

**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 value of the contributions

<b>Free translation</b>
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*Order (ordonnance) of the President of the Paris Commercial Court (Tribunal de Commerce de Paris) dated July 10, 2024*

Incompliance with 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 value of the contributions in accordance with Article L. 225-147 of the French Commercial Code (*Code de commerce*).

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

The terms of the Lagardère Contribution and the Prisma Contribution (hereinafter, 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 overstated. 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 it 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 assignment 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 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 of 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 involved

### 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 185,000 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,

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 with a nominal value of 1 euro each.

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 Link 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 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 general*), 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.

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

The remuneration for 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 coincides with the number of VIVENDI shares giving entitlement to allotment.

As a result, each VIVENDI shareholder (with the exception of VIVENDI itself) will be allocated one LHG share for each VIVENDI share held as part of the partial demerger.

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 amounting to 2,158,195,930.70 euros and the amount of the capital increase amounting to 198,362,298.80 euros, will constitute a contribution premium amounting to 1,959,833,631.90 euros.

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

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 Diligences carried out**

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

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

It cannot be assimilated to a due diligence assignment carried out for a lender or a buyer and does not include all the work required for this type of assignment. Our report cannot therefore 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 shareholder general meeting 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.

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

In this context, we have:

- 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 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 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;
- 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;

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 (*letter d'affirmation*) from the representatives of VIVENDI and LHG respectively.

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

In order to assess compliance with accounting regulations and prevailing doctrine on the valuation of the Contributions, we have examined the background to the transaction.

Under the terms of the partial demerger terms, the parties agreed to retain the actual value (*valeur réelle*) of the Lagardère Contribution and the Prisma Contribution.

Given the loss of control of the companies 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 general chart of accounts, 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 General Accounting Plan.

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

## 2.3 Contribution Reality

In the course of our work, we obtained 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 individual value of the Lagardère Contribution

The Lagardère Contribution consists of 93,935,006 ordinary shares in Lagardère, representing 66.5% of its share capital as at 30 September 2024.

We assessed the contribution value of the Lagardère shares to ensure that it was not overvalued.

The value of the contribution, corresponding to the actual value of the shares contributed, was determined by the parties on the basis of a multi-criteria approach, which led to the selection of:

- references to the share price, analysts' target price and recent transactions in its shares;
- the sum of the parts method (SOTP) based on (i) the discounted cash flow method (DCF) and (ii) the method of multiples of comparable public companies.

The table below summarizes the valuations obtained by the parties for the Lagardère Contribution:

In m€	Min	Max
Share price	c. 1 650	c. 2 160
Analysts' target prices	c. 2 270	c. 3 005
Recent transactions in shares	c. 2 260	c. 2 395
SOTP (DCF)	c. 2 240	c. 2 915
SOTP (multiples of comparable public companies)	c. 2 115	c. 2 295

### 2.4.1 Methods and references excluded by the parties

#### a) Reference to net book value (NBV)

This approach aims to determine the value of a company's equity by the difference between the book value of its assets and liabilities. In particular, it does not take into account the full value of

intangible assets created internally and, more generally, the company's ability to generate profits in the future.

This is why it seems appropriate not to retain it.

#### **b) Dividend discount model (DDM)**

This method consists of discounting expected dividend flows. It is generally used for mature companies with a regular dividend policy that reflects their distribution capacity, i.e. the amount of their distributable dividend.

The forecasts on the basis of which distributable dividends are estimated are the same as those used to calculate operating cash flows. The use of the dividend discount model therefore duplicates the DCF method used in the sum of the parts method. Furthermore, as the amount of dividends actually distributed depends on the decisions taken at the Annual General Meeting, it does not necessarily reflect the amount of dividends available for distribution.

This is why it seems appropriate not to retain it.

#### **c) Sum of the parts method based on multiples of comparable transactions**

The comparable transactions method is based on the assumption of market efficiency and the law of one price, according to which in an efficient market identical assets should have the same price or, more specifically, that companies with the same characteristics in terms of sector of activity, growth, return on capital employed and systematic risk, assessed through their discount rate, should have the same valuation multiples.

This method captures, in the multiple calculated, the premium granted by the acquirer over the intrinsic value of the independent company acquired, when the transaction is expected to generate synergies.

The parties have applied this method for reference purposes only, given the difficulty of identifying a sample of relevant transactions, the limited information available and the context of the current transaction, which does not involve synergies.

We believe that given the limitations of this method in the present case, it should be excluded.

#### **2.4.2 Reference to the share price used by the parties**

The share price corresponds to the equilibrium price resulting from the confrontation between supply and demand from investors at a given moment in time.

This assumes, in particular, that the share is liquid, i.e. that it can be traded quickly at low cost, and is not subject to arbitrage limits, i.e. that investors can intervene, while incurring limited risks and costs, to correct price anomalies both upwards and downwards.

The implementation of this reference by the parties calls for the following comments on our part.

The parties applied this benchmark on 15 October 2024, based on the spot price, various volume-weighted averages (1 month, 3 months and 6 months) and the high and low prices over 365 days.

We believe that the reference to the share price for the valuation of the Lagardère Contribution:

- is limited by the low level of daily trading, which can be explained by a limited free float<sup>1</sup> although its turnover rate remains satisfactory (53% free float turnover over a 12-month period);
- is, however, relatively relevant on the basis of a volume-weighted average, which helps to smooth out occasional variations when a price has some liquidity limitations (unlike the spot price), calculated over a period of 1 month, 3 months or even 6 months.

We have therefore used Lagardère's volume-weighted average share price calculated over a period of 1 month, 3 months and 6 months to 15 October 2024. This gives a range of between €21.5 and €21.9 per share.

#### **2.4.3 Reference to analysts' target prices adopted by the parties**

An analyst's price target is the opinion of a professional who follows a company as to the price that its shares could reach in 6 to 18 months.

The parties have retained the targets published by analysts following Lagardère over the last six months prior to 15 October 2024.

We have the following comments to make on the implementation of this reference:

- We use the target prices published between the date of Lagardère's publication of its results for the first half of 2024 on July 24, 2024, which constitutes important information to be incorporated into the share price, and 15 October 2024;
- the sample of analysts' target prices has been reduced to three, ranging from €24.2 to €32.0 per share, with an average of €27.2 and a median of €25.5.

The small size of the sample of relevant target prices means that this reference is secondary.

#### **2.4.4 Reference to recent transactions in shares**

In 2022, VIVENDI made a mandatory takeover bid for Lagardère shares, the subsidiary arm of which offered shareholders the right to sell their shares at a unit price of €24.1 until December 15, 2023. This deadline has now been extended to 15 June 2025.

Sale rights relating to 6% of Lagardère's share capital were exercised between June and August 2024 at a unit price of €24.1, which was used as a reference by the parties.

We have no particular comment to make on this reference.

#### **2.4.5 Sum of the parts method based on the DCF method adopted by the parties**

##### **a) Principle of the sum of the parts method**

The sum of the parts method (SOTP) is a variant of the net asset value (NAV) method, which involves valuing a company by adding together the value of its various businesses, each with its own characteristics in terms of growth prospects, return on capital employed and risk.

This method is appropriate in the case of Lagardère, which has two main activities, Lagardère Publishing, which groups together book publishing and e-Publishing activities as well as distribution, and Lagardère Travel Retail, which groups together retail activities in transport and

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<sup>1</sup> The existence of rights to transfer Lagardère shares granted in connection with Vivendi's takeover bid may also be a factor limiting trading and the liquidity of the share.

concession areas. Other Lagardère activities include Lagardère News, Lagardère Radio, Lagardère Live Entertainment and Lagardère Paris Racing.

#### **b) Bridge between the enterprise value and the market value of the equity**

The various methods used result in an enterprise value for Lagardère, from which an adjustment is deducted to obtain the market value of the equity.

These reconciling items have been revised on the basis of the 2024 interim financial statements to ensure consistency with the cash flows used to calculate the enterprise value and the reconciling items used to calculate the multiples of stock market comparables.

#### **c) Sum of the parts based on the DCF method**

This method consists of determining the intrinsic value of a company by the difference between its enterprise value, which corresponds to the sum of future available operating cash flows discounted at a rate representative of the systematic, non-diversifiable risks borne by all capital providers, and its adjusted net financial debt (see paragraph b above).

We have reviewed the implementation of the DCF method by the parties for each of Lagardère's business segments and in particular:

- we have ensured that the forecasts used are consistent with historical trends, analysts' forecasts, action plans, the opportunities and threats affecting its markets and the strengths and weaknesses of its competitive position;
- we have verified the relevance of the terminal value calculation, which takes into account the normalization of margins beyond the explicit forecast horizon of the business plan;
- we took into account a discount rate corresponding to a debt-free equity rate determined on the basis of market parameters observed as of September 30, 2024 and the systematic risk of each activity, and considered that cash flows were end-of-period cash flows for its application;
- we performed sensitivity tests on the normative margin rate, the long-term growth rate and the discount rate.

The valuation range obtained using this method supports the value of the Lagardère Contribution.

#### **2.4.6 Sum-of-parts method based on the method of multiples of comparable public companies**

As with the comparable transactions method, the method of multiples of comparable public companies is based on the assumption of market efficiency and the law of one price, according to which in an efficient market identical assets should have the same price or, more specifically, that companies with the same characteristics in terms of sector of activity, growth, return on capital employed and systematic risk, assessed through their discount rate, should have the same valuation multiples.

We have reviewed the implementation of this method by the parties.

We have verified the relevance of the sample selected by the parties, in particular by carrying out our own research into 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.

The valuation range obtained using this method also supports the value of the Lagardère Contribution.

#### **2.4.7 Sum of the parts method based on the sum of the parts calculated by analysts**

The parties have used this method to compare the values obtained for each business from the DCF method and from comparables of listed companies, but only for reference purposes because (i) it is partly redundant with the reference to analysts' target prices and (ii) it could only be used for the two main businesses.

We have no particular comment to make on this method, which has been used solely for reference purposes by the parties.

#### **2.4.8 Summary of the implementation of the multi-criteria approach**

The values per Lagardère share obtained by applying the multi-criteria approach are in line with the value used for this contribution, even if a slight discount is applied to the sum of the parts to take account of the diversified nature of Lagardère's activities, which have little synergy between them.

Consequently, based on our review, we have not identified any factors that might call into question the individual value of the Lagardère Contribution.

### **2.5 Assessment of the individual value of the Prisma Contribution**

The Prisma Contribution consists of 212,482,153 ordinary PRISMA shares representing 100% of its share capital.

We assessed the contribution value of the PRISMA shares to ensure that it was not overvalued.

The value of the contribution, corresponding to the actual value of the shares contributed, was determined by the parties on the basis of a multi-criteria approach, which led to the selection of:

- the reference to the value of PRISMA in the sum of the parts used by analysts to set the target prices for VIVENDI ;
- the discounted cash flow (DCF) method and the multiple method of comparable listed companies.

The table below summarizes the valuations obtained by the parties for the Prisma Contribution:

In m€	Min	Max
DCF	235	265
Multiples of comparable public companies	220	255
Analysts' SOTP	120	275

### **2.5.1 Methods and references excluded by the parties**

The parties excluded the reference to net book value (NBV) and the methods of DDM and multiples of comparable transactions for reasons similar to those explained in relation to the Lagardère Contribution.

For the same reasons as those given above, it seems appropriate to have excluded this reference and these methods.

The parties also excluded the NAV method, which is based on adjusting the book value of net assets for unrealized capital gains or losses on assets and liabilities or off-balance sheet commitments. This method, which is usually applied to asset companies such as holding companies or property companies, or for liquidation purposes, does not seem appropriate for valuing a company that directly operates a business on a long-term basis.

### **2.5.2 Reference to the sum of the parts of the analysts retained by the parties**

This reference is based on the sum of the parts method commonly used by analysts to set their price target for VIVENDI. The parties have extracted the value attributed to PRISMA by analysts in their SOTP of Vivendi in notes made between March and September 2024.

We have the following comments to make on the implementation of this approach:

- the principle behind it seems appropriate, since it is based on the method commonly used by analysts to set their target price for VIVENDI;
- we consider it appropriate to limit the size of the sample of notes taken into account to those published after the announcement of VIVENDI's results for the first half of 2024, i.e. after 25 July 2024.

The valuation range obtained using this approach supports the value of the Prisma Contribution.

### **2.5.3 DCF method used by the parties**

We have reviewed the implementation of the DCF method by the parties for PRISMA and in particular:

- we have ensured that the forecasts we have made are consistent with historical trends, the action plans in place, the opportunities and threats affecting its markets, and the strengths and weaknesses of its competitive position;
- we have verified the relevance of the terminal value calculation, which takes into account the normalization of margins beyond the explicit forecast horizon of the business plan;
- we have taken into account a discount rate corresponding to a debt-free equity rate determined on the basis of market parameters observed as of September 30, 2024 and the systematic risk specific to each activity and considered that cash flows were end-of-period flows for its application;
- we performed sensitivity tests on the normative margin rate, the long-term growth rate and the discount rate.

The valuation range obtained using this method supports the value of the Prisma Contribution.

#### **2.5.4 Method of multiples of comparable public companies used by the parties**

We reviewed the parties' implementation of this method

We have verified the appropriateness of the sample selected by the parties, in particular by carrying out our own research into 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.

The valuation range obtained using this method is lower than the value of the Prisma Contribution.

#### **2.5.5 Summary of the implementation of the multi-criteria approach**

The values of the Prisma Contribution obtained by applying the multi-criteria approach supports the value adopted in the context of the Contributions.

Consequently, based on our review, we have not identified any factors that might call into question the individual value of the Prisma Contribution.

### **2.6 Assessment of the overall value of the Contributions**

As the Contributions are made up of two distinct individual elements, our assessment of the overall value of the Contributions is identical to our assessment of the individual value of each of the elements making up the Contributions.

Based on our work, we have not identified any factors that might call into question the overall value of the Contributions.

## **3 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 would have benefited from the Lagardère Contribution and the Prisma Contribution.

The individual 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 identify any factors likely to call into question the individual values and the overall value of the Contributions.

#### **4 Conclusion**

On the basis of our work and as at the date of this report, we are of the opinion that the value of the Contributions retained, amounting to 2,158,195,930.70 euros, is not overvalued and, consequently, that it is at least equal to the amount of the capital increase of the Beneficiary, increased by the contribution premium.

Paris, 28 October 2024

The *commissaires à la scission partielle*

Didier Kling Expertise & Conseil

SORGEM Evaluation

**Didier Kling**

**Maurice Nussenbaum**