

**Didier Kling Expertise & Conseil**  
Didier Kling  
3, avenue Bertie Albrecht  
75008 Paris

**SORGEM Evaluation**  
Maurice Nussenbaum  
11, rue Leroux  
75116 Paris

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**LOUIS HACHETTE GROUP SA**  
**Limited liability company (*société anonyme*)**  
**with capital of 37,000 euros**  
**4, rue de Presbourg - 75116 Paris**  
**RCS Paris no. 808 946 305**

**Partial demerger (*Scission partielle*)**

Report of the joint partial demerger auditors (*commissaires à la scission partielle*)  
on the remuneration of contributions

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| <b>Free translation</b> |
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*Order (ordonnance) of the President of the Paris Commercial Court (Tribunal de Commerce de Paris)*

*dated 10 July 2024*

Report of the joint partial demerger auditors on the demerger (*commissaires à la scission partielle*) on the remuneration of the contributions

In compliance to the assignment entrusted to us by order of the President of the Paris Commercial Court (*Tribunal de Commerce de Paris*) dated July 10, 2024, relating to the contribution by VIVENDI SE (hereinafter, "**VIVENDI**" or the "**Contributor**") to Louis Hachette Group SA (hereinafter, "**LHG**" or the "**Beneficiary**") of shares in Lagardère SA (hereinafter, "**Lagardère Contribution**") and shares in Prisma Group (hereinafter, "**Prisma Group Contribution**"), we have prepared this report on the remuneration of the contributions in accordance with Article L. 236-10 of the French Commercial Code (*Code de commerce*).

Our opinion on the value of the contributions is set out in a separate report.

The terms of the Lagardère Contribution and the Prisma Contribution (the "**Contributions**") were set out in the partial demerger terms (*traité de scission partielle*) dated October 28, 2024.

Our responsibility is to express an opinion on the fairness of the proposed consideration for the Contributions. For this purpose, we have performed our procedures in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* applicable to this engagement. Those standards require that we perform the necessary procedures to verify that the relative values attributed to the shares of the companies participating in the transaction are appropriate and to analyze the fairness of the proposed remuneration in relation to the relative values determined to be appropriate.

As our assignment ends with the filing of the report, it is not our responsibility to update this report to take account of facts and circumstances subsequent to the date of signature.

At no time did we find ourselves in one of the cases of incompatibility, prohibition or disqualification provided for by law.

Please find below our findings and conclusions, presented in the following order:

1. Presentation of the transaction and description of the Contributions
2. Verification of the relevance of the relative values attributed to the Contributions and the Beneficiary's shares
3. Assessment of the fairness of the exchange ratio
4. Summary - key points
5. Conclusion

## 1. Presentation of the transaction and description of the Contributions

The terms and conditions of the transaction, set out in detail in the partial demerger terms, can be summarized as follows.

### 1.1. Context to the operation

The partial demerger is part of VIVENDI's project to reorganize into four publicly listed entities, as announced and specified in its press releases issued on December 13, 2023, January 30, 2024, July 22, 2024 and October 15, 2024 and is intended to address the significant conglomerate discount VIVENDI has suffered since the distribution-listing of Universal Music Group in 2021, which limits VIVENDI's ability to carry out external growth operations for its subsidiaries and to take advantage of the strong dynamism of Canal +, Havas and Lagardère in an international context marked by numerous investment opportunities.

Upon completion of this partial demerger, subject to the approval the general meeting of VIVENDI's shareholders (*assemblée générale des actionnaires*), VIVENDI's shareholders - excluding VIVENDI itself for its treasury shares - would receive shares of the Beneficiary company.

At the end of another partial demerger operation carried out at the same time and subject to the approval of VIVENDI's general meeting of shareholders, VIVENDI's shareholders (excluding VIVENDI itself for its treasury shares) would receive Canal + shares, while through an exceptional distribution in kind they would also receive Havas shares.

Following all these transactions, VIVENDI would be reorganized into four separate listed entities.

### 1.2. Presentation of the parties

#### 1.2.1 Louis Hachette Group - Beneficiary

Louis Hachette Group is a limited liability company with a share capital of 37,000 euros, divided into 185,0000 fully paid-up shares with a nominal value of 0.20 euro each.

Its registered office is at 4, rue de Presbourg, 75116 Paris. It is registered with the Paris Trade and Companies Register (*Registre du commerce et des sociétés*) under number 808 946 305.

As of the date hereof, the Beneficiary's main purpose (*objet social*) is, directly or indirectly, in France and in any country:

- the management and acquisition of any shareholdings, in the form of subscription, purchase, contribution, exchange, or by 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 (*parts commanditaires*), exercise of subscription rights, purchase of securities or corporate rights, mergers, joint ventures, acquisition of equity interests, 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, industrial, financial, moveable or immovable property transactions 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.

### 1.2.2 VIVENDI SE - Contributor

VIVENDI is a European company (*société européenne*) with a management board (*directoire*) and a supervisory board (*conseil de surveillance*) with a share capital of 5,664,549,697.50 euros, divided into 1,029,918,125 fully paid-up shares with a nominal value of 5.50 euros each.

Its registered office is at 42, avenue de Friedland, 75008 Paris. It is registered with the Paris Trade and Companies Register under number 343 134 763.

Its shares are listed on compartment A of the Euronext Paris regulated market under ISIN code FR0000127771.

The main purpose of the Contributor, directly or indirectly, in France and in all other countries, is to:

- to provide any direct or indirect telecommunications and media/entertainment activities, and any interactive services, to individual, business and public sector customers;
- to market any products and services related to the foregoing;
- to carry out any commercial, industrial, financial, moveable or immovable property transactions directly or indirectly related to the aforementioned purpose or to any similar or related purposes, or contributing to the achievement of these purposes;

and, more generally, the management and acquisition of any interest, by way of subscription, purchase, contribution, exchange or through any other means, of shares, bonds and any other securities of companies already existing or to be formed and the right to sell such interests.

### 1.2.3 Company whose shares are contributed

#### 1.2.3.1 Lagardère

Lagardère SA (hereinafter "**Lagardère**") is a French limited liability company with share capital of 861,289,121.80 euros, divided into 141,194,938 fully paid-up shares with a nominal value of 6.10 euros each.

Its registered office is at 4, rue de Presbourg, 75116 Paris. It is registered with the Paris Trade and Companies Register under number 320 366 446.

Its shares are listed on compartment A of the Euronext Paris regulated market under ISIN code FR0000130213.

Lagardère's main purpose in France and abroad is:

1°) acquiring all interests and holdings in any French or foreign companies or businesses by any means,

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2°) the management of all portfolios of transferable securities and the execution of all transactions relating thereto, whether spot or forward, firm or conditional,

3°) the acquisition and licensing of all patents, trademarks and commercial and industrial operations,

4°) and more generally, all commercial and financial, industrial, movable and immovable property transactions relating to the above objects or to any other related objects and which are likely to promote and develop the Company's business.

#### **1.2.3.2 Prisma Group**

Prisma Group (hereinafter "**PRISMA**") is a French simplified joint-stock company (*société par actions simplifiée*) with a share capital of 212,482,153 euros, divided into 212,482,153 fully paid-up shares

Its registered office is at 59 bis avenue Hoche, 75008 Paris. It is registered with the Paris Trade and Companies Register under number 829 674 381.

PRISMA's object is to make investments in movable and immovable property, to manage movable and immovable property, to carry out financial and other studies, and to carry out all movable, immovable and financial transactions directly or indirectly related to the above.

#### **1.2.4 Links between the parties**

At the date hereof, the Contributor holds 184,999 LHG shares, representing the entirety of its share capital, with the exception of one share held by Compagnie Hoche, a French simplified joint stock company, having its registered office at 59 bis avenue Hoche, 75008 Paris, registered with the Paris Trade and Companies Register under number 592 064 992.

Mr Yannick Bolloré, a director (administrateur) of the Beneficiary, is Chairman of the Contributor's Supervisory Board (*président du Conseil de surveillance*). Mr Arnaud de Puyfontaine, a director of the Beneficiary, is Chairman of the Management Board (*président du Directoire*) of the Contributor. It is noted that Mrs. Maud Fontenoy, a member of the Contributor's Supervisory Board, has been appointed as a director of the Beneficiary, subject to the condition precedent of approval of the Partial Demerger by the Contributor's shareholder's meeting and by the Beneficiary's shareholder's meeting.

### **1.3. General terms and conditions of the operation**

#### **1.3.1 Legal regime applicable to the partial demerger**

The Contributions are subject to the French legal regime applicable to demergers (*régime des scissions*) provided under Section 2 of Chapter VI of Title III of Book II of the French commercial code (*Code du commerce*), in accordance with the option provided for in Article L. 236-27 of the French commercial code.

In accordance with the provisions of Article L. 236-27, paragraph 2 of the French commercial code, ownership of the Contributions will be transferred to the Beneficiary, without the Contributor ceasing to exist, and the Beneficiary will issue and allocate new shares in consideration for these Contributions, directly to the Contributor's shareholders (with the exception of the Contributor itself), in proportion to their respective holdings in the Contributor (with the exception of the Contributor itself).

### 1.3.2 Tax regime

In the partial demerger terms, the Contributor and the Beneficiary declare that the partial demerger is subject to the tax regime provided for in Articles 210-A and 210-B of the French General Tax Code (*Code General des Impôts* - hereinafter, the "**CGI**").

The Contributor and the Beneficiary declare that the Partial Demerger will be registered free of charge.

The partial demerger will not be subject to VAT.

### 1.3.3 Effective date for legal, tax and accounting purposes

The Contributions will take effect on the fourth calendar day following the approval of the partial demerger by the last of the general shareholders' meetings, between that of VIVENDI and that of LHG (hereinafter, the "**Completion Date**").

The partial demerger will become effective for tax and accounting purposes on the Completion Date.

## 1.4. Conditions precedent

This contribution is subject to the following conditions precedent:

- (a) the approval by the VIVENDI shareholders' general meeting of the partial demerger, having considered, in particular, the reports of the demerger auditors (*rapports des commissaires à la scission*), the financial statements for the year ended 31 December 31, 2023 approved by the VIVENDI shareholders' general meeting of April 29, 2024 and after the allocation of the 2023 result, and VIVENDI's interim financial statements as of September 30, 2024, prepared by the Management Board, reviewed by the Supervisory Board, and subjected to a limited review by VIVENDI's statutory auditors;
- (b) the approval by the extraordinary general meeting of LHG shareholders, having considered, in particular, the reports of the demerger auditors, of the partial demerger and of the decision to increase the share capital in consideration for the Contributions.

If the aforementioned conditions precedent are not fulfilled by January 31, 2025 at the latest, and unless this deadline is extended by mutual agreement, the partial demerger terms will lapse ipso jure, without compensation on either side.

## 1.5. Description and assessment of the Contributions

### 1.5.1 Description of the Contributions

The Contributions consist of:

- (i) 212,482,153 ordinary shares Prisma Group held by the Contributor;
- (ii) 93,935,006 ordinary shares Lagardère held by the Contributor as at September 30, 2024.

On the Completion Date, the contributed shares will be free of all liabilities and fully paid up and free of all encumbrances, options and third-party rights.

### **1.5.2 Valuation method used**

In accordance with the provisions of article 743-1 of the French General Accounting Plan (*Plan comptable général*), the Contributions have been valued on the basis of their actual value (*valeur réelle*).

The actual value of the Prisma Contribution is 212,482,153.00 euros and the value of the Lagardère Contribution is 1,945,713,777.70 euros. The total value of the Contributions is 2,158,195,930.70 euros.

Our work on the value of the Contributions is the subject of a separate report.

### **1.6. Remuneration for the Contributions**

The remuneration of the Contributions has been fixed by agreement between the parties in such a way as to make the number of shares to be issued in consideration for the Contributions correspond with the number of VIVENDI shares entitled to allocation, i.e. 991,811,494 ordinary shares (corresponding to the total of 1,029,918,125 ordinary VIVENDI shares in existence at that date, less the 38,106,631 VIVENDI treasury shares).

As a result, each VIVENDI shareholder (with the exception of VIVENDI itself) will receive one LHG share for each VIVENDI share held.

In consideration for the Contributions, 991,811,494 LHG ordinary shares with a nominal value of 0.20 euro each will be allotted.

The difference between the value of the Contributions of 2,158,195,930.70 euros and the amount of the capital increase of 198,362,298.80 euros, will constitute a contribution premium (*prime d'apport*) of 1,959,833,631.90 euros.

The contribution premium, to which the rights of the Beneficiary's existing and new shareholders will relate, will be recorded as a liability on the balance sheet of LHG.

## **2. Verification of the relevance of the relative values attributed to the Contributions and the Beneficiary's shares**

### **2.1. Presentation of the remuneration agreed by the parties**

Under the terms of the partial demerger terms dated October 28, 2024, the parties have agreed to set the exchange parity so that the number of shares to be issued in consideration for the Contributions corresponds to the number of VIVENDI shares entitled to attribution.

This number of shares giving right to allocation corresponds to the difference between the number of ordinary shares forming the share capital of VIVENDI on the date hereof, i.e. 1,029,918,125, and the number of VIVENDI treasury shares, i.e. 38,106,631. It amounts to 991,811,494 ordinary shares.

### **2.2. Due diligence carried out by the partial demerger auditors**

The purpose of our engagement is to report to VIVENDI, as Contributor, and the shareholders of LHG, as Beneficiary, on the relative values used to determine the compensation and to assess the fairness of this compensation.

Our engagement falls within the scope of the interventions defined by law and provided for in the conceptual framework of the doctrine of the *Compagnie Nationale des Commissaires aux Comptes*.



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Accordingly, our engagement does not include performing an audit or a limited review. The purpose of our engagement is not to express an opinion on the financial statements, nor to perform specific verifications concerning compliance with company law. Nor does it involve validating the tax regime applicable to the transaction.

Furthermore, it cannot be assimilated with a “due diligence” assignment carried out for a lender or a purchaser and does not include all the work required for this type of assignment. Our report cannot therefore be used in this context.

Similarly, our work cannot be assimilated to that of an independent expert appointed by the administrative or supervisory body of one of the parties.

We performed those procedures which we considered necessary to comply with professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes* applicable to this type of engagement.

In this context, we have in particular:

- Acknowledged the context and objectives of the Contributions;
- Conducted interviews with the people in charge of the operation and their advisors, both to understand the context and the economic, accounting, legal and tax terms and conditions in which it took place;
- Examined the partial demerger agreement and its appendices dated October 28, 2024 ;
- Checked the reality of the Contributions and assessed the possible impact of factors likely to affect their ownership;
- Verified compliance with current accounting regulations on the valuation of Contributions;
- Acknowledged the current legal documents of the companies concerned by the Contributions.
- Reviewed the Lagardère individual and consolidated financial statements for the six months ended June 30, 2024 and the statutory auditors' limited review report on the consolidated financial statements for the six months ended June 30, 2024, and verified that the limited review report did not identify any material misstatements;
- Reviewed the individual financial statements of PRISMA for the year ended December 31, 2023 and verified that the statutory auditors had certified them without qualification;
- Reviewed the individual financial statements of LHG for the year ended December 31, 2023 and verified that the statutory auditors had certified them without qualification;
- Reviewed the interim financial statements of LHG as of 31 July 2024 and the auditors' limited review report, and verified that the auditors' limited review report did not identify any material misstatements;
- Reviewed the condensed financial statements of VIVENDI for the six months ended June 30, 2024 and the auditors' limited review report, and verified that this report did not identify any material misstatements;



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- Examined a draft interim financial statement of VIVENDI as of September 30, 2024 and the draft limited review report of the statutory auditors thereon and verified that this draft limited review report did not identify any material misstatements;
- Acknowledged the impairment tests carried out by VIVENDI as of December 31, 2022 and December 31, 2023 on its investment in PRISMA;
- Acknowledged the business of Lagardère and PRISMA, analyzed their historical information available up to the date hereof and the forecasts prepared;
- Reviewed and analyzed the valuation work on Lagardère and PRISMA carried out by VIVENDI's financial advisors, including working meetings and discussions to obtain further details and explanations of their work;
- Examined the references and valuation methods for the Contributions used by the parties;
- Appreciated the exchange parity agreed by the parties.

We have also relied on the work we performed as partial demerger auditors in charge of assessing the value of the Contributions.

Up to the date of this report, we have ascertained that there are no facts or events likely to call into question the exchange parity.

Finally, we obtained a representation letter (*letter d'affirmation*) from representatives of VIVENDI and LHG respectively.

### **2.3. Assessment of the appropriateness of the relative values attributed to the value of the Contributions and the shares of the Beneficiary**

The operation consists of a partial demerger of VIVENDI in favor of LHG, of which it directly holds all the shares less one, the latter being held by one of its subsidiaries.

In this context, the conventional determination of an exchange ratio between the parties is not likely to affect the fairness of the remuneration for them.

We have no further comments on the method used to determine the exchange ratio.

## **3. Assessment of the fairness of the exchange ratio**

The parties have agreed on the exchange parity, such that the number of shares to be issued by LHG amounts to 991,811,494 shares, in consideration for the Contributions.

### **3.1. Due diligence performed by the partial demerger auditors**

We performed those procedures we considered necessary in accordance with professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes* to assess the fairness of the remuneration for the Contributions.

In particular, we relied on the work described above, which we performed in order to verify the appropriateness of the relative values assigned to the Contributions and to the shares of the Beneficiary.

### **3.2. Assessment of the fairness of the proposed remuneration**

As indicated above, given that the transaction consists of Contributions by VIVENDI to LHG, of which it directly owns all the shares less one, the latter being owned by one of its subsidiaries, we did not identify any factor likely to call into question the fairness of the proposed remuneration.

## **4. Summary - key points**

The present transaction is part of a reorganization of the VIVENDI group around four separate listed entities, in response to the significant conglomerate discount VIVENDI has suffered since the distribution-listing of Universal Music Group in 2021.

At the end of the present partial demerger, VIVENDI shareholders would receive shares in the Beneficiary, which will have benefited from the Lagardère Contribution and the PRISMA Contribution.

The proposed remuneration was agreed by VIVENDI and LHG, in which VIVENDI directly holds all the shares less one, the latter being held by one of its subsidiaries.

We have no specific comments to make on the method of determining the remuneration agreed between the parties.

Accordingly, nothing has come to our attention that would call into question the fairness of the proposed remuneration.

## **5. Conclusion**

Based on our work and as of the date of this report, we consider that the consideration agreed upon by the parties for the Contributions made by VIVENDI to LHG, resulting in the issue of 991,811,494 LHG shares, is fair.

Paris, October 28, 2024

The *commissaires à la scission partielle*

Didier Kling Expertise & Conseil

SORGEM Evaluation

**Didier Kling**

**Maurice Nussenbaum**