

VIVENDI SE

Société Européenne

42, avenue de Friedland

75008 PARIS

FRANCE

**Review report on the CANAL+ GROUP's combined
condensed half-year financial statements**

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To the Management Board of Vivendi SE,

In our capacity as one of the statutory auditors of Vivendi SE and further to your request in the context of the admission of all the ordinary shares of Canal+ SA to trading on the main market of the London Stock Exchange, we have reviewed the accompanying combined condensed half-year financial statements of Canal+ Group as of and for the six-month period ended June 30, 2024 which comprise the combined statement of financial position of Canal+ Group as of June 30, 2024 and the related combined statement of earnings, combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flows for the six months period then ended, and notes to the combined condensed half-year financial statements, including a summary of significant accounting policies (the "Combined Condensed Half Year Financial Statements").

Vivendi SE's Management Board is responsible for the preparation and presentation of these Combined Condensed Half Year Financial Statements in accordance with IAS 34 – the standard of the IFRSs as adopted by the European Union applicable to interim financial reporting. Our responsibility is to express a conclusion on these Combined Condensed Half Year Financial Statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Combined Condensed Half Year Financial Statements are not prepared, in all material respects, in accordance with IAS 34 – the standard of the IFRSs as adopted by the European Union applicable to interim financial reporting.

We draw attention to the Note 1 “Basis of preparation of the Combined Condensed Financial Statements” relating to the accounting conventions used for the preparation of the Combined Condensed Financial Statements. Our conclusion is not modified in respect of this matter.

Declaration

For the purposes of Rule 5.3.2R(2)(f) of the rules of the FCA made under section 73A of the Financial Services and Markets Act 2000 of the UK, as amended, relating to the UK version of Regulation (EU) 2017/1129 (the “Prospectus Regulation Rules”), we are responsible for this report as part of the Prospectus and declare that to the best of our knowledge the information contained in this report is, in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex 1 item 1.2 of the UK version of the Commission Delegated Regulation (EU) 2019/980 and for no other purpose.

Save for any responsibility arising under the Rule 5.3.2R(2)(f) of Prospectus Regulation Rules to any person as and to the extent there provided, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1 item 1.3 of the UK version of the Commission Delegated Regulation (EU) 2019/980, consenting to its inclusion in the Prospectus.

This report shall be governed by and construed in accordance with French law. The courts of France shall have exclusive jurisdiction in relation to any claim, dispute or difference which may arise out of or in connection with our engagement letter or this report.

Paris-La Défense, October 30, 2024

One of the Statutory Auditors of Vivendi SE

Deloitte & Associés

Frédéric SOULIARD

Frédéric SOULIARD



GROUP

**Unaudited Combined Condensed Financial Statements as of and for
the Half-Year ended 30 June 2024**

Unaudited Combined Condensed Statement of Earnings

(in millions of euros)	Note	Six months ended 30 June (unaudited)		Year ended 31 December 2023
		2024	2023	
Revenues	5	3,190	3,034	6,223
Content costs		(1,909)	(1,734)	(3,725)
Technology, selling, general, administrative costs & others		(967)	(988)	(2,021)
Restructuring costs		(2)	0	(5)
Impairment losses on intangible assets acquired through business combinations		(0)	-	(2)
Amortization of intangible assets acquired through business combinations		(23)	(24)	(44)
Operating income (EBIT)	5	289	287	426
Income (loss) from equity affiliates		(70)	(60)	(104)
Interest expenses	6	(18)	(63)	(158)
Income from investments		1	-	-
Other financial income	6	1	6	3
Other financial expenses	6	(41)	(28)	(65)
		(57)	(85)	(220)
Earnings before income taxes		162	142	102
Income tax	7	(107)	(110)	(118)
Earnings (losses)		54	32	(16)
<i>Of which</i>				
Earnings (losses) attributable to Canal+ Group Owners		23	5	(61)
Earnings attributable to non-controlling interests		31	27	45

The accompanying notes are an integral part of the Unaudited Combined Condensed Financial Statements.

Unaudited Combined Condensed Statement of Comprehensive Income

(in millions of euros)	Note	Six months ended 30 June (unaudited)		Year ended 31 December 2023
		2024	2023	
Earnings (losses)		54	32	(16)
Actuarial gains/(losses) related to employee defined benefit plans, net	9	0	-	-
Financial assets at fair value through other comprehensive income	9	-	0	(37)
Items not subsequently reclassified to profit or loss		0	0	(37)
Foreign currency translation adjustments		4	24	47
Unrealised gains/(losses), net		2	6	3
Comprehensive income (loss) from equity affiliates, net	13	16	(13)	3
Items to be subsequently reclassified to profit or loss		22	17	53
Charges and income directly recognised in equity	9	23	17	15
Total comprehensive income (loss)		77	49	(1)
Of which				
Total comprehensive income (loss) attributable to Canal+ Group Owners		50	10	(66)
Total comprehensive income attributable to non-controlling interests		27	39	65

The accompanying notes are an integral part of the Unaudited Combined Condensed Financial Statements.

Unaudited Combined Condensed Statement of Financial Position

(in millions of euros)	Note	30 June 2024 (unaudited)	31 December 2023
ASSETS			
Goodwill	10	2 459	2 458
Non-current content assets	11	560	468
Other intangible assets		628	632
Property and equipment		644	675
Rights-of-use relating to leases	12	158	184
Investments in equity affiliates	13	1 555	1 103
Non-current financial assets		240	245
Other non-current assets		43	74
Deferred tax assets		149	134
Non-current assets		6 436	5 973
Inventories		77	89
Current tax receivable		26	29
Current content assets	11	660	979
Trade accounts receivable and other		1 418	1 394
Other current financial assets		54	21
Loans to Vivendi SE	14	101	94
Cash and cash equivalents	14	350	334
Current assets		2 686	2 939
TOTAL ASSETS		9 122	8 912
EQUITY AND LIABILITIES			
Canal + Group Owner's net investment		4 360	894
Canal+ Group Owner's net investment		4 360	894
Non-controlling interests		234	246
Total equity		4 594	1 140
Non-current provisions	16	269	241
Long-term borrowings and other financial liabilities	18	35	50
Deferred tax liabilities		193	196
Long-term lease liabilities	12	162	182
Other non-current liabilities		5	5
Non-current liabilities		664	674
Current provisions	16	206	157
Short-term borrowings from Vivendi SE	19	1 195	4 143
Short-term borrowings and other financial liabilities	18	43	33
Trade accounts payable and other		2 342	2 702
Short-term lease liabilities	12	35	41
Current tax payables		43	22
Current liabilities		3 864	7 098
TOTAL LIABILITIES		4 529	7 772
TOTAL EQUITY AND LIABILITIES		9 122	8 912

The accompanying notes are an integral part of the Unaudited Combined Condensed Financial Statements.

Unaudited Combined Condensed Statement of Cash Flows

(in millions of euros)	Note	Six months ended 30 June (unaudited)		Year ended 31 December 2023
		2024	2023	
Operating activities				
Operating income (EBIT)		289	287	426
Adjustments		137	134	344
Content investments, net	11	(58)	(50)	(122)
<i>Acquisition paid</i>		(887)	(855)	(2,015)
<i>Consumption</i>		829	806	1,893
Gross cash provided by operating activities before income tax paid and other changes in net working capital		367	372	648
Other changes in net working capital		5	17	(7)
Net cash provided by operating activities before income tax paid		373	388	641
Income tax (paid)/received, net		(57)	(69)	(141)
Net cash provided by operating activities		315	320	500
Investing activities				
Capital expenditures		(132)	(160)	(301)
Purchases of consolidated companies, after acquired cash		(9)	(11)	(9)
Investments in equity affiliates	13	(495)	(293)	(312)
Increase in financial assets		(57)	(65)	(141)
Investments		(693)	(529)	(763)
Proceeds from sales of property, plant, equipment and intangible assets		6	2	7
Proceeds from sales of consolidated companies, after divested cash		-	-	-
Decrease in financial assets	18	14	4	12
Divestitures		20	6	19
Dividends received from equity affiliates	13	-	-	1
Dividends received from unconsolidated companies		-	-	-
Net cash provided used for investing activities		(673)	(523)	(743)
Financing activities				
Contributions by Canal+ Group Owner		-	-	2
Transactions between the Canal+ Group and owners of non-controlling interests		-	-	(45)
Dividends paid by consolidated companies to their non-controlling interests		(0)	(23)	(38)
Transactions with owners		(0)	(23)	(81)
Setting up of long-term borrowings and increase in other long-term financial liabilities		1	0	-
Payments on long-term borrowings and other long-term financial liabilities	18	(6)	(1)	(2)
Payments on short-term borrowings	18	-	-	-
Net proceeds from short-term borrowings and other financial liabilities	18	441	295	585
Interest paid, net	6	(18)	(64)	(158)
Other cash items related to financial activities		(20)	2	(13)
Transactions on borrowings and other financial liabilities		398	232	412
Repayment of lease liabilities and related interest expenses	12	(23)	(11)	(32)
Net cash provided by/(used for) financing activities		375	199	299
Foreign currency translation adjustments		1	(1)	(5)
Change in cash and cash equivalents		17	(5)	51
Cash and cash equivalents				
At beginning of the period	14	<u>334</u>	<u>282</u>	<u>282</u>
At end of the period	14	<u>350</u>	<u>278</u>	<u>334</u>

The accompanying notes are an integral part of the Unaudited Combined Condensed Financial Statements.

Unaudited Combined Condensed Statements of Changes in Equity

	Six months ended June 30, 2024 (unaudited)			
	Retained earnings and other reserves	Canal+ Group owners' net investment	Non-controlling interests	Total equity
(in millions of euros)				
BALANCE AS OF DECEMBER 31, 2023	894	894	246	1 140
Earnings (losses)	23	23	31	54
Charges and income directly recognized in equity	27	27	(4)	23
TOTAL COMPREHENSIVE INCOME	50	50	27	77
Canal+ Group owners' contributions	3 400	3 400	-	3 400
Dividends paid	-	-	(32)	(32)
Others	16	16	(8)	8
TOTAL CHANGES OVER THE PERIOD	3 466	3 466	(13)	3 453
BALANCE AS OF JUNE 30, 2024	4 360	4 360	234	4 594

	Six months ended June 30, 2023 (unaudited)			
	Retained earnings and other reserves	Canal+ Group owners' net investment	Non-controlling interests	Total equity
(in millions of euros)				
BALANCE AS OF DECEMBER 31, 2022	970	970	215	1 185
Earnings (losses)	5	5	27	32
Charges and income directly recognized in equity	5	5	12	17
TOTAL COMPREHENSIVE INCOME	10	10	39	49
Canal+ Group owners' contributions	-	-	-	-
Dividends paid	-	-	(24)	(24)
Others	8	8	(1)	8
TOTAL CHANGES OVER THE PERIOD	19	19	15	33
BALANCE AS OF JUNE 30, 2023	989	989	230	1 218

	Year ended December 31, 2023			
	Retained earnings and other reserves	Canal+ Group owners' net investment	Non-controlling interests	Total equity
(in millions of euros)				
BALANCE AS OF DECEMBER 31, 2022	970	970	215	1,185
Earnings (losses)	(61)	(61)	45	(16)
Charges and income directly recognized in equity	(5)	(5)	20	15
TOTAL COMPREHENSIVE INCOME	(66)	(66)	65	(1)
Canal+ Group owners' contributions	2	2	-	2
Dividends paid	-	-	(38)	(38)
Others	(12)	(12)	4	(8)
TOTAL CHANGES OVER THE PERIOD	(76)	(76)	31	(45)
BALANCE AS OF DECEMBER 31, 2023	894	894	246	1,140

The accompanying notes are an integral part of the Unaudited Combined Condensed Financial Statements.

Notes to the Unaudited Combined Condensed Financial Statements

Vivendi SE (“Vivendi”) is a European company which, since 7 January 2020, has been subject to the provisions of French commercial company law that are applicable to it in France, including Council Regulation EC No. 2157/2001 of 8 October 2001 on the statute for a European company (SE) and the French Commercial Code (Code de commerce). Vivendi was incorporated on 18 December 1987, for a term of 99 years expiring on 17 December 2086, except in the event of an early dissolution or unless its term is extended. Its registered office is located at 42 avenue de Friedland - 75008 Paris (France). Vivendi’s shares are listed on Euronext Paris (Compartment A).

Groupe Canal+ SA (“Canal+”) is a major player in content creation and distribution worldwide. Currently, it has 26.8 million subscribers worldwide, with a diversified geographic presence mainly across three continents (Europe, Africa and Asia), holding strong positions and offering an attractive value proposition in both mature markets (Europe) and growth markets (Africa and Asia). With subscriptions accounting for nearly 80% of Canal+ Group’s (as defined below) revenues, distribution across all broadcasting channels (satellite, ADSL, DTT and digital), and both linear and non-linear offerings, Canal+ has a resilient business model that also allows it to seize growth opportunities in its various markets.

The Unaudited Combined Condensed Financial Statements present the financial and accounting situation of Canal+, Dailymotion, Group Vivendi Africa (“GVA”), Canal Olympia, Copyrights, L’Olympia and Théâtre de l’oeuvre (the “Canal+ Group”), together with interests held by members of Canal+ Group in equity affiliates and a building housing technical facility (“Cast”). Thus, they reflect the legal reorganisation of share ownership in the legal entities mentioned above, which were under the control of Vivendi SE during this period.

Amounts are reported in euros and all values are rounded to the nearest million.

The Unaudited Combined Condensed Financial Statements as of and for the Half-Year ended 30 June 2024, have been prepared specifically for the purposes of this Prospectus and in accordance with the Regulation (EU) 2017/1129 as supplemented by Commission Delegated Regulation (EU) 2019/980 each as they form part of United Kingdom domestic law by virtue of the EU Withdrawal Act 2018.,

The Unaudited Combined Condensed Financial Statements as of and for the Half-Year ended 30 June 2024, should be read in conjunction with Group Canal+’s Audited Combined Financial Statements as of and for the years ended 31 December 2023, 2022 and 2021.

On 21 October 2024, the Management Board of Vivendi SE examined the Unaudited Combined condensed Financial Statements as of and for the Half-Year ended 30 June 2024, and granted power to one of its members, Mr. Maxime Saada, who also serves as Chairman of the Management Board of Canal+ and Chairman and CEO of Dailymotion, to approve such Unaudited Combined Condensed Financial Statements. On 30 October 2024, Mr. Maxime Saada approved and authorised for issue the Unaudited Combined Condensed Financial Statements as of and for the Half-Year ended 30 June 2024.

Note 1 Basis of preparation of the Combined Condensed Financial Statements

The Unaudited Combined Condensed Financial Statements of Canal+ Group as of and for the half-year ended 30 June 2024 have been prepared by Vivendi in its capacity as the controlling shareholder of each entity within Canal+ Group, in the context of Vivendi’s project to split its activities into several entities listed on the stock market.

The Unaudited Combined Condensed Financial Statements have been drawn up based on the accounting data of Canal+, Dailymotion, GVA, Canal Olympia, Copyrights, L’Olympia and Théâtre de l’oeuvre and their respective as of and for the Half-Year ended 30 June 2024, as approved, and compiled for the preparation of the Vivendi Group’s Unaudited Consolidated Condensed Financial Statements as of and for the Half-Year ended 30 June 2024 (refer to Accounting conventions used when preparing the Unaudited Combined condensed financial statements). Canal+ Group’s Unaudited Combined Condensed Financial Statements as of and for the Half-Year ended 30 June 2024 have been prepared and are presented in accordance with IAS 34 - Interim Financial Reporting as endorsed in the European Union (EU) and published by the International Accounting Standards Board (IASB).

No adjustments were made in Canal+’s contribution to Vivendi’s historical financial statements within the Canal+ Group’s Unaudited Combined Condensed Financial Statements.

The Unaudited Combined Condensed Financial Statements of Canal+ Group have been prepared on the basis of and consistent with estimates reflected in the Vivendi SE Unaudited Condensed Financial Statements as of and for the Half-Year ended 30 June 2024, authorised for issue by the Board Management of Vivendi SE as of 24 July 2024, respectively. Subsequent developments from 24 July 2024 to 30 October 2024 did not result in adjusting events in the consolidated financial statements.

Since IFRS provides no specific guidelines for the preparation of the Unaudited Combined Condensed Financial Statements, in accordance with the requirements of Conceptual Framework and IAS 8 Accounting policies, changes in accounting estimates and errors, certain accounting conventions commonly used for the preparation of Unaudited Combined Condensed historical financial information have been applied.

The Unaudited Combined Condensed Financial Statements presented here may not necessarily be indicative of the Canal+ Group financial position, results of operations, or cash flows the Canal+ Group may have had if it was incurred as a separate entity during the periods presented. Moreover, the capital and financing structure (as well as some support services performed by Vivendi SE) will be adapted in the context of the Legal Reorganisation.

Context

At its meetings held on 13 December 2023 and 30 January 2024, Vivendi's Supervisory Board authorised, upon the recommendation of Vivendi's Management Board, the possibility to study the feasibility of a project to split Vivendi where Canal+ Group, Havas and Louis Hachette Group representing the publishing and distribution assets, namely the Vivendi's 63.5% stake in Lagardère and 100% of Prisma Media, would become independent listed entities. The study carried out identified the most appropriate stock markets for these three companies once separated from Vivendi, given the nature of their activities and their international exposure. Canal+ Group would be listed on the London Stock Exchange, Havas on Euronext Amsterdam in the form of a public limited liability company governed by the laws of the Netherlands (NV) and Louis Hachette Group on Euronext Growth in Paris.

Scope of combination

The Canal+ Group results from a combination of entities under the common control of Vivendi rather than a legal entity in its own right.

Canal+ Group's scope of combination principally comprises the entities held directly and indirectly by Canal+, Dailymotion, GVA, Canal Olympia, Copyrights, L'Olympia and Théâtre de l'oeuvre and a building housing technical facilities ("Cast").

The combination scope is presented in Note 28 "List of Main Combined entities" to the Audited Combined Financial Statements for the years ended 31 December 2023, 2022 and 2021.

Litigation

In the course of its ordinary activities, Canal+ Group may be involved in legal, arbitration, administrative or regulatory proceedings, including disputes with its suppliers, competitors and employees, as well as audiovisual and tax authorities and similar bodies. At the date of this document, the Group is not aware of any governmental, legal or arbitration proceedings, including any proceedings which are ongoing or with which it is threatened, other than those mentioned below.

Expenses resulting from any governmental, legal or arbitration proceedings are recognised as provisions only when they are likely to be incurred and the financial obligation resulting from such proceedings can be reasonably quantified or estimated. In such case, the provision amount represents the group's best estimate of the risk resulting from such proceedings, based on a case-by-case assessment of the risk level. The group may reassess this risk at any time if new events occur during the proceedings. Please refer to the note 7.4 "Tax litigation" and note 27 "Litigation" to the Canal+ Group Audited Combined Financial Statements for the years ended 31 December 2023, 2022 and 2021, which contains information on our litigations updated until the issuance date of the Canal+ Group Audited Combined Financial Statements for the years ended 31 December 2023, 2022 and 2021.

Intercompany transactions between Canal+ Group and other Vivendi Group entities

Balances pertaining to current transactions between Canal+ Group entities and other entities in the Vivendi Group have been presented on the balance sheet as third-party assets or liabilities in the

Unaudited Combined condensed Financial Statements. All loans and borrowings between Canal+ Group entities and other Vivendi Group entities have been presented as financial assets or liabilities in the Unaudited Combined condensed Financial Statements.

In accordance with IAS 24 – Related Party Disclosures, transactions between Canal+ Group and other Vivendi Group’s entities are presented in Note 19 “Related Parties”.

Earnings per share

As Canal+ Group is not a legal entity in its own right, the number of shares outstanding is not determinable. Consequently, no earnings per share data is presented in the Unaudited Combined condensed Financial Statements.

Note 2 Accounting policies and valuation methods

2.1 Unaudited Combined Condensed financial statements

Canal+ Group's Unaudited combined Condensed Financial Statements as of and for the Half-Year ended 30 June 2024 are presented and have been prepared in accordance with IAS 34 – Interim Financial Reporting as endorsed in the European Union (EU) and published by the International Accounting Standards Board (IASB) and as part of the basis of preparation of the Unaudited Combined Condensed financial statements (please refer to note 1). As a result, except as mentioned in paragraph 2.2 below, Canal+ Group has applied the same accounting methods used in its Combined Financial Statements as of and for the years ended 31 December 2023, 2022 and 2021 (please refer to Note 2 “Accounting policies and valuation methods” to the Consolidated Financial Statements for the years ended 31 December 2023, 2022 and 2021).

Furthermore, the following provisions were applied:

- provisions for income taxes have been calculated on the basis of the estimated effective annual tax rate applied to pre-tax earnings. The assessment of the annual effective tax rate notably takes into consideration the recognition of anticipated deferred tax assets for the full year which were not previously recognised; and
- employee benefits and profit-sharing have been included on a pro-rata basis of the estimated cost for the year, adjusted, if necessary, for any non-recurring events which occurred over the period.

Key judgement and estimates

The preparation of the Unaudited combined Condensed Financial Statements in compliance with IFRS Accounting Standards requires Canal+ Group's management to make certain estimates and assumptions which it considers reasonable and realistic. Although these estimates and assumptions are regularly reviewed, based in particular on past or anticipated achievements, facts and circumstances may lead to changes in these estimates and assumptions which could have an impact on the reported amount of Canal+ Group's assets, liabilities, equity or earnings. Additional detail on the judgements applied by management are set out in the Note 2.3 Principles governing the preparation of the Combined Financial Statements of Group Canal+'s Audited Combined Financial Statements as of and for the years ended 31 December 2023, 2022 and 2021.

Seasonality

Revenues from subscriptions are traditionally impacted by seasonal factors, with higher sales in September after the return from summer vacation and during the end-of-year holidays. International or local sports events can also influence sales volumes and therefore seasonality. Other sources of Revenue are impacted by underlying economic conditions, the cyclical demand for advertising, seasonality of program sales, significant licensing deals and the timing of delivery of Studiocanal programmes. Major events, including sporting events, will impact the seasonality of schedule costs and the mix of programmes spend between sport and films & television. Other than this, there is no significant seasonality or cyclicity affecting the interim results of the operations.

2.2 New IFRS standards and IFRIC interpretations applicable as from 1 January 2024

Amendments to IFRS standards and IFRIC interpretations issued by the IASB/IFRS IC applicable as from 1 January 2024, had no material impact on Canal+ Group's Combined Condensed Financial Statements.

2.3 International tax reform (Pillar 2)

The European Directive implementing the international tax reform (Pillar 2) at EU level was transposed into French law, becoming effective from 1 January 2024. Canal+ Group applies the exception provided by the amendment to IAS 12 - Income Taxes, related to the Pillar 2 international tax reform, regarding the non-recognition of deferred tax assets and liabilities related to Pillar 2 income taxes.

As of 30 June 2024, Canal+ Group's assessment of the application of such international tax reform indicates that it is not expected to have a material impact.

Note 3 Major events

3.1 Investment in MultiChoice Group

As of 31 December 2023, Canal+ held 149.4 million shares in MultiChoice Group Ltd (“MultiChoice”), representing 33.76% of MultiChoice’s share capital of MultiChoice. As of that date, the purchase price of Canal+’s interest in MultiChoice amounted to €936 million (ZAR113.82 per share in average).

In early February 2024, Canal+ announced that it had sent to the MultiChoice’s board of directors a non-binding intention to make an offer for the MultiChoice shares it did not own at a price of ZAR105 per MultiChoice share, which was rejected by MultiChoice’s board of directors. Canal+ continued its purchases of shares on the market operated by the Johannesburg Stock Exchange (“JSE”) and crossed the threshold of 35% of the capital of MultiChoice. In a decision dated 28 February 2024, the Takeover Regulation Panel (“TRP”) ruled that Canal+ should, in view of the crossing of said threshold, launch a mandatory public tender offer for the shares of MultiChoice that it did not already hold, for the benefit of the other shareholders of MultiChoice.

Following the issuance of such a decision, Canal+ and MultiChoice confirmed their intention to mutually co-operate in this process by signing an exclusive co-operation agreement on 7 April 2024 and jointly published a firm intention announcement (“FIA”) on 8 April 2024.

On 4 June 2024, Canal+ and MultiChoice issued a combined circular to MultiChoice shareholders regarding the mandatory public tender offer by Canal+ to acquire the MultiChoice shares that it does not already own for a consideration of ZAR125 per share, representing an aggregate consideration of ZAR35,373 million, fully financed from funds available to Canal+.

In accordance with South African takeover regulations, Canal+ provided the TRP with a bank guarantee issued by a South African bank on behalf of Canal+. Under such bank guarantee, the guarantor has agreed to pay up to a maximum amount equal to ZAR35,373 million in relation to the mandatory offer, upon the offer becoming operative and being implemented.

Simultaneously, to cover the bank guarantee, Canal+ entered into a credit facility, which may be utilised by way of the drawing of loans and the issue of a letter of credit, up to a maximum amount of €1,900 million. Vivendi SE acted as guarantor (*caution solidaire*) in respect of Canal+ obligations under the credit facility, Canal+ being the primary obligor.

In addition, Canal+ set up a derivative financial instrument to hedge its EUR-ZAR foreign currency risk for a notional amount of €1,200 million.

The mandatory offer by Canal+ and its implementation are subject to the fulfilment or, where permitted, waiver of various regulatory conditions by 8 April 2025 provided that: (i) Canal+ shall have the right (at its sole discretion) to extend this date on up to two occasions only, for a period of six months each; and (ii) MultiChoice and Canal+ shall have the right by mutual agreement (on one or more occasions) to extend this date. Each such extension will be subject to prior consultation with the TRP in accordance with the requirements of the Takeover Regulations and any other applicable laws.

The offer consideration of ZAR125 per share represents a 66.66% premium compared to the MultiChoice last closing price for MultiChoice shares on the last trading day prior to the announcement of the early February non-binding intention to make an offer and a 63.96% premium compared to the 30-day volume weighted average price (VWAP) prior to the announcement of the early February non-binding intention to make an offer.

Canal+ Group believes that the substantial premium recognises the potential benefits that may be realised by combining Canal+ Group and MultiChoice.

A combined group would be better positioned to address key structural challenges and opportunities resulting from the ongoing digitalisation and globalisation of the media and entertainment sector. This could have significant benefits for the African creative and sports ecosystems, by facilitating the distribution of high-quality content created on the continent to an international audience.

Canal+ intends that, should its European listing proceed, there will be an opportunity for South African investors to become shareholders of the combined entity as part of a secondary inward listing on the JSE.

Canal+ and MultiChoice recognise that the economic transformation of South Africa and “Broad-Based Black Economic Empowerment” (“BBBEE”) are imperatives both in the broader context and for

MultiChoice. Canal+ is fully committed to maintaining MultiChoice's BBBEE credentials and acknowledges the key role played by Phuthuma Nathi in this regard.

As of 30 June 2024, Canal+ held 200.0 million MultiChoice shares, representing 45.20% of its share capital. South African regulations prohibit any foreign investor (excluding countries in the African Union that entered into bilateral agreements) from holding a direct or indirect financial interest of more than 20% of the voting rights or controlling a company holding commercial television broadcasting licensing. The bylaws of MultiChoice limit the voting rights of all foreign shareholders to 20% with, if necessary, a proportional reduction of their voting rights (scale back mechanism).

As of 30 June 2024, the purchase price of Canal+'s interest in MultiChoice amounted to €1,221 million (ZAR113.95 per share in average) (see note 13 for the net carrying amount of equity affiliates).

3.2 Acquisition of OCS and Orange Studio

On 9 January, 2023, Canal+ Group and Orange announced the signing of a memorandum of understanding regarding the acquisition by Canal+ of all shares of the OCS pay-TV package and in Orange Studio, the film and series co-production subsidiary, held by Orange. On 31 January 2024, Canal+ completed this acquisition following approval from the French Competition Authority. The latter authorised the transaction after a detailed analysis of its effects on the market and made it subject to compliance with several commitments by Canal+. OCS and Orange Studio have been fully consolidated by Canal+ since 1 February 2024.

In accordance with IFRS 3 "Business Combinations", fair value adjustments of assets acquired, and liabilities assumed are recognised as goodwill / gain on bargain adjustments based on information obtained during the allocation period, i.e. within twelve months following the acquisition.

3.2.1 OCS

The purchase price allocation work began during the first half of 2024 and is still ongoing as of 30 June 2024. The provisional gain on bargain, which has been recorded in Operating income (EBIT) for the first half of 2024, amounts to €28 million.

OCS's identifiable assets and liabilities were measured at fair value on the acquisition date. The provisional allocation of the acquisition price of OCS to the acquired assets and liabilities assumed is as follows:

(in millions of euros)	As of February 1, 2024		
	Consolidated net assets before Purchase Price Allocation	Purchase Price Allocation	Consolidated net assets after Purchase Price Allocation
Content assets	73	(35)	38
Other intangible assets	0		0
Net working capital	(1)		(1)
Cash and cash equivalents	5		5
Provisions	(3)	(123)	(127)
Net deferred taxes	0	42	42
Other net assets/ (liabilities)	0		0
Fair value of assets/(liabilities) attributable to Canal+ Group	74	(117)	(43)
Fair value of interest (100%)	(71)		(71)
Provisional gain on bargain	(145)	(117)	(28)

The fair value of content assets has been determined in accordance with Canal+ Group accounting policies and valuation methods, including Television rights, that have been broadcasted before the acquisition date, have been fully depreciated. The fair value of interest, which is negative, corresponds mainly to the indemnity paid to Canal+ by Orange as part of the transaction.

The fair value of provisions has been determined with the assistance of third-party appraisers. These provisions correspond mainly to the valuation of onerous contracts. The business plan underlying this valuation integrates the following main assumptions (i) an estimate of revenue based on the evolution of the subscriber base, (ii) an operating margin which does not take into account the synergies potentially generated by the transaction.

In accordance with IFRS 3, deferred taxes resulting from the revaluation of acquired assets and assumed liabilities have been assessed and recognised in accordance with IAS 12.

The recognised amounts as of 30 June 2024, are still considered as provisional and may be adjusted if additional information is obtained regarding facts and circumstances that existed prior to the acquisition within 12 months following the acquisition date in accordance with IFRS 3. If applicable, these adjustments will be recognised against gain on bargain.

3.2.2 Orange Studio

The purchase price allocation work is still ongoing as of 30 June 2024. The provisional gain on bargain which corresponds to the difference between the acquisition price and the consolidated net assets before purchase price allocation amounts to €18 million and has been accounted for as deferred credit (including in the line "Trade account payable and other" in the Combined Statement of Financial Position) as of 30 June 2024.

3.3 Other events

- On 26 February 2024, Canal+ announced that it held 30% of Viu's share capital. On 20 June 2024, Canal+ announced that it held 36.8% of Viu's share capital (increased to 37.2% on 8 October 2024 due to subsequent contractual adjustments). Canal+ has a call option to increase its ownership interest in Viu to 51%. The management re assessed the facts and circumstances and concluded that Group Canal+ did not control Viu as of 30 June 2024.
- As part of the recapitalisation of Viaplay, a restructuring plan was approved on 10 January 2024 by Viaplay Group's Extraordinary General Meeting. On 9 February 2024, following completion of the recapitalisation, Canal+ announced that it had increased its 12% interest in Viaplay to 29.33%, confirming its position as the largest shareholder. Canal+ exercises a significant influence over ViaPlay, which is accounted for under the equity method as from 9 February 2024;
- On 22 March 2024, Canal+ Group announced that it had acquired a 40% interest in Senegalese production company Marodi TV, one of the major players in the creation of series in Africa;
- On 29 April 2024, Canal+ Group announced the creation of "Studiocanal Stories", a new label dedicated to literary adaptations into films and TV series, the first in France and several European countries. Under this new label, Studiocanal and Editions Albert René announced that they had entered into an exclusive development agreement for the sixth live action film of the adventures of Asterix;
- On 7 May 2024, Canal+ Group and Warner Bros. Discovery announced a distribution agreement for the streaming service Max. Since its launch in France on 11 June 2024, Max has been included in Canal+ offers and all its content can be viewed directly on Canal+'s OTT platform. This agreement follows the signing of an exclusive multi-year agreement with Warner Bros. Discovery in January, allowing Canal+ to be the only player in France able to broadcast Warner Bros. Pictures films only six months after their release in French cinemas. Warner Bros. Discovery has also chosen Canal+ Brand Solutions to market Max's advertising lists in France, for its Basic offer with advertising;
- On 22 May 2024, Canal+ Group strengthened its position as leader in aggregation and accessibility by launching TV+ in France, its new streaming offer bringing together all live and replay DTT channels in a single app, with an additional selection of Canal+ content, for €2 per month with no commitment;
- On 22 May 2024, Canal+ Group won the new call for tenders from the National Rugby League for the exclusive broadcasting rights to the TOP 14 and PRO D2, until the 2031/2032 season inclusive; and
- On 31 May 2024, Canal+ Group and Netflix announced they were renewing their distribution agreement, entered into in 2019. This renewal runs over several years and covers France as well as Poland.

Note 4 Segment data

Canal+ Group Management Board, who is regarded as the chief operating decision-maker, evaluates the performance of its business segments and allocates necessary resources to them based on certain operating performance indicators (segment earnings). Adjusted Earnings Before Interest and Income Taxes ("Adjusted EBIT (EBITA)") reflects the earnings of each business segment and it is considered by the management to be relevant indicator of Canal+ Group's operating performance. It enables Canal+ Group to compare the performance of operating segments regardless of whether their performance is driven by the operating segment's organic growth or by acquisitions.

To calculate Adjusted EBIT (EBITA), the accounting impact of the following items is excluded from Operating income (EBIT):

- the amortization of intangible assets acquired through business combinations as well as of other rights catalogues acquired; and
- impairment of goodwill, other intangibles acquired through business combinations and other rights catalogues acquired.

The operating segments presented below are identical to the information given to Canal+ Group's Management Board. These segments are business units that are managed separately as each business requires different strategies to adapt to local demands, regulation and resources.

Canal+ Group's main businesses are consolidated within the following operating segments:

- Europe: This operating segment encompasses the Group's subscription-TV, advertising-based television and OTT businesses across France, the Overseas Territories, Poland and also in Central Europe and the Benelux through M7 (which also includes the more geographically diverse activities of SPI), and the Group's FTTH business in the Overseas Territories.
- Africa and Asia: This operating segment encompasses the Group's subscription-TV, advertising-based television, OTT and FTTH businesses across Africa and Asia. In Africa, the Group's operates in more than twenty-five countries. GVA, currently owned by Vivendi and agreed to be transferred to the Group, with the transfer remaining subject to certain conditions, offers broadband internet access services through optical fibre networks and operates an expanding FTTH network, currently in thirteen cities in eight countries in Africa.
- Content Production, Distribution and Other: This operating segment includes:
 - Studiocanal, a leading film and series studio with worldwide production and distribution capabilities. It operates directly in nine major European markets (including Germany, Benelux, Spain, France, Poland and the U.K.) as well as in Australia and New Zealand, and offices in the United States and China; it derives its revenue from the sale of its in-house productions and the distribution of films and series acquired from third parties;
 - Dailymotion, an international end-to-end video platform, which derives its revenue from advertising;
 - Thema, a production and distribution company specialising in creating and distributing diverse content and channels to cable, IPTV and DTH operators, and for mobile packages and OTT; and
 - L'Olympia and Théâtre de L'Œuvre, live entertainment venues in Paris.

Intersegment commercial transactions are conducted on an arm's-length basis on terms and conditions similar to those that would be offered by third parties.

4.1 Statement of earnings by business segment

	Europe	Africa and Asia	Content Production, Distribution and other	Eliminations	Total
(in millions of euros)					
Half-Year ended 30 June 2024 (unaudited)					
Revenues	2,390	527	333	(60)	3,190
Adjusted EBIT (EBITA)	178	114	21		312

	Europe	Africa and Asia	Content Production, Distribution and other	Eliminations	Total
(in millions of euros)					
Half-Year ended 30 June 2023 (unaudited)					
Revenues	2,285	499	302	(53)	3,034
Adjusted EBIT (EBITA)	178	108	26		312
Year ended 31 December 2023					
Revenues	4,640	1,002	713	(131)	6,223
Adjusted EBIT (EBITA)	201	212	59		472

The following table provides a reconciliation of Adjusted EBIT (EBITA) to Operating income (EBIT):

(in millions of euros)	Six months ended 30 June (unaudited)		Year ended 31 December 2023
	2024	2023	
Earnings before income taxes	162	142	102
Less			
Interest expenses	(18)	(63)	(158)
Income from investments	1		
Other financial income	1	6	3
Other financial expenses	(41)	(28)	(65)
Income (loss) from equity affiliates	(70)	(60)	(104)
Operating income (EBIT)	289	287	426
Less			
Impairment losses on intangible assets acquired through business combinations	(0)	-	(2)
Amortization of intangible assets acquired through business combinations	(23)	(24)	(44)
Adjusted EBIT (EBITA)	312	312	472

Note 5 Operating income (EBIT)

5.1 Revenues

- By activity

(in millions of euros)	Six months ended 30 June (unaudited)		Year ended 31 December 2023
	2024	2023	
Subscriptions	2,600	2,494	5,048
Advertising, content sales and other	590	539	1,176
Revenues	3,190	3,034	6,223

- By geographic area

Revenues are broken down by customer location.

(in millions of euros)	Six months ended 30 June (unaudited)				Year ended 31 December 2023	
	2024		2023			
France	1,912	60%	1,884	62%	3,747	60%
Rest of World	1,278	40%	1,150	38%	2,476	40%
Revenues	3,190	100%	3,034	100%	6,223	100%

5.2 Personnel costs and average employee numbers

Six months ended 30 June (unaudited)	Year ended 31
--------------------------------------	---------------

(in millions of euros)	2024	2023	December 2023
Salaries	247	225	452
Social security and other employment charges	89	82	164
Capitalised personnel costs	(14)	(13)	(26)
Wages and expenses	322	294	590
Share-based compensation plans	2	1	3
Employee benefit plans	2	2	3
Other	19	20	32
Personnel costs	346	316	628
<i>Annual average number of full-time equivalent employees (in thousands)</i>	<i>8,799</i>	<i>8,628</i>	<i>8,645</i>

Note 6 Financial charges and income

Interest

(in millions of euros)		Six months ended 30 June (unaudited)		Year ended 31 December 2023
(Charge)/Income	Note	2024	2023	
Interest expense on borrowings	18	(1)	(0)	(2)
Interest expense on borrowings from Vivendi		(24)	(69)	(168)
Interest income from loans to Vivendi		5	5	9
Interest income from cash, cash equivalents and investments		1	1	3
Interest		(18)	(63)	(158)

For the first half of 2023, interest expense incurred on borrowings from Vivendi SE essentially related to Canal+ (€58million), Dailymotion (€5 million), and GVA (€4 million).

For the first half of 2024, interest expense incurred on borrowings from Vivendi SE essentially related to Canal+ (€6 million), Dailymotion (€8 million), and GVA (€7 million). The interest expenses decreased by €45 million for the first half of 2024, in comparison to the first half of 2023, as a result of the conversion of Vivendi SE's loan to Canal+ Group S.A into share capital of €3,400 million on 16 April 2024. In addition, Vivendi SE's loan ceased to bear interest as from 1 January 2024.

Other financial charges and income

(in millions of euros)	Six months ended 30 June (unaudited)		Year ended 31 December 2023
	2024	2023	
Capital gain and revaluation on financial investments	-	-	-
Effect of undiscounting assets (a)	-	-	-
Expected return on plan assets related to employee benefit plans	1	1	1
Foreign exchange gain	-	5	-
Change in value of derivative instruments	-	-	-
Other	1	1	2
Other financial income	1	6	3
Capital loss on the divestiture of businesses	-	-	-
Downside adjustment on financial investments	(0)	(1)	(4)
Effect of undiscounting liabilities (a)	(3)	(2)	(2)
Interest cost related to employee benefit plans	(1)	(1)	(1)
Fees and premiums on borrowings and credit facilities issued	-	-	-
Interest expenses on lease liabilities	(2)	(2)	(6)
Foreign exchange loss	(11)	(2)	(14)
Change in value of derivative instruments	(7)	-	-
Other (b)	(18)	(20)	(38)

	Six months ended 30 June (unaudited)		Year ended 31 December 2023
(in millions of euros)	2024	2023	
Other financial charges	(41)	(28)	(65)
Net total	(40)	(22)	(62)

- a. In accordance with applicable accounting standards, where the effect of the time value of money is material, assets and liabilities are initially recorded in the combined statement of financial position at the present value of the expected revenues and expenses. At the end of each subsequent period, the present value of such assets and liabilities is adjusted to account for the passage of time.
- b. Mostly includes of fees on acquisitions and the change in value of purchase commitments.

Note 7 **Income taxes**

The income tax expense for the first half of 2024 decreased by €3 million to an income tax expense of €107 million from an income tax expense of €110 million in the corresponding period of the previous year despite the increase of €30 million of Earnings before taxes and loss from equity affiliates in the same period. The decreased tax expense reflects a lower estimated tax rate mainly as a result of falling interest expenses, the deductibility of which is capped.

Group Canal has determined that the impact for Pillar Two in the first half of 2024 is not material.

Note 8 **Earnings per share**

Since the combined group was had not been established as a legal entity as of 30 June 2024, the number of shares outstanding is not determinable. Consequently, no earnings per share data is presented in these Combined Condensed Financial Statements.

Note 9 Charges and income directly recognised in equity

Details of changes in equity related to other comprehensive income

	Items not subsequently reclassified to profit or loss		Items to be subsequently reclassified to profit or loss		Other comprehensive income from equity affiliates, net	Other comprehensive income
	Actuarial gains/(losses) related to employee defined benefit plans	Financial assets at fair value through other comprehensive income	Unrealised gains/(losses) Hedging instruments	Foreign currency translation adjustments		
(in millions of euros)						
Balance as of 31 December 2023	12	11	-	(31)	48	40
Charges and income directly recognised in equity	0	-	3	4	16	23
Tax effect	-	-	(0)	-	-	-
Balance as of 30 June 2024 (unaudited)	12	11	2	(27)	64	63

Note 10 Goodwill

10.1 Changes in goodwill

	31 December 2023	Impairment losses	Business combinations	Divestitures in progress or discontinued	Changes in foreign currency translation adjustments and other	30 June 2024
(in millions of euros)						
Europe	1,643	-	-	-	(0)	1,643
Africa and Asia	381					381
Content Production, Distribution and Other	434	-	-	-	1	435
Total	2,458				1	2,459

10.2 Value of Goodwill

As of 31 December 2023, Canal+ Group performed an impairment test of its groups of Cash-Generating Units (CGU) to determine whether their recoverable amount was greater than their carrying value. Canal+ Group's Management concluded that the recoverable amount of groups of CGU was at least equal to their net carrying amount. These recoverable amounts were determined using standard valuation methods:

- for Pay-TV and Free-to-air TV, on the basis of market data (as determined using multiples observed on stock markets or in recent mergers/acquisitions of about twenty similar companies, financial parameters consistent with those of previous years (a EBITDA multiple for Pay-TV and revenues multiple for Free -to -air TV)) and
- for Content Production, Distribution and Other, the value in use (as determined using the discounted value of future cash flows).

As of 30 June 2024, Canal+ Group had reviewed the items that may indicate a decrease in the recoverable amount of groups of CGU during the first half of 2024. In particular, Canal+ Group analysed the performance of groups of CGU in comparison with forecasts (particularly budgets and market data) and business plans and financial parameters (discount rate and long-term growth rate) used at year-end 2023 for Content Production, Distribution and Other.

Notwithstanding the current macroeconomic uncertainties, Canal+ Group's Management concluded that, as of 30 June 2024, there were no triggering events indicating a decrease in the recoverable amount of groups of CGU compared to 31 December 2023.

In addition, during the fourth quarter of 2024, Canal+ Group intends to perform an annual impairment test of the carrying value of goodwill and other intangible.

Note 11 Content assets and commitments

11.1 Content assets

(in millions of euros)	30 June 2024 (unaudited)	31 December 2023
Film and television costs	991	825
Sports rights	229	622
Content assets	1 220	1 447
Deduction of current content assets	(660)	(979)
Non-current content assets	560	468

11.2 Changes in content assets

(in millions of euros)	Six month ended 30 June 2024 (unaudited)	Year ended 31 December 2023
Opening balance	1 447	1 366
Increase	833	2 037
Decrease (Consumptions)	(829)	(1 894)
Amortization	(12)	(28)
Business combinations	77	3
Foreign currency translation adjustments and other*	(295)	(37)
Closing balance	1 220	1 447

*Include mainly the variation of accruals.

Acquisition paid on content investment include increase in content investment as mentioned above for the six month ended 30 June 2024 and the year ended 31 December 2023, less (decrease)/increase in payables on audiovisual rights and production and programming costs of €(55) million and €22 million for the six month ended 30 June 2024 and the year ended 31 December 2023.

11.3 Contractual content commitments

Commitments given recorded in the combined condensed statement of financial position: content liabilities

Content liabilities are mainly recorded in “Trade accounts payable and other” or in “Other non-current liabilities” whether they are current or non-current, as applicable.

(in millions of euros)	Minimum future payments as of	
	30 June 2024	31 December 2023
Film and television rights	199	213
Sports rights	97	476
Content liabilities	296	689

Off-balance sheet commitments: creative talent, employment agreements and others

(in millions of euros)	Minimum future payments as of	
	30 June 2024	31 December 2023
Film and television rights (a)	2 598	2 761
Sports rights (b)	3 932	3 217
Given commitments	6 530	5 978
Film and television rights (a)	(385)	(248)
Sports rights	(6)	(81)

Received commitments	<u>(390)</u>	<u>(329)</u>
Net total	<u>6 140</u>	<u>5 649</u>

- a. As of 30 June 2024, content liabilities recorded in connection with film and television broadcasting rights amounted to €25 million (compared to €56 million as of 31 December 2023). In addition, these amounts do not include commitments under contracts for channel diffusion rights and non-exclusive distribution of channels, in respect of which Canal+ Group did not grant or receive minimum guaranteed amounts. The variable amount of these commitments cannot be reliably determined and is not reported in either the Statement of Financial Position or in the commitments and is instead recorded as a content cost and/or a revenue, when applicable, for the period in which it was incurred.
- b. Mainly includes broadcasting rights held by Canal+ Group to the following sporting events:
- European Soccer Competitions (UEFA): Champions League, Europa League and Europa Conference League, for the 2024/2025 to 2026/2027 seasons;
 - English Premier League rights: on 21 September 2023, Canal+ Group announced the renewal of the entire English Premier League rights until the end of the 2027/2028 season in France, the Czech Republic, Slovakia and Vietnam;
 - National French Rugby Championship (TOP 14): on an exclusive basis until the end of the 2026/2027 season. On 22 May 2024, Canal+ Group announced the renewal of the entire TOP14 and PROD2 until the end of the 2031/2032 season in France;
 - Formula 1 racing: on an exclusive basis until the end of the 2029 season; and
 - MotoGP™: on an exclusive basis until the end of the 2029 season.

These commitments are accounted for in the Statement of Financial Position either upon the start of every season or upon an initial significant payment.

Note 12 Leases

12.1 Rights-of-use relating to leases

As of 30 June 2024, the rights-of-use relating to leases amounted to €261 million (compared to €272 million as of 31 December 2023) less the accumulated depreciation and impairment losses for €103 million as of 30 June 2024 (compared to €88 million as of 31 December 2023). These rights-of-use relate to real estate leases.

Changes in the rights-of-use

(in millions of euros)	Six month ended 30 June 2024 (unaudited)	Year ended 31 December 2023
Opening balance	184	205
Amortization	(20)	(42)
Acquisitions/increase	2	5
Sales/decrease	-	-
Business combinations	-	1
Divestitures in progress	-	-
Foreign currency translation adjustments and other	(6)	15
Closing balance	159	184

12.2 Lease liabilities

(in millions of euros)	Six month ended 30 June 2024 (unaudited)	Year ended 31 December 2023
Opening Balance	223	229

Lease payments	(23)	(32)
Interest expense	2	5
Acquisitions/increase	2	4
Sales/decrease	-	-
Business combinations	-	1
Divestitures in progress or discontinued	-	-
Foreign currency translation adjustments and other	(7)	16
Closing Balance	197	223

Maturity of lease liabilities

(in millions of euros)	30 June 2024 (unaudited)	31 December 2023
< 1 year	35	41
Between 1 and 5 years	151	158
> 5 years	11	24
Lease liabilities	197	223

12.3 Lease-related expenses

In the first half of 2024, lease-related expenses (consisting of depreciation of right of use assets and interest expenses on lease liabilities) recorded in the combined statement of earnings amounts to €23 million (compared to €21 million in the first half of 2023).

Note 13 Investments in equity affiliates

13.1 Canal+ Group's main investments in equity affiliates

(in millions of euros)	Ownership interest as of		Voting interest as of		Net carrying amount of equity affiliates	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024 (unaudited)	31 December 2023
MultiChoice	45,20%	33,76%	(a)	(a)	1 161	899
Viu (b)	36,80%	27,32%	36,80%	27,32%	248	171
Viaplay Group (c)	29,33%	na	29,29%	na	110	na
Other					35	33
					1 555	1 103

na: not applicable.

- As of 30 June 2024, Canal+ Group held 200.0 million MultiChoice Group Ltd ("MultiChoice") shares, representing 45.20% of its share capital. South African regulations prohibit any foreign investor (excluding countries in the African Union that entered into bilateral agreements) from holding a direct or indirect financial interest of more than 20% of the voting rights or controlling a company holding commercial television broadcasting licensing. The bylaws of MultiChoice limit the voting rights of all foreign shareholders to 20% with, if necessary, a proportional reduction of their voting rights (scale back mechanism). For detailed description on the mandatory offer, please refer to Note 3.1. As of 30 June 2024, MultiChoice's share price (€5.5 per share) was lower than its carrying value (€5.8 per share). As of 31 December 2023, Canal+ implemented an impairment test of its MultiChoice interest to determine whether its recoverable amount was at least equal to its carrying value. As of 30 June 2024, Canal+ ensured that there were no indicators that would suggest that the recoverable amount of its interest in MultiChoice had decreased during the first half of 2024. Canal+'s Management concluded that there was no evidence of a decrease in the value of its interest in MultiChoice compared to 31 December 2023.
- On 20 June 2024, Canal+ Group announced that it holds 36.8% of Viu's share capital (increased to 37.2% on 8 October 2024 due to subsequent contractual adjustments). Canal+ Group purchased an option to increase its ownership interest in Viu to 51%. No goodwill impairment test related to Viu was implemented as of 31 December 2023, given the proximity between the date of recognition in equity method and the financial year-end date. As of 30 June 2024, Canal+ ensured that there

were no indicators that would suggest that the recoverable amount of its interest in Viu had decreased during the first half of 2024.

- c. On 9 February 2024, Canal+ Group announced that it held 29.33% of Viaplay Group's share capital (please refer to Note 3). As of that date, Viaplay was accounted for by Canal+ Group under the equity method. As of 30 June 2024, Viaplay's share price (€0.060 per share) is lower than its carrying value (€0.085 per share). As of 30 June 2024, Canal+ implemented an impairment test of its Viaplay interest to determine whether its recoverable amount was at least equal to its carrying value, using discounted cash flow model, and concluded the absence of impairment of its interest in Viaplay.
- d. Based on discounted cash flow model, the management of Group Canal+ assess considers that the decrease in the share price is not sustainable in view of Viaplay's long-term valuation prospects.

Change in value of investments in equity affiliates

(in millions of euros)	30 June 2024 (unaudited)		Year ended 31 December 2023
Opening Balance	1 103		903
Acquisitions/increase	497	(a)	312
Reclassification in financial investments	-		-
Sales/decrease	-		-
Income from equity affiliates	(70)	(b)	(104)
Change in other comprehensive income	16		4
Dividends received	-		(1)
Other	9		(11)
Closing Balance	1 555		1 103

- a. Mainly includes Canal+ Group's investments in Multichoice Group (€285 million), Viaplay (€117 million) and Viu (€92 million).
- b. For the 2024 half-year, income from MultiChoice as equity affiliate relates to our share in the net income of MultiChoice, the later corresponding to the difference between (i) the net income of MultiChoice for the year ended 31 March 2024 and (ii) the net income of MultiChoice for the half-year ended 30 September 2023, as published on 12 June 2024 and 15 November 2023, respectively.

13.2 Financial information data

The main financial items in the Combined Financial Statements, as publicly disclosed by MultiChoice Group Ltd (“MultiChoice”), were as follows:

<u>Statement of financial position</u>	<u>31 March 2024 (a)</u>	<u>30 September 2023 (a)</u>
<i>Date of publication:</i>	<i>12 June 2024</i>	<i>15 November 2023</i>
<i>(in millions of euros)</i>		
Non-current assets	1 112	1 224
Current assets	1 036	1 189
Total assets	<u>2 148</u>	<u>2 413</u>
Total equity	(52)	38
Non-current liabilities	1 188	1 108
Current liabilities	1 012	1 267
Total liabilities	<u>2 148</u>	<u>2 413</u>
<u>Statement of earnings</u>	<u>Year ended</u> <u>31 March 2024 (a)</u>	<u>Half-year ended 30</u> <u>September 2023 (a)</u>
<i>Date of publication:</i>	<i>12 June 2024</i>	<i>15 November 2023</i>
<i>(in millions of euros)</i>		
Revenues	2 764	1 407
Earnings attributable to Canal+ Group owners	(196)	(66)
<i>of which continuing operations</i>	<i>(196)</i>	<i>(66)</i>
<i>discontinued operations</i>	<i>-</i>	<i>-</i>
Canal+ Group's share of net earnings (b)	<u>(42)</u>	<u>(89)</u>
Comprehensive income	19	(6)

- a. Given the respective publication dates of Canal+ Group SA (“Canal+”) through Vivendi’s and MultiChoice’s financial statements, Canal+ accounts for its share of MultiChoice’s net earnings with a three-month reporting lag.
- b. Canal+’s share of net earnings includes amortization of assets related to the partial purchase price allocation.

Note 14 Cash and cash equivalents and loans to Vivendi

	30 June 2024 (unaudited)	Year ended 31 December 2023
(in millions of euros)		
Cash	334	282
Term deposits and current accounts	17	51
Cash and cash equivalents	350	334
Loans to Vivendi SE	101	94

14.1 Liquidity risk

Canal+ Group considers that cash flows generated by its operating activities, cash surpluses, net of cash used to reduce its loss, as well as cash available through cash management agreement between Vivendi SE and Canal+ Group SA (please refer to Note 19.2) will be sufficient to cover its operating expenses and investments, debt service, payment of income taxes, distribution of dividends, as well as its investment projects, for the last six months of 2024.

On 4 June 2024, Canal+ Group and MultiChoice issued a combined circular to MultiChoice shareholders regarding the mandatory public tender offer by Canal+ Group to acquire the MultiChoice shares that it does not already own for a consideration of ZAR125 per share, representing an aggregate consideration of ZAR35,373 million, fully financed from funds available to Canal+ Group.

In accordance with South African takeover regulations, Canal+ Group provided the TRP with a bank guarantee issued by a South African bank on behalf of Canal+ Group. Under such bank guarantee, the guarantor has agreed to pay up to a maximum amount equal to ZAR35,373 million in relation to the mandatory offer, upon the offer becoming operative and being implemented.

Simultaneously, to cover the bank guarantee, Canal+ Group entered into a credit facility, which may be utilised by way of the drawing of loans and the issue of a letter of credit, up to a maximum amount of €1,900 million. Vivendi SE acted as guarantor ("caution solidaire") in respect of Canal+ Group obligations under the credit facility, Canal+ Group being the primary obligor.

In addition, Canal+ Group set up a derivative financial instrument to hedge its EUR-ZAR foreign currency risk for a notional amount of €1,200 million.

On 16 April 2024, Vivendi SE's loan to Canal+ Group S.A. was converted into share capital to an amount of €3,400 million (please refer to Note 18.3).

Note 15 Equity

As the combined group was not a legal entity constituted as of 30 June 2024, the number of shares outstanding is not determinable.

Note 16 Provisions

(in millions of euros)	Note	30 June 2024 (unaudited)	31 December 2023
Employee benefits (a)		19	17
Restructuring costs		17	17
Litigations (b)		300	276
Losses on onerous contracts		113	64
Other (c)		26	24
Provisions		475	398
Deduction of current provisions		(206)	(157)
Non-current provisions		269	241

- a. Includes deferred employee compensation as well as provisions for employee defined benefit plans but excludes employee termination reserves recorded under restructuring costs.

- b. Please refer to the note 7.4 “Tax litigation” and note 27 “Litigation” to the Canal+ Group Audited Combined Financial Statements for the years ended 31 December 2023, 2022 and 2021, which contains information on our litigations updated until the issuance date of the Canal+ Group Audited Combined Financial Statements for the years ended 31 December 2023, 2022 and 2021.
- c. Notably includes litigation provisions for which the amount and nature are not disclosed because such disclosure could be prejudicial to Canal+ Group.

Changes in provisions

(in millions of euros)	Six months ended 30 June 2024	Year ended 31 December 2023
Opening Balance	398	528
Addition	54	46
Utilisation	(82)	(24)
Reversal	(21)	(143)
Business combinations	127	(6)
Changes in foreign currency translation adjustments and other	(1)	(3)
Closing Balance	475	398

Note 17 Share-based compensation plans

17.1 Plans granted by Vivendi SE

17.1.1 Performance share plans

Transactions relating to outstanding instruments that occurred since 1 January 2024 were as follows:

Balance as of 31 December 2023	1 022 713
Granted	-
Issued	(10 660)
Cancelled	(12 179)
Adjusted	-
Other	(7 917)
Balance as of 30 June 2024	991 957

For the first half of 2024, the charge recognised with respect to all performance share plans granted by Vivendi SE amounted to €1 million, unchanged compared to the first half of 2023.

17.1.2 Employee stock purchase and leveraged plans

On 22 July 2024, Vivendi implemented an employee shareholding transaction through the sale of treasury shares pursuant to an employee stock purchase plan reserved for employees of French subsidiaries and corporate officers of the group.

As of 22 July 2024, 870 000 shares were acquired through a company mutual fund (Fonds Commun de Placement d'Entreprise) at a price per share of €8.51 and based on a benefit granted of €1.26 as of 19 June 2024, grant date.

For the first half of 2024, the charge recognised under this employee stock purchase plan was estimated at €1 million.

Note 18 Borrowings and other financial liabilities and financial risk management

(in millions of euros)	30 June 2024 (unaudited)			31 December 2023		
	Total	Long-term	Short-term	Total	Long-term	Short-term
Intercompany borrowings	1 195 ^(a)	-	1 195	4 143 ^(a)	-	4 143
Bonds	-	-	-	-	-	-

Bank credit facilities	13	-	13	14	-	14
Short-term marketable securities	-	-	-	-	-	-
Bank overdrafts	11	-	11	9	-	9
Accrued interest to be paid	0	-	0	-	-	-
Cumulative effect of amortised cost	-	-	-	-	-	-
Other	4	4	-	8	8	-
Borrowings at amortised cost	28	4	24	31	8	23
Commitments to purchase non-controlling interests	29	26	3	30	27	3
Derivative financial instruments	21	5	16	22	15	7
Borrowings and other financial liabilities	1 273	35	1 238	4	50	4 176
Lease liabilities	197	162	35	223	182	41
Total	470	197	1 273	4	232	4 217

- a. main businesses are consolidated within the following operating segments. On 16 April 2024, Vivendi SE's loan to Canal+ Group S.A. was converted into share capital to an amount of €3,400 million (please refer to Note 18.3).

Borrowings and other financial liabilities

Canal+'s financing arrangements

On 4 June 2024, Canal+ Group and MultiChoice issued a combined circular to MultiChoice shareholders regarding the mandatory public tender offer by Canal+ Group to acquire the MultiChoice shares that it does not already own for a consideration of ZAR125 per share, representing an aggregate consideration of ZAR35,373 million, fully financed from funds available to Canal+ Group.

In accordance with South African takeover regulations, Canal+ Group provided the TRP with a bank guarantee issued by a South African bank on behalf of Canal+ Group. Under such bank guarantee, the guarantor has agreed to pay up to a maximum amount equal to ZAR35,373 million in relation to the mandatory offer, upon the offer becoming operative and being implemented.

Simultaneously, to cover the bank guarantee, Canal+ Group entered into a credit facility, which may be utilised by way of the drawing of loans and the issue of a letter of credit, up to a maximum amount of €1,900 million. Vivendi SE acted as guarantor (caution solidaire) in respect of Canal+ Group obligations under the credit facility, Canal+ Group being the primary obligor.

In addition, Canal+ Group set up a derivative financial instrument to hedge its EUR-ZAR foreign currency risk for a notional amount of €1,200 million.

18.1 Fair market value of borrowings and other financial liabilities

	30 June 2024 (unaudited)			31 December 2023		
	Carrying amount	Fair market value	Level (a)	Carrying amount	Fair market value	Level (a)
Nominal value of borrowings	1 223	-		4 174	-	
Cumulative effect of amortised cost	-	-		-	-	
Borrowings at amortised cost	1 223	1 223	na	4 174	4 174	na
Commitments to purchase non-controlling interests	29	29	3	30	30	3
Derivative financial instruments	21	21	2	22	22	2
Borrowings and other financial liabilities	1 273	1 273		4 226	4 226	

na: not applicable.

- a. The three classification levels for the measurement of financial liabilities at fair value are set out in Note 2.3.1 of the Combined Financial Statements of Group Canal+'s Audited Combined Financial Statements as of and for the years ended 31 December 2023, 2022 and 2021.

18.2 Borrowings by maturity

(in millions of euros)	30 June 2024 (unaudited)	31 December 2023
Maturity		
< 1 year	1 219	4 165
Between 1 and 2 years	3	7
Between 2 and 3 years	0	1
Between 3 and 4 years	0	1
Between 4 and 5 years	0	-
> 5 years	0	-
Nominal value of borrowings	1 223	4 174

18.3 Interest rate risk management

Vivendi's interest rate risk management seeks to reduce its net exposure to interest rate increases. Therefore, to the extent needed, Canal+ Group uses interest rate swaps. These instruments enable Canal+ Group to manage and reduce the volatility of future cash flows related to interest payments on borrowings.

As of 31 December 2023, the nominal value of borrowings at fixed interest rate amounted to €2 million and the nominal value of borrowings at floating interest rate amounted to €4,171 million of which (i) Vivendi SE's loan to Canal+ Group S.A. that was partially converted into share capital to an amount of €3,400 million on 16 April 2024 and ceased to bear interest as from 1 January 2024 and (ii) Vivendi SE's loan to Dailymotion. The Vivendi's loans to Canal Olympia, Dailymotion SA and Groupe Canal+ SA were converted into share capital and share premium for an aggregate of €1,257 million, on 23 July 2024, on 25 July 2024 and on 30 September 2024, respectively. The remaining amount of the shareholder loans will be reimbursed to Vivendi prior to the Listing using the new €1,150,000,000 senior facilities agreement (comprised of a €400,000,000 term loan facility and a €750,000,000 revolving credit facility entered into in July 2024).

As of 30 June 2024, Canal+ Group had not entered into any interest rate swaps.

Note 19 Related parties

Canal+ Group's related parties are corporate officers, members of Canal+ Group SA' ("Canal+") is Supervisory and Management Boards, as well as other related parties, including:

- companies fully consolidated by Canal+. The transactions between these companies have been eliminated for the preparation of the Combined Financial Statements;
- companies over which Canal+ Group exercises a significant influence;
- all companies in which key executive managers or their close relatives hold significant voting rights;
- minority shareholders exercising a significant influence over Canal+ Group's subsidiaries;
- Vivendi Corporate and its consolidated entities (the "Vivendi Group"), as well as their related parties; and
- Bolloré Group and its related parties, given that Vivendi has been fully consolidated by Bolloré Group since 26 April 2017.

19.1 Corporate Officers

Management Board

As of 30 June 2024, Canal+'s Management Board was comprised of 4 members: Mr. Maxime Saada, Chairman; Ms. Anna Marsh (since 28 January 2022), and Messrs. Jacques du Puy and Grégoire Castaing (until 16 September 2024).

19.2 Cash management agreement between Vivendi SE and Canal+ Group SA

In compliance with Article L. 511-7 of the French Monetary and Financial Code, Canal+ Group SA (and its subsidiaries) and other combined entities entered into intra-group cash management agreements, on market terms, with Vivendi SE. Under these agreements:

- Vivendi centralises cash surpluses (cash pooling) of its controlled entities which (i) are not subject to local regulations restricting the transfer of financial assets, or (ii) are not subject to other contractual obligations, and
- Canal+ and GVA borrowed from Vivendi to finance their investments; Dailymotion and CanalOlympia borrowed from Vivendi to cover their operating losses.

As of 30 June 2024, the balance of cash surpluses centralised by Vivendi SE and borrowings from Vivendi SE is presented below.

Intercompany loans to Vivendi SE

(in millions of euros)	30 June 2024	31 December 2023
Groupe Canal+	89	79
L'Olympia	12	15
Other	-	-
Intercompany loans to Vivendi SE	101	94

Intercompany borrowings from Vivendi SE

(in millions of euros)	Half year ended 30 June 2024	Year ended 31 December 2023
Groupe Canal+ (a)	441	3 453
Dailymotion	332	308
Group Vivendi Africa	307	275
Canal Olympia	107	99
Other	8	7
Intercompany borrowings	1 195	4 143

On 16 April 2024, Vivendi SE's loan to Canal+ Group S.A. was converted into share capital to an amount of €3,400 million.

Cash flows related to borrowings from Canal+ Group owner are included in other change in short term borrowings and other financial liabilities in the combined statement of cash flow.

Note 20 Contractual obligations and other commitments

20.1 Contractual obligations and commercial commitments

(in millions of euros)	Minimum future payments as of	
	30 June 2024	31 December 2023
Contractual content commitments (note 11.3)	6 140	5 649
Commercial commitments	710	763
Net off-balance sheet commitments	6 850	6 412

As of 30 June 2024, other commitments relating to operations amounted to €4 million (€6 million as of 31 December 2023).

20.2 Share purchase and sale commitments

In connection with the purchase or sale of operations and financial assets, Canal+ Group has granted or received commitments to purchase or sell securities. In addition, Canal+ Group and its subsidiaries granted or received put or call options on shares in equity affiliates and unconsolidated investments.

On 20 June 2024, Canal+ announced that it held 36.8% of Viu's share capital (increased to 37.2% on 8 October 2024 due to subsequent contractual adjustments). Canal+ has an option to increase its ownership interest in Viu to 51% (please refer to Note 3.3).

On 7 April 2024, Canal+ and MultiChoice confirmed their intention to mutually co-operate by signing an exclusive co-operation agreement and jointly publishing a firm intention announcement on 8 April 2024 (for a detailed description of the operation, please refer to Note 3.3).

Note 21 **Subsequent events**

The significant events that occurred between the closing date as of 30 June 2024 and 30 October 2024 were as follows:

- Group Canal+ has taken note of ARCOM's decision of 24 July 2024, not to renew the DTT frequency of the television channel C8. Group Canal+ does not identify any significant impact of this decision on the assumptions made in the combined financial statements for the half-year ended 30 June 2024;
- A new senior facility agreement for an amount of €1,150,000,000 was entered into in July 2024.
- On 8 October 2024, Canal+ Group ownership interest in Viu increased to 37.2% due to subsequent contractual adjustments.