company may attempt to obtain financing or to further increase its capital resources by issuing additional Louis Hachette Shares or offering debt or other equity securities, including commercial paper, medium-term notes, senior or subordinated notes, debt securities convertible into equity or preferred shares. Future acquisitions could require substantial additional capital in excess of cash from operations. The Company may obtain the capital required for acquisitions through a combination of additional issuances of equity, corporate indebtedness and/or cash from operations.

Issuing additional Louis Hachette Shares or other equity securities or securities convertible into equity may dilute the economic and voting rights of existing shareholders or reduce the stock price of the Louis Hachette Shares or both. Upon liquidation, holders of such debt securities and preferred shares, if issued, and lenders with respect to other borrowings would receive a distribution of the Company's available assets prior to the holders of the Louis Hachette Shares. Debt securities convertible into equity could be subject to adjustments in the conversion ratio pursuant to which certain events may increase the number of equity securities issuable upon conversion. Preferred shares, if issued, could have a preference with respect to liquidating distributions or a preference with respect to dividend payments that could limit the Company's ability to pay dividends to the holders of the Louis Hachette Shares.

The Company's decision to issue securities in any future offering will depend on market conditions and other factors beyond the Company's control, which may adversely affect the amount, timing and nature of the Company's future offerings.

1.1.11 Overseas shareholders may be subject to exchange rate risk.

The Louis Hachette Shares are, and any dividends to be paid in respect of them will be, denominated in euros. An investment in the Louis Hachette Shares by an investor whose principal currency is not euro exposes the investor to foreign currency exchange rate risk. Any depreciation of the euro in relation to such foreign currency will reduce the value of the investment in the Louis Hachette Shares or any dividends in foreign currency terms. Investors whose reference currency is a currency other than the euro must consult their financial advisers.

1.1.12 The Company is a holding company and substantially all of its operations are conducted through its subsidiaries.

The Company is a holding company and conducts substantially all of its operations through subsidiaries that generate substantially all of the Group's operating income and cash flow. The Company has no direct operations or significant assets (other than the share capital of its subsidiaries), so it relies on its subsidiaries for cash flow to pay dividends or any other form of distribution to its shareholders, if any. In addition, the Company's subsidiaries are separate and distinct legal entities, so they are not obliged to pay dividends or to lend or advance funds to the Company.

2. ESSENTIAL INFORMATION

2.1 Working capital statement

The Group believes that its consolidated net working capital is sufficient (meaning that the Group has access to sufficient cash and liquidity resources) with respect to its current obligations for the 12 months following the date of the Information Document.

3. INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING

3.1 Description of the securities to be admitted to trading

The securities to be admitted to listing and trading on Euronext Growth (Paris) are all issued and outstanding ordinary shares in the share capital of the Company, fully paid up and of the same class, with a nominal value of EUR 0.20 each (the "**Louis Hachette Shares**"), existing on the Listing Date. Upon Admission, the Louis Hachette Shares will be traded under the ticker symbol "ALHG" and registered with ISIN FR001400TL40.

3.2 Expected issue date of the securities

The table below sets forth certain key dates relating to the listing, trading and settlement of the Louis Hachette Shares on Euronext Growth (Paris).

Event	Date and time (CET)
Approval of the Information Document by Euronext Paris S.A.	November 7, 2024
Euronext notice announcing the Louis Hachette Group Partial Demerger (including an indicative timetable)	December 2, 2024 (at the latest)
Euronext notice announcing the admission of the Louis Hachette Shares to trading on Euronext Growth (Paris)	December 2, 2024 (at the latest)
Extraordinary shareholders' meeting of Vivendi approving the Louis Hachette Group Partial Demerger	December 9, 2024 at 3 p.m. (CET)
Euronext notice relating to the technical reference price of the Louis Hachette Shares	December 13, 2024 (after market close)
Effective Date – Date on which the Louis Hachette Group Partial Demerger will be completed from a legal perspective	December 13, 2024 at 11:59 p.m. (CET)
Ex-Date (for trading purposes) for the Louis Hachette Group Partial Demerger	December 16, 2024
Listing Date – Commencement of trading of the Louis Hachette Shares on Euronext Growth (Paris) under the ticker symbol "ALHG" on an "if-and-when-delivered" (conditional upon delivery) basis	December 16, 2024 at 09:00 a.m. (CET)
Record Date for the Louis Hachette Group Partial Demerger	December 17, 2024 (after market close)
Settlement Date – Settlement and delivery of the Louis Hachette Shares to the shareholders of Vivendi entitled to receive them pursuant to the Louis Hachette Group Partial Demerger and investors who acquired Louis Hachette Shares on the market on the Listing Date	December 18, 2024

Louis Hachette and Vivendi may adjust the dates, times and periods given in the timetable and throughout the Information Document. If Louis Hachette and Vivendi decide to adjust dates, times or periods, they will issue a press release to be published on Louis Hachette's and Vivendi's websites. Any other material alterations will be published in a press release on Louis Hachette's and Vivendi's websites.

3.3 Description of any restriction on the free transferability of the securities

The Louis Hachette Shares are freely transferable, subject to compliance with applicable securities laws, and there are no restrictions on transfer imposed by the Articles of Association.

3.4 Indication of the existence of any mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the securities

As from the Admission, the acquisition of Louis Hachette Shares will be subject to relevant provisions of French corporate and securities laws applicable to mandatory takeover bids (*offres publiques obligatoires*), buyout tender offers (*offres publiques de retrait*) and the implementation of a squeeze-out (*retrait obligatoire*).

3.4.1 Mandatory takeover bids

Article L. 433-3(II) of the French *Code monétaire et financier* and Articles 235-1 *et seq.* of the AMF's General Regulations (*Règlement général*) set forth the requirements relating to the mandatory filing of a draft takeover bid with the AMF, drawn up in such a way as to be declared compliant by the AMF, for all equity securities and securities giving access to the capital or voting rights of a company whose shares are admitted to trading on an organized multilateral trading facility (such as Euronext Growth (Paris)). The filing of a draft takeover bid with the AMF is mandatory when an individual or a legal entity, acting alone or in concert within the meaning of Article L. 233-10 of the French *Code de commerce*, comes to hold, directly or indirectly, more than 50% of the share capital or voting rights of a company having its registered office in France.

3.4.2 Buyout tender offers and squeeze-out

Article L. 433-4(IV) of the French *Code monétaire et financier* and Articles 235-2 and 236-1 *et seq.* (*offre publique de retrait*) and 237-1 *et seq.* (squeeze-out) of the AMF's General Regulations (*Règlement général*) set forth the requirements relating to the filing of a buyout tender offer with the AMF and to the implementation of a squeeze-out of minority shareholders where the shares of the target company are admitted to trading on an organized multilateral trading facility (such as Euronext Growth (Paris)).

3.5 Rationale of the listing

Please refer to Part B, Section 18.1, "*The Spin-Off*".

4. INFORMATION ON THE ISSUE THAT WILL BE CARRIED OUT IN CONNECTION WITH ADMISSION TO TRADING

4.1 Shares to be listed

As part of the Louis Hachette Group Partial Demerger, one (1) Louis Hachette Share will be issued and allocated to the Vivendi Shareholders for each Vivendi Share that such shareholders own.

The actual number of Louis Hachette Shares that will be allocated to the Vivendi Shareholders pursuant to the Louis Hachette Group Partial Demerger will depend on the total number of issued and outstanding Vivendi Shares (excluding the Excluded Vivendi Shares) as of the Effective Date. At the date of the Information Document, the number of Vivendi Shares outstanding was 1,029,918,125 and the number of Excluded Vivendi Shares was 38,106,631.

The shares to be admitted to listing and trading on Euronext Growth (Paris) are all Louis Hachette Shares existing on the Listing Date, including all of the Louis Hachette Shares issued and allocated to the Vivendi Shareholders pursuant to the Louis Hachette Group Partial Demerger.

4.2 Listing and trading of the Louis Hachette Shares

As of the date of the Information Document, Vivendi holds all of the Louis Hachette Shares, except the single Louis Hachette Share held by Compagnie Hoche, a wholly-owned subsidiary of Vivendi. Accordingly, no public market for Louis Hachette Shares currently exists. Application has been made to list and admit all of the Louis Hachette Shares to listing and trading on Euronext Growth (Paris) as from December 16, 2024 under the ticker symbol "ALHG", barring unforeseen circumstances. The ISIN will be FR001400TL40. The technical reference price for the Louis Hachette Shares will be announced on or around December 13, 2024 through issuance of a notice by Euronext Paris.

Subject to acceleration or extension of the timetable for the Louis Hachette Group Partial Demerger or Admission, trading in the Louis Hachette Shares on an independent basis on Euronext Growth (Paris) will start on the Listing Date (which is December 16, 2024) on an "if-and-when-delivered" basis (with the settlement of such trades to take place on December 18, 2024, which is the Settlement Date). Investors should contact their broker or custodian regarding such institution's arrangements and/or ability to participate in "if-and-when-delivered" basis trading.

As the case may be, the authorized financial intermediary of each beneficiary of the Louis Hachette Group Partial Demerger will be allowed to sell the number of Louis Hachette Shares necessary to pay the currently applicable withholding taxes. See Part C, Section 4.3.2, "*Initial delivery of the Louis Hachette Shares*" and Part B, Section 18.5, "*French taxation*" and Section 18.6, "*Certain U.S. federal income tax consequences*". Vivendi Shareholders must seek advice from their authorized financial intermediary to determine the procedure that will be put in place in that respect.

Regular trading of the Louis Hachette Shares under ticker symbol "ALHG" will commence at 9:00 a.m. (CET) on December 18, 2024.

The Louis Hachette Shares will trade in Euro.

4.3 Delivery, clearing and settlement of Louis Hachette Shares

4.3.1 <u>Clearing and settlement of shares on Euronext Growth (Paris)</u>

Vivendi Shareholders may take possession of the Louis Hachette Shares allocated to them in the Louis Hachette Group Partial Demerger via Euroclear France in book-entry interests in either non-pure registered (*nominatif administré* or *au porteur*) or pure registered (*nominatif pur*) forms.

Additionally, shareholders may elect to take possession of Louis Hachette Shares in pure registered form (*nominatif pur*) with the share register to be maintained by Louis Hachette in France or partly outside of France to comply with applicable local law or pursuant to stock exchange rules.

Book-entry interests in both non-pure registered (*nominatif administré* or *au porteur*) or pure registered (*nominatif pur*) forms of share delivery are operated through Euroclear France, an organization which maintains shares and other securities accounts of publicly listed companies and a central depositary system through which transfers of shares and other securities in publicly listed companies between accredited financial intermediaries are recorded in dematerialized form and which in turn are credited to Euroclear France participants, which in turn may credit them further to other custodians or clients.

Book-entry interests in bearer form (*au porteur*) may be held with an accredited financial intermediary, such as a broker, bank or other authorized financial institution while book-entry interests in registered form will be held by a custodian for the Louis Hachette Shares appointed to maintain registered shares recorded in a shareholder's name.

The Louis Hachette Shares may be held in registered or bearer form, at the discretion of the shareholders.

In accordance with Article L. 211-3 of the French *Code monétaire et financier*, the Louis Hachette Shares must be registered in a securities account held, as the case may be, by the Company or an authorized intermediary.

As a result, the rights of the holders shall be evidenced by an entry in a securities account opened in their name in the books of:

- Uptevia S.A., appointed by the Company, for Louis Hachette Shares held in pure registered form;
- an authorized intermediary of their choice, for Louis Hachette Shares held in administered registered form (it being specified that the Louis Hachette Shares are registered in the concerned holder name in the Company's register held by Uptevia S.A. but the chosen financial intermediary continues to manage the concerned holder account and remains its contact) or held in bearer form.

In accordance with Articles L. 211-15 and L. 211-17 of the French *Code monétaire et financier*, Louis Hachette Shares may be transferred from one account to another, and the transfer of ownership of the Louis Hachette Shares shall be evidenced by their registration in the purchaser's securities account.

An application will be made for the Louis Hachette Shares to be accepted for clearance through Euroclear France, which will be responsible for clearing the shares between custodians. An application will also be made for acceptance for clearance through Euroclear Bank S.A./N.V. and Clearstream Banking, a limited liability company (*société anonyme*) governed by the laws of Luxembourg.

The Company's securities services (maintenance of the register of shareholders holding pure and administered registered shares) and financial services (payment of dividends) will be provided by Uptevia S.A. (La Défense – Cœur Défense Tour A, 90-110, Esplanade du Général de Gaulle, 92400 Courbevoie, France).

4.3.2 Initial delivery of the Louis Hachette Shares

Delivery of the Louis Hachette Shares issued in the context of the Louis Hachette Group Partial Demerger to Vivendi Shareholders will be made by way of an allocation on the Settlement Date of one (1) Louis Hachette Share for each Vivendi Share held, based on the Vivendi Share positions duly registered with Euroclear France at day-end closing on the Record Date, as follows:

- With respect to Vivendi Shareholders who held their shares in pure registered form (*au nominatif pur*): on the Settlement Date, Vivendi will initiate the allocation of the Louis Hachette Shares to Vivendi Shareholders holding their shares in pure registered form (*au nominatif pur*) by instructing the Settlement and Paying Agent to credit the account of each Vivendi Shareholder entitled to receive Louis Hachette Shares pursuant to the Louis Hachette Group Partial Demerger and holding shares in pure registered from (*au nominatif pur*) with the number of Louis Hachette Shares corresponding to the number of Vivendi Shares such shareholder holds in registered form (*au nominatif pur*). Each Vivendi Shareholder entitled to receive Louis Hachette Shares holding Vivendi Shares in pure registered form (*au nominatif pur*) will be informed by the Settlement and Paying Agent of the terms and conditions for the allocation of Louis Hachette Shares to be credited to an account opened in the Vivendi Shareholder's name in the Company's shareholder register, which the Settlement and Paying Agent will maintain.

- With respect to Vivendi Shareholders who held their shares in non-pure registered form (*au nominatif administré* or *au porteur*): on the Settlement Date, the Settlement and Paying Agent will cause, through the intermediary of Euroclear France, all of the financial intermediaries who are members of Euroclear France to credit, automatically, on behalf of the Vivendi Shareholders for whom they handle the accounts who will have Vivendi Shares recorded in their name on the Record Date, a number of Louis Hachette Shares corresponding to the number of Vivendi Shares recorded in the accounts of such shareholders in non-pure registered form (*au nominatif administré or au porteur*). Settlement-delivery of the Louis Hachette Shares for these Vivendi Shareholders is expected to occur on the Settlement Date, *i.e.*, on December 18, 2024.

In the event the relevant Vivendi Shares are subject to usufruct rights governed by French law, the beneficiary of the Louis Hachette Group Partial Demerger will be the bare owner (*nu-propriétaire*) unless otherwise agreed between the bare owner and the usufructuary (*usufruitier*) and subject to applicable law. The Excluded Vivendi Shares will not be entitled to the Louis Hachette Group Partial Demerger.

The beneficiaries of the Louis Hachette Group Partial Demerger shall pay, as appropriate, to their authorized financial intermediary or to Vivendi, through the Settlement and Paying Agent, the social contributions and/or the non-final flat-rate withholding or the withholding tax payable in respect of the Louis Hachette Group Partial Demerger, see Part B, Section 18.5, "*French taxation*" and Section 18.6, "*U.S. taxation*". As applicable, the authorized financial intermediary responsible for maintaining the bearer (*porteur*) or administered registered (*nominatif administré*) share accounts, or Vivendi, through the Settlement and Paying Agent, which is responsible for maintaining the registered (*nominatif pur*) share accounts, may sell the number of Louis Hachette Shares necessary to pay the social security contributions and/or the withholding tax due in respect of the Louis Hachette Group Partial Demerger. Vivendi Shareholders are urged to seek advice from their authorized financial intermediary to determine the procedure that will be put in place in that respect.

Investors wishing to change the manner in which they hold their Louis Hachette Shares should contact their bank or broker for additional information, including with respect to any special settlement considerations that may apply to such a transfer.

Neither Louis Hachette nor Vivendi can assure shareholders as to the trading price of Vivendi Shares or of the Louis Hachette Shares after the Louis Hachette Group Partial Demerger. Following completion of the Vivendi Spin-Off, Vivendi expects the trading price of Vivendi Shares at market open on December 16, 2024 to be lower than the trading price at market close on December 13, 2024, because the trading price will no longer reflect the respective values of the ordinary shares of Havas, Canal+ and Louis Hachette Group which will commence trading on different stock exchanges as of such date. See Part B, Section 3.5, "*Risks relating to the Vivendi Spin-Off*".

4.3.3 Settlement and Paying Agent

Uptevia S.A. is the Settlement and Paying Agent with respect to the Louis Hachette Shares on Euronext Growth (Paris).

5. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

5.1 Information on trading platforms or other markets on which securities of the same class have already been admitted to listing or trading

None.

5.2 Details of the entities which have a firm commitment to act as intermediaries in secondary trading and main terms of their commitment

None.

6. LISTING SPONSORS AND OTHER ADVISORS

6.1 Statement of the capacity in which an advisor has acted

Not applicable.

6.2 Ownership interest in the Issuer held by the Listing Sponsor, its beneficial owners or persons with managerial responsibility

None.

6.3 Identity of the Listing Sponsor and any liquidity provider retained by the Issuer

Crédit Agricole CIB is acting as Listing Sponsor.

7. LARGE TRANSACTIONS

None.

8. ARTICLES OF ASSOCIATION

The Articles of Association as they are expected to be in effect as of the Listing Date are available in the governing French language on the Company's website (www.louishachettegroup.com).

The following paragraphs summarize information concerning the Company's principal provisions of the Articles of Association, as they are expected to be in effect as of the Listing Date, unless expressly stated otherwise.

8.1 Corporate purpose (Article 2 of the Articles of Association)

The Company's purpose, directly or indirectly, both in France and in any other country, consists in:

- the management and acquisition, by subscription, purchase, contribution, exchange or any other means, of shares, bonds and any other securities of Lagardère SA, and the right to sell all or part of these securities;

- the publication, editing, production and distribution of periodicals, including their ancillary products, directly or indirectly, either on its own behalf or on behalf of third parties, either alone or with third parties, through the creation of new companies, contributions, subscriptions for limited partnership interests, exercise of subscription rights, purchase of securities or equity interests, mergers, joint ventures, acquisition of ownership stake, or the leasing or management of any assets or rights, or otherwise, and generally, any financial, commercial, industrial, moveable or immovable transactions that may be directly or indirectly related to one of the specified purposes or to any similar or related purpose, or that may promote the development of the company's assets;

- all commercial and industrial, financial transactions on moveable or immovable assets directly or indirectly related to the above objects or to any similar or related objects, or contributing to the realization of these purposes.

and more generally the management and acquisition of any interest, in the form of subscription, purchase, contribution, exchange, or by any other means, of shares, bonds, and all other securities of existing or future companies, as well as the ability to dispose of all or part of such interests.

8.2 Administrative and management bodies (Articles 10 to 15 of the Articles of Association)

8.2.1 Board of directors (Articles 10 to 13 of the Articles of Association)

8.2.1.1. *Composition*

The Company is governed by a Board of Directors composed of at least three members and at most eighteen members elected by the ordinary shareholders' meeting pursuant to, and subject to, the exceptions stated by law. Members of the Board of Directors are individuals or legal entities appointed by the ordinary shareholders' meeting, which may dismiss them at any time.

Members of the Board of Directors are appointed for a term of four years, expiring at the close of the annual ordinary shareholders' meeting called to approve the financial statements for the previous year and held in the year in which the term of office expires. They may be re-elected.

At the close of each annual ordinary shareholders' meeting, the number of members of the Board of Directors who have exceeded the age set by law or regulation at the close of the financial year on whose accounts the shareholders' meeting is voting may not exceed one-third of the members in office. If this limit is exceeded, the oldest members are deemed to have resigned at the end of the annual ordinary shareholders' meeting.

In the event of a vacancy arising from the death or resignation of one or more members, and provided that the number of members of the Board of Directors does not fall below three, the Board of Directors may, between two annual ordinary shareholders' meeting, coopt new directors, subject to ratification of such co-optation by the next annual ordinary shareholders' meeting.

8.2.1.2. *Organization*

The Board of Directors elects a Chair from among its individual members, who is responsible for convening the Board and chairing its discussions. The Board of Directors sets the Chair's term of office, which may not exceed his or her term of office as a member of the Board of Directors.

The Board of Directors may appoint a Vice-Chair from among its members. The Board of Directors may also appoint a secretary.

The Board of Directors meets as often as the Company's interests require. It is convened by the Chair by any means, including verbally. Meetings are held either at the registered office or at any other location indicated in the notice of meeting.

The Chair must convene a meeting of the Board of Directors within fifteen days of a request to do so made by the Management of the Company or at least one-third of the members of the Board of Directors. If this request is not acted upon, the requesting parties may convene the meeting themselves, indicating the agenda.

An attendance register is kept and signed by Board members attending the meeting.

In accordance with legal and regulatory provisions, at least half of the Board's members must be present or represented for the Board's deliberations to be valid. Decisions are taken by a majority vote of members present or represented, with each member present or represented having one vote, and each member present being able to hold only one proxy given in writing and transmitted by any means. The Chair of the meeting has the casting vote in the event of a tie.

To the extent authorized by legal or regulatory provisions, members who take part in the meeting by videoconference, telecommunication or any other means recognized by law are deemed to be present for the purposes of calculating quorum and majority.

Subject to the absence of opposition from the directors, the Board of Directors may also take any decisions by written consultation of the directors, including by electronic means.

Each member of the Board of Directors may be represented by another member, these stipulations being applicable to the permanent representative of a legal entity that is a member of the Board of Directors. The number of proxies a Board member may receive at any one meeting is limited to one.

Meetings of the Board of Directors are chaired by the Chair, who presides over the proceedings, or, if he is unable to attend, by the Vice-Chair or, failing this, by a member of the Board of Directors appointed at the start of the meeting in accordance with the quorum and majority conditions laid down by law.

The deliberations of the Board of Directors are recorded in minutes drawn up by the Board secretary in a special register kept at the registered office.

Members of the Board of Directors, as well as any person invited to attend Board meetings, are bound by confidentiality with regard to information of a confidential nature and given as such by the Chair of the Board of Directors.

The Board of Directors may appoint one or two observers. Observers are invited to attend Board meetings in an advisory capacity. They may sit on committees set up by the Board of Directors. They are appointed for a term not exceeding four years, and may receive compensation determined by the Board of Directors. Observers may be dismissed at any time by the Board of Directors.

8.2.1.3. *Purpose and missions*

The Board of Directors shall determine and monitor the implementation of the Company's overall business strategy, in accordance with its corporate interest, taking into account the social and environmental issues facing its business. It shall examine any and all matters pertaining to the efficient operation of the Company and make decisions about any and all issues concerning the Company, within the limits of the Company's corporate purpose and except for those issues which, by law, can only be decided upon by shareholders at a General Meeting. The Board of Directors shall perform any inspections and audits it deems necessary.

The Board of Directors exercises ongoing control over the management of the Company by the Executive Board, in accordance with legal and regulatory requirements. At any time of the year, it carries out the checks and controls it deems appropriate, and may request any documents it deems useful for the performance of its duties.

The Board of Directors may decide to set up Committees to examine issues submitted to them by the Board of Directors or its Chair; it determines their composition, powers and, where appropriate, the compensation of their members.

8.2.1.4. *Compensation*

The ordinary shareholders' meeting may allocate to members of the Board of Directors a fixed annual compensation which it determines and which remains in effect until a decision to the contrary is taken. The Board of Directors is free to allocate the total sum thus allocated among its members, in accordance with the conditions set forth under applicable law and regulation.

The Board of Directors may also allocate exceptional compensation for assignments or mandates entrusted to its members, in the cases and under the conditions set forth under applicable law and regulation.

The Board of Directors allocates an annual compensation to its Chair, the terms of which are determined at the time of his appointment, in accordance with the conditions set forth under applicable law and regulation.

8.2.2 Chief Executive Officer (Articles 14 and 15 of the Articles of Association)

8.2.2.1. *Method of management*

The management of the Company is assumed, under his responsibility, either by the Chair of the Board of Directors, or by another individual, appointed by the Board from Board members or outside the Board, who holds the title of Chief Executive Officer (*Directeur général*).

The Board of Directors chooses between these two methods of management at any time and at least each time the appointment of the Chief Executive Officer or the term of office of the Chair expires when the Chair also assumes general management of the Company.

Shareholders and third parties shall be informed of this choice under the conditions required by the applicable regulations.

When management of the Company is performed by the Chair of the Board of Directors, the following provisions concerning the Chief Executive Officer shall apply to the Chair. In this case, he/she holds the title of Chair(man)-Chief Executive Officer (*Président-Directeur général*).

8.2.2.2. *Delegate executive management*

On the recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more individuals in charge of assisting the Chief Executive Officer, who holds the title of Deputy Chief Executive Officer (*Directeur général délégué*). There may not be more than five Deputy Chief Executive Officers.

8.2.2.3. *Removal from office – Compensation*

The Chief Executive Officer may be dismissed at any time by the Board of Directors. This is also true for the Deputy Chief Executive Officers, on the recommendation of the Chief Executive Officer. If dismissal is decided without grounds, it may result in damages, except when the Chief Executive Officer assumes the position of Chair of the Board of Directors.

When the Chief Executive Officer ceases or is prevented from performing his duties, the Deputy Chief Executive Officers retain their duties and powers, unless decided otherwise by the Board, until the appointment of the new Chief Executive Officer.

The Board of Directors determines the compensation of the Chief Executive Officer and the Deputy Chief Executive Officers.

8.2.2.4. *Term of office – Age limit*

The term of office of the Chief Executive Officer or of a Deputy Chief Executive Officer is determined at the time they are appointed, but this term may not exceed the term of office on the Board, if applicable.

The term of office of the Chief Executive Officer, and of any Deputy Chief Executive Officer, shall expire at the latest at the close of the ordinary shareholders' meeting called to approve the accounts for the financial year in which the member reaches the age of sixty-eight (68). However, when the Chief Executive Officer or one of the Deputy Chief Executive Officer reaches this age, the Board of Directors may, on one or more occasions, extend his or her term of office for a total period not exceeding two years.

8.2.2.5. *Powers of the Chief Executive Officer and Deputy Chief Executive Officers*

The Chief Executive Officer is vested with the most extensive powers to act in all circumstances in the name of the Company, within the limits of the corporate purpose, subject to the powers attributed expressly to the shareholders' meeting and the Board of Directors by law and to those requiring the prior authorization of the Board of Directors, as may be specified in the Board internal regulations.

He represents the Company in its relations with third parties. The Company is committed by the acts of the Chief Executive Officer which do not fall within the corporate purpose, unless it proves that the third party knew that the act exceeded this purpose or that the third party could not have been aware of this fact given the circumstances; simple publication of the Articles of Association is not sufficient to establish such proof. Decisions by the Board of Directors limiting the powers of the Chief Executive Officer are not binding on third parties.

8.2.3 Shareholders’ General Meetings (Article 17 of the Articles of Association)

8.2.3.1. *Notice and place of meeting*

Shareholders’ meetings shall be called and shall deliberate on the terms provided by law.

Meetings shall be held either at the registered office or at another place stated in the notice of the call to a meeting. At the time of convening, the Board of Directors may decide to broadcast the entire meeting by videoconference and/or electronic transmission methods. Where applicable, this decision is communicated in the notice of meeting and in the notice of the call to a meeting.

8.2.3.2. *Access to meetings*

Any shareholder has the right to attend shareholders’ meetings in person or by proxy, subject to proof of identity and capacity, and to take part in the deliberations, provided that their shares are registered in an account in accordance with the legal conditions and deadlines.

Any shareholder may be represented by another shareholder, by his or her spouse or partner with whom he or she has entered into a civil solidarity pact, or by any individual or legal entity of his or her choice, in accordance with applicable law and regulation.

8.2.3.3. *Attendance sheet – officers - minutes*

Meetings are chaired by the Chair of the Board of Directors or, in his absence, by a member of the Board of Directors specifically delegated for this purpose by the Board. If not, the shareholders’ meeting shall elect a chair.

The duties of tellers (*scrutateurs*) are performed by the two members of the meeting who are present and accept the duties and who themselves or as agents have the largest number of votes.

The officers (*bureau*) name the secretary, who does not have to be a shareholder. At each meeting, an attendance sheet shall be kept under the conditions set forth by applicable law or regulation.

Copies or extracts of the minutes of the Meeting are validly certified and issued in accordance with legal and regulatory provisions.

8.2.4 Rights and obligations attached to the shares (Articles 8 and 9 of the Articles of Association)

Shares may be held in registered or bearer form, unless otherwise stipulated by law or regulation.

Each share gives a right to a share of the profits and corporate assets in proportion to the percentage of capital it represents.

Whenever it is necessary to hold several shares to exercise a right, individual shares or a number of shares less than the number required give no rights to their owners against the Company; in this case, it it’s the responsibility of the shareholders to combine the number of shares necessary.

Ownership of a share automatically entails acceptance of the Company’s Articles of Association and of the decisions of the General Meeting and of the Board of Directors acting under delegation of the General Meeting.

8.2.5 Change in share capital (Article 7 of the Articles of Association)

The share capital may be increased, reduced, amortized or divided by decision of the relevant General Meeting in accordance with applicable laws and regulations.

8.2.6 Ownership threshold disclosures and identification of shareholders (Article 8 of the Articles of Association)

The Company may, at any time, in accordance with applicable laws and regulations, request the central custodian responsible for maintaining the Company's securities issuance account to provide information on the Company's shares carrying immediate or future voting rights at shareholders' meetings.

Failure by shareholders or intermediaries to comply with their obligation to provide the above information may, under the conditions laid down by law or regulations, result in the suspension or even deprivation of voting rights and the right to dividend payment attached to the shares.

For information on ownership threshold disclosures required by the Articles of Association, please see Part B, Section 15.1.9.

9. ISSUERS WITHOUT DOCUMENTED EARNINGS CAPACITY

Not applicable.

10. OTHER SIGNIFICANT MATTERS

10.1 Press release and diverse announcements

None.

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