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CANAL+ S.A.
Limited liability company (*société anonyme*)
with a capital of 37,000 euros
50, rue Camille Desmoulins, 92863 Issy Les Moulineaux, France
RCS Nanterre n° 835 150 434

Partial demerger (*Scission Partielle*)

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

Free translation

Order of the President of the Paris Commercial Court (Tribunal de Commerce de Paris)
dated July 10, 2024

In compliance with the assignment entrusted to us by the 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 Canal + S.A. (hereinafter, "**Canal +**" or the "**Beneficiary**") of shares in Groupe Canal + (hereinafter, "**the Contributions**"), we have prepared this report on the value of the Contributions in accordance with Articles L. 236-10 and L. 225-147 of the French *Code de commerce*.

Our opinion on the remuneration of the Contributions is set out in a separate report.

The terms of 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 whether the value of the contributions is not overvalued. For this purpose, we performed our procedures in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* applicable for this engagement. These standards require that we perform the necessary procedures in order to appreciate the value of the contributions, to ensure that the value is not overvalued and to verify that it corresponds at least to the nominal value of the shares to be issued by the Beneficiary, plus the contribution premium (*prime d'apport*).

As our engagement ends with the filing of this report, it is not our responsibility to update this report to take into account 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. Due diligence and assessment of the value of the Contributions
3. Summary - key points
4. 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 of the operation

The partial demerger (*scission partielle*) is part of the reorganization project announced by Vivendi in its press releases issued on December 13, 2023, January 30, 2024, July 22, 2024 and October 15, 2024, and aims to address the significant conglomerate discount affecting Vivendi since the distribution-listing of Universal Music Group in 2021, which limits its ability to carry out external growth transactions for its subsidiaries and to leverage the strong momentum of Canal+, Havas and Lagardère in an international context marked by numerous investment opportunities.

Upon completion of this partial demerger, subject to the approval of Vivendi's general meeting of shareholders (*assemblée générale des actionnaires*), Vivendi's shareholders – excluding Vivendi itself for its treasury shares – would receive shares in 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 shares in Louis Hachette Group (beneficiary of the Lagardère and Prisma Group shares contributed by Vivendi), while through an exceptional distribution in kind they would also receive shares in Havas.

Following all these operations, Vivendi would be reorganized into four separate listed entities.

1.2. Presentation of the parties

1.2.1. Canal + S.A. - Beneficiary company

Canal + is a French limited liability company (*société anonyme*), with a management board (*directoire*) and a supervisory board (*conseil de surveillance*), with a share capital of 37,000 euros, divided into 148,000 fully paid-up ordinary shares with a nominal value of 0.25 euro each. Initially incorporated as a simplified joint stock company (*société par actions simplifiée*) under French law, it was transformed into a limited liability company (*société anonyme*) by a collective decision of its shareholders on October 24, 2024.

Its registered office is at 50, rue Camille Desmoulins, 92863 Issy Les Moulineaux. It is registered with the Nanterre Trade and Companies Register (*Registre du Commerce et des Sociétés*) under number 835 150 434.

The main purpose (*objet social*) of the Beneficiary, directly or indirectly, in France and in any country, is to:

- to operate, directly and indirectly, in the areas of communication in general (more specifically, audiovisual communication) and telecommunications, for private, professional and public clients;
- the design, production, distribution, marketing, and more generally the exploitation in all forms and by all means of all programs, products, services (notably linear, non-linear and interactive audiovisual communication) and service offerings related to the aforementioned;
- the participation in, or the provision of, all services and/or the execution of commercial, industrial, financial, administrative, technical, moveable or immovable property transactions, directly or indirectly related to the aforementioned corporate 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, 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 such interests.

1.2.2. Vivendi SE - Contributing Company

Vivendi is a European company with a management board and a supervisory board 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 is, directly and indirectly, both in France and in any country:

- 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. Groupe Canal + – Company whose shares are contributed

Groupe Canal + is a French *société anonyme* with a management board and a supervisory board, with a capital of 312,573,099 euros, divided into 104,191,033 fully paid-up shares with a nominal value of 3.00 euros each.

Its registered office is at 50, rue Camille Desmoulins, 92863 Issy Les Moulineaux. It is registered with the Nanterre Trade and Companies Register under number 420 624 777.

Groupe Canal+ main purpose, directly or indirectly, in France and in any country, is to:

- to operate, directly and indirectly, in the areas of communication in general (more specifically, audiovisual communication) and telecommunications, for private, professional and public clients;
- the design, production, distribution, marketing, and more generally the exploitation in all forms and by all means of all programs, products, services (notably linear, non-linear and interactive audiovisual communication) and service offerings related to the aforementioned;
- the participation in, or the provision of, all services and/or the execution of commercial, industrial, financial, administrative, technical, moveable or immovable property transactions, directly or indirectly related to the aforementioned corporate 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, 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 such interests.

1.2.4. Links between parties

As of the date of this report, the Contributor held 147,996 Canal+ shares, i.e. all the shares representing its share capital, with the exception of four ordinary shares held by Compagnie Hoche, a French simplified joint stock company (*société par actions simplifiée*), whose

registered office is at 59 bis avenue Hoche, 75008 Paris, registered with the Paris Trade and Companies Register under number 592 064 992.

Maxime Saada, Chairman of the Management board (*président du Directoire*) of the Beneficiary, is a member of the Management Board (*Directoire*) and Executive Committee (*Comité exécutif*) of the Contributor. Yannick Bolloré is Chairman of the Supervisory Board (*président du Conseil de surveillance*) of both the Beneficiary and the Contributor. Mr Arnaud de Puyfontaine, a member of the Supervisory Board of the Beneficiary, is also Chairman of the Management Board and a member of the Executive Committee of the Contributor.

1.3. General terms and conditions of the operation

1.3.1. Legal status of the Contributions

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

In accordance with the provisions of Article L. 236-27, paragraph 2 of the *Code de commerce*, 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 shareholders of the Contributor, Vivendi SE, in proportion to their respective stake in the Contributor.

1.3.2. Tax

In the partial demerger terms, the Contributor and the Beneficiary declare that the partial demerger will be governed by Articles 210-A and 210-B of the French general tax code (*Code Général des Impôts*).

The Contributor and the Beneficiary declare, in the partial demerger terms, that the partial demerger will be registered free of charge.

The partial demerger will not be subject to VAT.

1.3.3. Date of contribution

The contribution will take effect on the fourth calendar day following the approval of the partial demerger by the last of the shareholders' meetings, between that of Vivendi and that of Canal + (hereinafter, the "**Completion Date**").

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

1.4. Conditions precedent

The partial demerger is subject to the following conditions precedent:

- (i) the approval by the general meeting of Vivendi shareholders of the partial demerger, having considered, in particular, the reports of the demerger auditors (*rapports des commissaires à la scission*), Vivendi's annual financial statements as of December 31, 2023 approved by Vivendi's general shareholders' meeting of April 29, 2024 and after allocation of 2023 result, and Vivendi's interim financial statement at September 30, 2024, prepared by the Management Board and reviewed by the Supervisory Board, and subject to a limited review by Vivendi's statutory auditors;
- (ii) approval by the extraordinary general meeting of Canal + 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 above-mentioned 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 shall be deemed null and void, without compensation on either side.

1.5. Description and assessment of the Contribution

1.5.1. Description of the Contributions

The Contributions consist of 104,191,033 Groupe Canal+ shares held by the Contributor.

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

1.5.2. Valuation method

For the purposes of accounting for the partial demerger, the Groupe Canal + shares contributed were valued on the basis of their actual value (*valeur réelle*), in accordance with the provisions of Article 743-1 of the French General Accounting Plan (*Plan Comptable Général*).

This actual value was contractually set by the parties, for the purposes of accounting for the contributions, on the basis of a multi-criteria method presented in appendix 2.7.1 of the demerger terms.

As part of the partial demerger project, certain assets held by Vivendi, whose operating activities closely aligned with those of Groupe Canal+, have been transferred to the latter company for the sake of consistency. Canal+ thus consolidates together with its current business (the "**Historical Perimeter**"), (i) GVA, which provides telecommunication services in Africa, including high-speed Internet access marketed under the brand Canalbox; (ii) the video streaming platform Dailymotion; (iii) the performance venues L'Olympia and the L' Œuvre theater in France, as well as the cinema theaters CanalOlympia in Africa (the "**Transferred Assets**").

The combined value of the Historical Perimeter and the Transferred Assets represents the value of Groupe Canal+, whose shares are contributed by Vivendi SE to Canal+ as part of the partial demerger.

1.5.2.1. Historical Perimeter value

For the purposes of evaluating the Historical Perimeter, the business plan for the period 2024-2028 was notably used.

The Historical Perimeter has been valued using the following methods:

- discounted cash flow (DCF);
- multiples of comparable public companies;
- sum of the parts of analysts following Vivendi's share price.

a) Discounted future cash flows

The main assumptions used for this method are as follows:

- a weighted average cost of capital comprised between 8.85% and 9.35%;
- a perpetual growth rate comprised between 1.95% and 2.45%.

b) Multiples of comparable public companies

A sample of comparable listed companies was selected, and enterprise value multiples based on EBITDA and/or EBIT net of operating leases were used.

These multiples were calculated on the basis of market capitalizations and analysts' consensus as of October 15, 2024, and applied to the related aggregates of the Historical Perimeter.

c) Sum of the parts of analysts

The value of the Historical Perimeter is assessed by various research analysts covering the Vivendi SE share as part of their assessment of a target price, on the basis of a sum of the values of the various activities which constitute Vivendi.

A consensus of the valuations established by the research analysts has been carried out (based on the notes published and available for the year 2024).

1.5.2.2. Value of Transferred Assets

The Transferred Assets were the subject of transactions between Groupe Canal + and Vivendi SE resulting in a transfer price agreed between the parties, defined in particular on the basis of valuations carried out by financial experts appointed by Vivendi.

Only this transfer price has been considered for the purposes of valuing the Transferred Assets.

1.5.2.3. Value of Contribution (Groupe Canal + shares)

The value of the Contributions has been obtained by aggregating the value of the Historical Perimeter and the Transferred Assets, and then reducing this value by the bridge elements between the enterprise value and the value of shareholders' equity.

The bridge items have been calculated as the value of investments in associates, less consolidated net financial debt (estimated at December 31, 2024), less the value of minority interests and less the amount of debt-related provisions.

The value of Groupe Canal + shares resulting from the multi-criteria approach used is between c.€5,385 million and c.€7,880 million:

Value of Groupe Canal + shares for each method used (€M)*	Min	Max
<i>Discounting of future net cash flows</i>	c. €6,470M	c.€7,150M
<i>Multiples of comparable listed companies</i>	c.€5,385M	c.€7,725M
<i>Sum of the parts of analysts</i>	c.€6,330M	c.€7,880M

* The transfer price of the Transferred Assets has been added to the value derived from the Historical Perimeter for each of the valuation methods used.

The value of the Contributions agreed by the parties amounts to 6,851,133,406.55 euros.

Our assessment of the value of the contributions is developed below (2.)

1.6. Remuneration of the Contributions

The remuneration of the contributions was 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 attribution, i.e. 991,811,494 ordinary shares, corresponding to the total of 1,029,918,125 ordinary Vivendi shares in existence, less 38,106,631 Vivendi treasury shares.

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

In consideration for the Contributions, 991,811,494 Canal+ ordinary shares with a nominal value of 0.25 euro each will be allotted.

The difference between the value of the Contributions of 6,851,133,406.55 euros and the amount of the capital increase of 247,952,873.50 euros, will constitute a contribution premium of 6,603,180,533.05 euros.

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

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

2. Due diligence and assessment of the value of the Contributions

2.1. Due diligence carried out by the partial demerger auditors

The purpose of our engagement is to report to the shareholders of Canal+, the beneficiary of the Contributions, on the absence of overvaluation of the contributions made by the Contributor.

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*.

Consequently, it does not fall within the scope of an audit or limited review, nor does it involve validating the tax regime applicable to the transaction.

It cannot be assimilated to a due diligence mission carried out for a lender or an acquirer, and does not include all the work required for this type of intervention. Our report cannot be used in this context.

Our opinion is expressed as of the date of this report, which constitutes the end of our engagement. It is not our responsibility to follow up any subsequent events that may have

occurred between the date of this report and the date of the general meetings of shareholders called to vote on the partial demerger.

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 :

- Acknowledged the context and objectives of the present contribution of Groupe Canal + shares;
- 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 terms 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 regarding the valuation of the Contributions;
- Acknowledged the current legal documents of the companies concerned by the Contributions;
- Examined the individual financial statements of Groupe Canal + for the year ended December 31, 2023 and verified that the statutory auditors had certified them without qualification;
- Examined the combined condensed financial statements of Groupe Canal + for the six months ended June 30, 2024 and the statutory auditors' review report thereon, and verified that the statutory auditors' review report did not identify any material misstatements;
- Examined the individual financial statements of Canal + for the year ended December 31, 2023 and verified that the statutory auditors had certified them without qualification;
- Examined the interim financial statements of Canal + as of July 31, 2024 and the statutory auditors' limited review report thereon, and verified that the statutory auditors' limited review report did not identify any material misstatements;
- Examined the condensed financial statements of Vivendi for the six months ended June 30, 2024 and the statutory auditors' review report thereon, and verified that the statutory auditors' review report did not identify any material misstatements;
- 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 the draft limited review report did not identify any material misstatements;
- Examined the impairment tests performed by Vivendi on Groupe Canal + as of December 31, 2022 and December 31, 2023;

- Acknowledged the businesses of Groupe Canal +, analyzed the historical information available up to the date hereof and the forecasts prepared;
- Reviewed and analyzed the valuation work carried out on Groupe Canal + by Vivendi's financial advisors, including working meetings and discussions to obtain further details and explanations of their work;
- Reviewed the references and valuation methods for the Contributions used by the parties;
- Verified that the actual value of the Contributions is at least equal to the value of the Contributions proposed in the partial demerger terms ;

We have ensured, up to the date of this report, that no facts or events have occurred which might call into question the value of the Contributions.

Finally, we obtained a representation letter (*lettre d'affirmation*) from representatives of Vivendi and Canal + respectively.

2.2. Assessment of the Contributions valuation method and its compliance with accounting regulations

Under the terms of the partial demerger terms, for the purposes of accounting for the partial demerger, the parties agreed to retain the actual value of the Groupe Canal + shares contributed.

Given the loss of control of the company whose shares are the subject of the contributions, the choice of this valuation method complies with the provisions of ANC regulation no. 2014-03 of June 5, 2014 relating to the French General Accounting Plan, as amended by regulations no. 2017-01 of May 5, 2017, no. 2019-06 of November 8, 2019 and no. 2023-08 of November 22, 2023, and more specifically with article 743-1 of the French General Accounting Plan.

Consequently, we have no comment to make on this valuation method.

2.3. Contribution reality

We have received confirmation that the shares transferred are fully owned, that they are freely transferable and that there are no restrictions on their transferability.

2.4. Assessment of the value of the contributions

To estimate the actual value of the Contributions, the two parties, assisted by their financial advisors, adopted a value based on a multi-criteria approach, as described above (1.5.2).

In order to appreciate the overall value of the contribution, we ensured that this value was less than or equal to the actual value of Groupe Canal + shares.

We have examined the valuations of Groupe Canal + shares. We believe that these valuation methods are appropriate given the nature of Groupe Canal +'s business. Furthermore, we consider that the rejected methods (net book value, net asset value, discounted dividend flows and multiples of comparable transactions) were indeed not relevant to the case in point.

As part of our assessment of the value of the Contributions, we have carried out verifications, in particular:

With regard to the value of the Transferred Assets

The Transferred Assets were the subject of transactions between Groupe Canal + and Vivendi SE resulting in a transfer price agreed between the parties, defined in particular on the basis of valuations carried out by financial experts appointed by Vivendi.

We spoke to the financial advisors who carried out the valuations of the main Transferred Assets, performed arithmetical checks on the methods used and assessed the impact on the overall value of the Contributions of taking into account a prudence factor on the value of certain assets.

We have no further comment to make on this reference of value of the Transferred Assets.

With regard to the cash flow method (DCF) for the Historical Perimeter

Expected cash flows are derived from Groupe Canal +'s 2024 - 2028 business plan, which we have assessed for consistency, particularly with regard to the group's historical performance, trends in the underlying markets and the group's competitive position in these markets.

We have verified the consistency of the assumptions used (discount rate, margin rate and growth rate, notably over the long term).

We have also carried out an alternative estimate of the discount rate, based on a debt-free equity rate determined on the basis of market parameters applicable to the Historical Perimeter given its characteristics.

We also assessed the impact on the calculation of terminal value (based on normative assumptions) of taking into account a cash conversion rate of EBITDA and a corporate income tax rate incorporating some prudence factors in relation to the assumptions used in the business plan.

Lastly, we carried out sensitivity tests on the values obtained by modifying the discount rates and perpetual growth rates.

Report of the joint demerger auditors (commissaires à la scission partielle) on the value of the contributions

After taking into account the value of the Transferred Assets and the other bridge elements from enterprise value to equity value, this method and the sensitivity analyses carried out produce a range of values that supports the value of the Contributions.

We have no further comments to make on this method.

Regarding the comparable multiples method for the Historical Perimeter

Given the absence of any listed company sufficiently comparable to Groupe Canal +'s Historical Perimeter, we consider that the comparable multiples method is less relevant than the DCF method presented above.

We have verified the relevance of the sample selected by the parties, notably by carrying out our own research of listed companies in the sector.

We have carried out our own calculations of multiples on the sample selected, which corroborate the multiples and values derived from the multiples method of comparable listed companies used by the parties, assisted by their financial advisors.

After taking into account the value of the Transferred Assets and the other bridge elements from enterprise value to equity value, this method produces a range of values that supports the value of the Contributions.

We have no further comments to make on this method.

Regarding the other bridge elements

Lastly, for the calculation of the other adjustments between the enterprise value and the equity value of Groupe Canal +, we assessed, among other things, the relevance of the values retained for investments in associates and minority interests, notably by carrying out our own estimates of the market value of these items.

These analyses corroborate the bridge elements value between enterprise value and equity value retained by the parties.

Regarding the reference to the sums of the parts from analysts following Vivendi's share price.

The values of the Historical Perimeter, Transferred Assets and investments in associates are estimated by various research analysts covering the Vivendi SE share as part of their assessment of a target price, based on a sum of the values of the various activities which constitute Vivendi.

On the basis of valuations established since March 2024 by recognized research analysts, we have reconstituted a range of values for Groupe Canal + shares, which supports the value of the Contributions.

We have no further comment to make on this reference.

Accordingly, based on our work concerning the valuation of Groupe Canal + using the methods and references presented above, we have not identified any factors that might call into question the value retained for the Contributions.

Similarly, as of the date of this report, we are not aware of any significant events or circumstances that could call into question the value of the Contributions.

3. Summary - key points

This 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 company, which will have benefited from the contribution of Groupe Canal + shares.

The value of the Contributions was determined by the parties on the basis of a multi-criteria approach.

Our review, which included an analysis of the relevance of the references and methods used, the forecasts made and the parameters applied, did not reveal any factors that might call into question the value of the Contributions.

4. Conclusion

On the basis of our work and at the date of this report, we consider that the value of the contributions retained, amounting to **6,851,133,406.55 euros**, is not overvalued and, consequently, that the value of the Contributions is at least equal to the amount of the capital increase of the Beneficiary company, increased by the contribution premium.

Paris, October 28, 2024

The commissaires à la scission partielle

Sorgem Evaluation

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