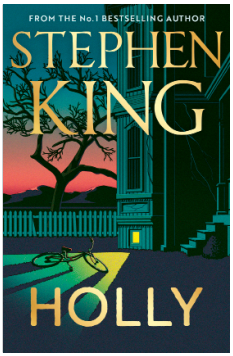
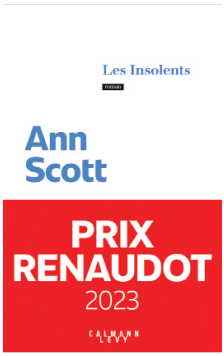
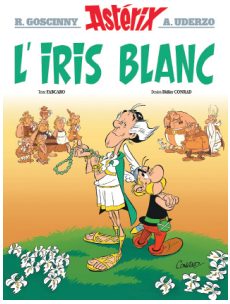
UNIVERSAL REGISTRATION DOCUMENT

FISCAL YEAR 2023

including the Annual Financial Report







Lagardère

UNIVERSAL REGISTRATION DOCUMENT

including the Annual Financial Report

Fiscal Year 2023

Lagardère SA

A French joint-stock corporation (*société anonyme*) with share capital of €860,913,044.60

Registered office: 4 rue de Presbourg, 75016 Paris – France

Telephone: +33 (0)1 40 69 16 00

Registered with the Paris Trade and Companies Registry under number 320 366 446

Website: www.lagardere.com

The Universal Registration Document was filed on 21 March 2024 with the French financial markets authority (*Autorité des marchés financiers* – AMF) as competent authority under Regulation (EU) 2017/1129 without prior approval pursuant to Article 9 of said Regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if approved by the AMF, together with any amendments, if applicable, and a securities note and summary approved in accordance with Regulation (EU) 2017/1129.

The Universal Registration Document including the Annual Financial Report is a translation into English of the Annual Financial Report/Universal Registration Document, prepared in xHTML format and issued in French, and is available on the website of the AMF and of the Company.

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MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Ladies and Gentlemen, dear Shareholders,

In 2023, our Group delivered a historic performance, with revenue and recurring EBIT at levels not seen for 15 years. Driven by the remarkable success of our two main businesses, this exceptional year demonstrates the relevance and power of our strategic model.

Following on from the excellent results achieved in 2022, and despite a softer publishing market, Lagardère Publishing has been able to maintain high levels of activity and profitability thanks to its leading positions, coupled with major publishing successes in all of the countries in which it operates and highly-disciplined operational management. It also pursued its targeted external growth strategy in Publishing (Mama Éditions) and adjacent segments such as Board Games (Catch Up Games).

Against the backdrop of the sustained recovery in air traffic that started in 2022, Lagardère Travel Retail recorded a sharp increase in revenue and record levels of recurring EBIT, buoyed by an impressive commercial performance that enabled it to expand its global store network by securing key contracts and winning a host of tenders. At the same time, it also strengthened its position in the Foodservice sector with the acquisition of the North American operator Tastes on the Fly and the successful integration of the Marché International group.

Lastly, the Group's Other Activities benefited from the momentum of Lagardère Live Entertainment, which achieved record revenue while expanding its offering to include hosting and local promotional services for productions through the acquisition of Euterpe Promotion. In addition, our leading media brands Lagardère News and Lagardère Radio have been reinventing themselves, pressing ahead with digital transformations that will enable them to address the challenges of an ever-changing market. I am especially pleased with the latest audience figures for Europe 1, which recorded the best annual growth of any general-interest station.

We also continued to implement our CSR commitments all throughout the year. On the environmental front, all of our businesses worked to limit their carbon footprint, based on their specific characteristics and growth context, as part of the pathway to achieving a 30% reduction in our carbon emissions by 2030. We also stepped up our efforts to conserve natural resources, reduce waste and recycle more. Hachette Livre's eco-design approach was awarded a gold trophy by Décideurs RH, while Lagardère Travel Retail will soon complete its total phase-out of plastic checkout bags and other single-use plastic consumables in its stores. The issues of diversity, inclusion and disability remain our top priorities. I am particularly satisfied and proud of our ongoing progress in increasing the proportion of women on our governance bodies; 46% of the Group's top executives are women, exceeding the targets we set ourselves back in 2021.

These excellent financial and non-financial performances are the result of the collective endeavour of the talented men and women who work every day in more than 40 countries to ensure the success of our Group, which has never been stronger than it is today. I would like to express my gratitude to them, above all, for their unwavering commitment and passion, which are driving our past and future successes.

2023 also saw the much-anticipated completion of the merger with Vivendi and the opening of an exciting new chapter in the Group's history. We can now fully count on the support and long-term vision of our reference shareholder and the Bolloré family, whose culture and values are aligned with ours. These are tremendous assets enabling us to face the world of tomorrow feeling strong and ambitious.

I would also like to thank you, dear shareholders, for your support.

Arnaud Lagardère

Chairman and Chief Executive Officer of Lagardère SA

LAGARDÈRE 2023 **IN BRIEF**

Created in 1992, Lagardère is an international group with operations in more than 40 countries worldwide. It employs some 31,300 people and generated revenue of €8,081 million in 2023.

The Group focuses on two priority divisions:

Lagardère Publishing is the world's third-largest book publisher for the general public and educational markets, and the leader in France. Alongside some 7,601 employees, it creates more than 15,000 original publications each year as well as contributing to their broader circulation by innovating with digital and mobile reading formats. Lagardère Publishing's activities also extend to adjacent businesses such as Partworks, Stationery, Board Games and Mobile Games.

Lagardère Travel Retail is the world's third-largest travel retail merchant and number two in airports, with operations in three business segments: Travel Essentials, Duty Free & Fashion, and Foodservice. Lagardère Travel Retail has 22,619 employees across an international network of more than 5,120 points of sale in around 1,000 airports and rail and urban transport stations.

The Group's business scope also comprises Lagardère News (*Paris Match*, *Le Journal du Dimanche*, *JDD Magazine* and the Elle brand licence), Lagardère Radio (Europe 1, Europe 2, RFM and advertising sales brokerage, controlled by Arnaud Lagardère but whose capital is wholly owned by the Group and consolidated in its financial statements), Lagardère Live Entertainment (venue management, production of concerts and shows, hosting and local promotional services) and Lagardère Paris Racing (sports club).

Lagardère SA shares are listed on Euronext Paris.

1945 At the end of World War II, Marcel Chassagny founds Matra (Mécanique Aviation TRAction), a company focused on the defence industry.

1963 Jean-Luc Lagardère becomes Chief Executive Officer of Matra, which has diversified into aerospace and automobiles.

1974 Jean-Luc Lagardère is appointed Chief Executive Officer of Europe 1.

1980 Matra acquires the Hachette group, specialised in book publishing (Grasset, Fayard, Stock, etc.), magazines and newspapers (*Elle*, *Le Journal du Dimanche*, etc.) and distribution.

1981 Europe 1 is sold to the French State, which also acquires a 51% interest in Matra (excluding Hachette).

1986 Hachette regains control of Europe 1.

1988 Matra is privatised.

1992 Hachette is merged into Matra to form Matra-Hachette, and Lagardère Groupe, a French partnership limited by shares, is created as the umbrella company for the entire ensemble.

1996 Matra-Hachette is absorbed into Lagardère Groupe, which changes its name to Lagardère SCA.

1999 Aerospatiale Matra is created following the merger of Aerospatiale and Matra Hautes Technologies.

2000 The EADS consortium is formed following the merger of Aerospatiale Matra, CASA and DaimlerChrysler Aerospace.

2003 Jean-Luc Lagardère dies and Arnaud Lagardère is appointed Managing Partner of Lagardère SCA.

2004 The Group acquires a portion of Vivendi Universal Publishing's French and Spanish assets.

2011 The Group sells its international magazine operations.

2013 The Group divests its remaining interest in EADS.

2015-2023 The Group continues to expand its publishing and travel retail businesses in France and internationally.

2020 The Group completes the strategic refocusing, initiated in 2018, around two priority divisions – Lagardère Publishing and Lagardère Travel Retail – as well as Other Activities (Lagardère News, Lagardère Live Entertainment and Lagardère Paris Racing).

2021 Lagardère SCA is converted into a French joint-stock company (*société anonyme*) and a new governance structure is implemented. Arnaud Lagardère is appointed Chairman and Chief Executive Officer, and Pierre Leroy Deputy Chief Executive Officer.

2022 A friendly public tender offer is filed by Vivendi SE for Lagardère SA.

2023 The link-up between Vivendi SE and Lagardère SA is finalised. The radio unit becomes autonomous.

Lagardère

Lagardère PUBLISHING

ANAYA · hachette ÉDUCATION · Les Éditions Albert René · Larousse · The Orion Publishing Group · Quercus · orbit · Grand Central · Hatier · Le Livre de Poche · Little, Brown and Company · Stock · Headline · fayard · Hodder Education · Calmann-Lévy Éditeur depuis 1836 · Grasset

Lagardère TRAVEL RETAIL

aelia DUTYFREE · tech2go · Discover · Napa Farms Market · Smullers · Relais H · natoo · Marché Int · 1 minute · Vino Volo · The Place The Gallery · inmedio · So coffee · hubiz · Relay · Breads&Co.

Lagardère NEWS

Le Journal du Dimanche · Paris Match · Elle International

Lagardère RADIO

Europe 1 · Europe 2 · RFM · Lagardère Publicité News

Lagardère

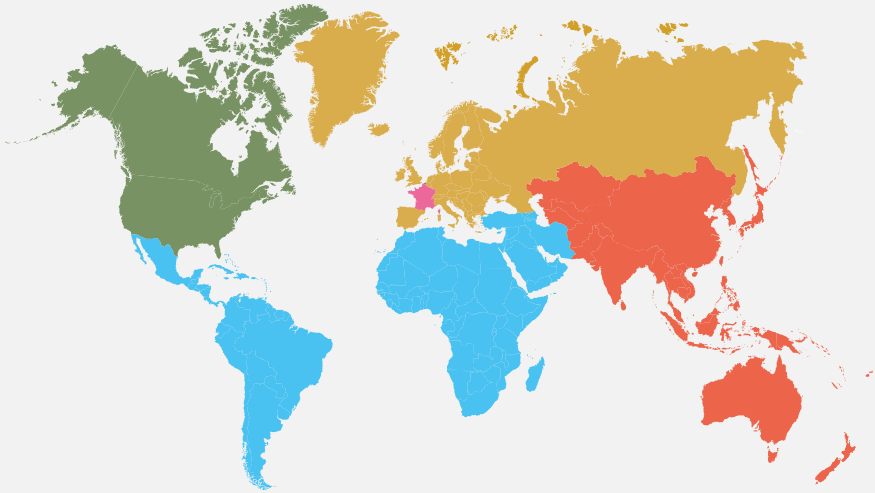
Casino de Paris · Arena du Pays d'Aix · Arkea Arena · LP · Folies Bergère · Euterpe Promotion

Lagardère Paris Racing

Lagardère

Revenue	Group recurring EBIT	Free cash flow
€8,081 million	€520 million	€261 million
International footprint	**Consolidated subsidiaries**	**Employees**
Over 40 countries	519	31,300

REVENUE BY GEOGRAPHIC AREA



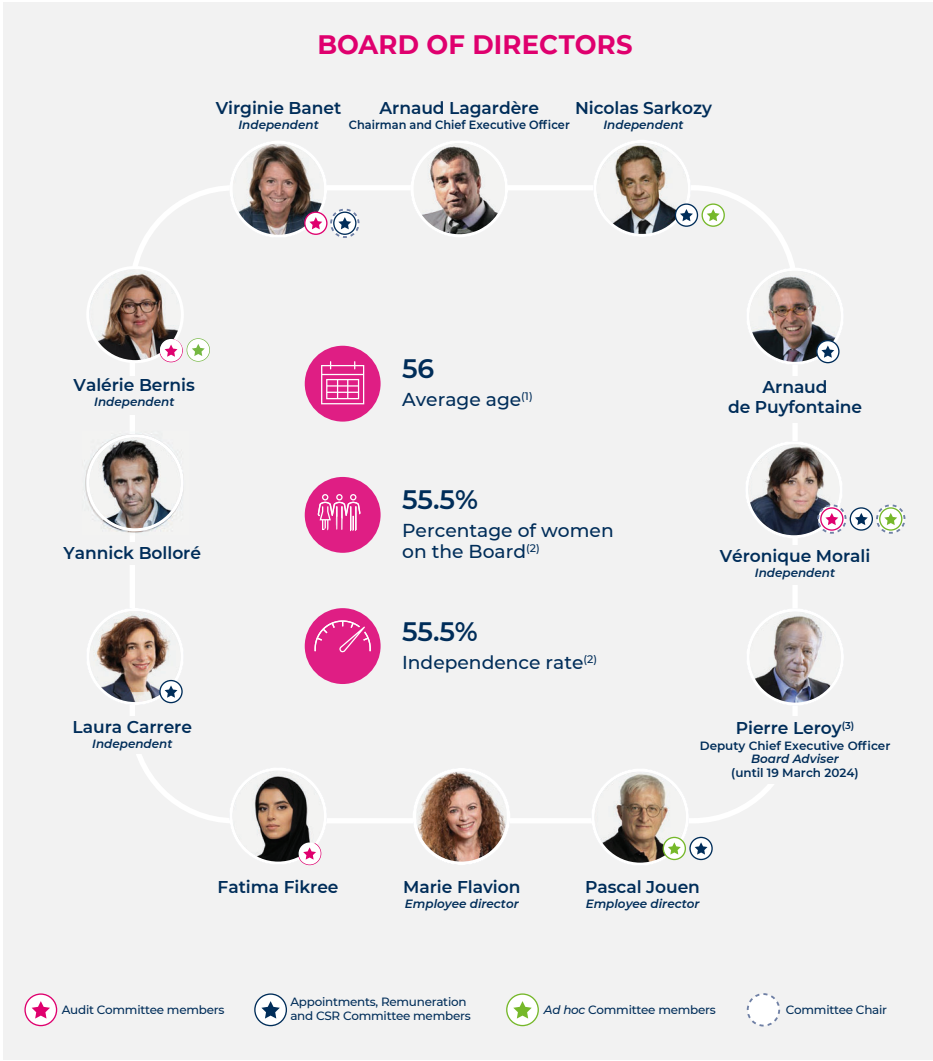
- FRANCE 24%
- EUROPE (excl. France) 39%
- UNITED STATES AND CANADA 26%
- ASIA-PACIFIC 7%
- LATIN AMERICA, MIDDLE EAST AND AFRICA 4%

REVENUE BY BUSINESS

Lagardère Publishing | Lagardère Travel Retail | Other Activities

GOVERNANCE

BOARD OF DIRECTORS



(1) Excluding Board Advisor.
(2) Excluding Board Advisor and employee directors.
(3) Pierre Leroy stepped down from his positions as Deputy Chief Executive Officer and Board Advisor with effect from 19 March 2024.

EXECUTIVE COMMITTEE

ARNAUD LAGARDÈRE
Chairman and Chief Executive Officer
of Lagardère SA and Hachette Livre

PIERRE LEROY
Deputy Chief Executive Officer,
Lagardère SA(*)

MAXIME SAADA
Vice-President
of the Lagardère group

CONSTANCE BENQUÉ
Chair,
Lagardère News

PAULINE HAUWEL
Secretary General
of the Lagardère group

DAG RASMUSSEN
Chairman and
Chief Executive Officer,
Lagardère Travel Retail

SOPHIE STABILE
Chief Financial Officer
of the Lagardère group

(*) Pierre Leroy resigned from his position as Deputy Chief Executive Officer with effect from 19 March 2024, and stepped down from the Executive Committee at that same date.

CSR SCORECARD

	COMMITMENTS	2023 OUTCOMES	
	Placing people at the heart of our strategy Working conditions Health and safety at work Diversity and gender balance in human capital Health and safety of consumers Workers in the value chain	**46%** of top executives are women **52%** of managers have taken diversity training **More than 350,000** training hours logged Group-wide **14,327** permanent recruitments	PEOPLE
	Sharing the social and cultural diversity of our businesses Promoting education, culture and entertainment Freedom of expression and plurality of opinions	**99%** of our digital books are accessible to people with disabilities **300** pages and **more than 50** hours of "green content" on the Group's media outlets **21** projects supported by the Hachette Foundation for Reading since its creation in 2022 **364** awards handed out by the Jean-Luc Lagardère Foundation since its creation in 1990	SOCIETY
	Limiting the environmental impact of our products and services Fighting climate change Resource management, anti-waste measures and the circular economy Biodiversity and ecosystem preservation	**99%** of the paper purchased and supplied is certified and/or recycled **4.6** tCO_2eq. per FTE (Scopes 1 & 2, and partially, Scope 3) **67%** of countries with a Foodservice business have put in place a measurement system and at least one initiative designed to reduce food waste(*) **99%** of countries with a Foodservice business have eliminated single-use plastic consumables(*)	ENVIRONMENT
	Ensuring ethical and responsible corporate governance Preventing corruption Respect for privacy Other ethical information	A new **anti-corruption training** programme for all employees and high-risk functions **54%** of expenditure related to suppliers presenting high CSR risks as assessed by EcoVadis	ETHICS

(*) Based on own-banner revenue only.

End of plastic bag orders for all Lagardère Travel Retail own banners as part of its strategy to eliminate single-use plastic consumables

Lagardère Publishing wins the Victoire d'Or at the Victoires du Capital Humain awards for its annual eco-design programme

More than 50 hours and 300 pages of "green content" broadcast by Lagardère Radio and Lagardère News as part of the climate media agreement

Sensory kits for audiences with ASD now available in all Lagardère Live Entertainment venues

SUSTAINALYTICS
A Morningstar company

Lagardère is classified as Low Risk with a score of 16.5 (an improvement of 1.2 points versus 2022)

Lagardère PUBLISHING

NO. 3 CONSUMER PUBLISHING GROUP WORLDWIDE

NO. 1 PUBLISHING GROUP IN FRANCE

NO. 1 PUBLISHER OF PARTWORKS WORLDWIDE

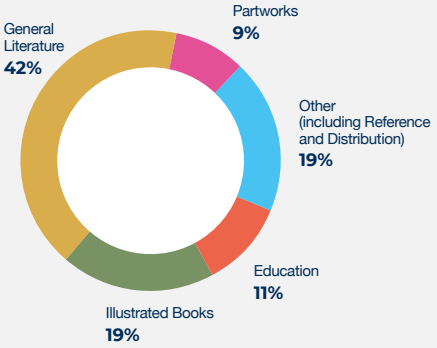
Revenue	Recurring EBIT	Employees
€2,809 million	€301 million	7,601

OVER 200
PUBLISHING IMPRINTS

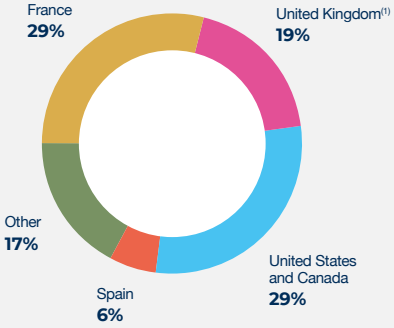
OVER 129,000
TITLES IN DIGITAL FORMAT

OVER 15,000
NEW RELEASES

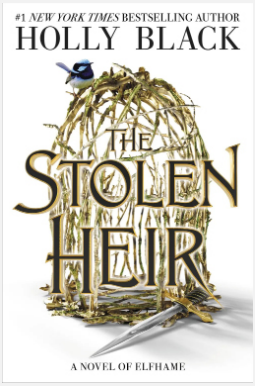
REVENUE BY BUSINESS

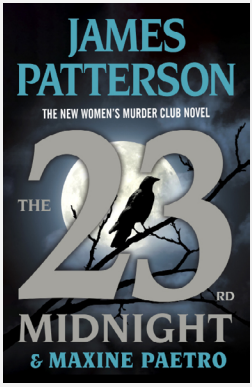


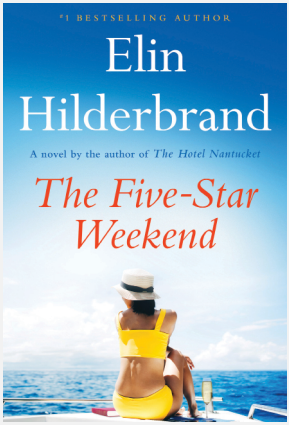
REVENUE BY GEOGRAPHIC AREA

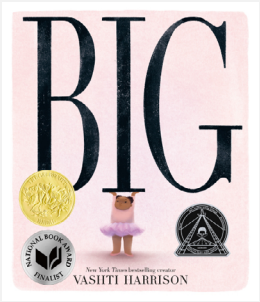


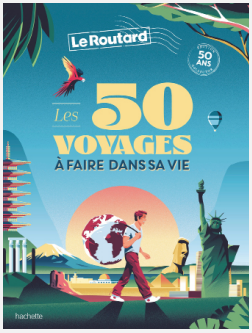
(1) Also includes Ireland, Australia and New-Zealand.


#1 NEW YORK TIMES BESTSELLING AUTHOR
HOLLY BLACK
THE STOLEN HEIR
A NOVEL OF ELFHAME

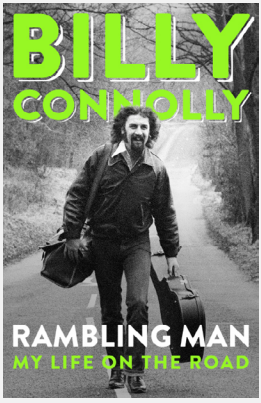

JAMES PATTERSON
THE NEW WOMEN'S MURDER CLUB NOVEL
THE 23RD MIDNIGHT
& MAXINE PAETRO


#1 BESTSELLING AUTHOR
Elin Hilderbrand
A novel by the author of The Hotel Nantucket
The Five-Star Weekend


BIG
VASHTI HARRISON


Le Routard
Les 50 VOYAGES
À FAIRE DANS SA VIE
hachette

PRINCE HARRY
LE SUPPLÉANT


BILLY CONNOLLY
RAMBLING MAN
MY LIFE ON THE ROAD

5 PRIMARIA
Conocimiento del Medio
ANAYA

AKROPOLIS

Lagardère TRAVEL RETAIL

NO. 3 TRAVEL RETAIL OPERATOR WORLDWIDE

NO. 1 OPERATOR IN TRAVEL ESSENTIALS WORLDWIDE

NO. 1 TRAVEL RETAIL OPERATOR IN FRANCE

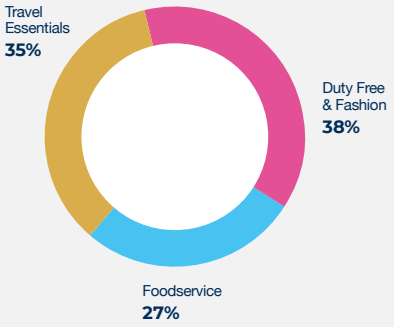
Revenue	Recurring EBIT	Employees
€5,018 million	€245 million	22,619

OPERATIONS IN **MORE THAN 290** AIRPORTS

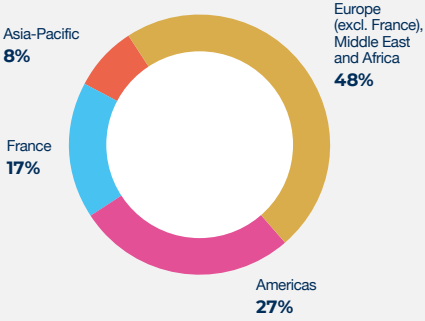
OPERATIONS IN **700** RAIL AND URBAN TRANSPORT STATIONS

OVER 5,120 STORES AND RESTAURANTS

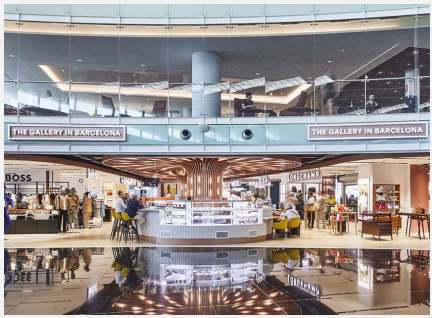
REVENUE BY BUSINESS



REVENUE BY GEOGRAPHIC AREA



Discover (Cambodia).



The Gallery In Barcelona (Spain).

Abu Dhabi Duty Free (United Arab Emirates).

The Goods Express (United States).

Kepar (Senegal).

Lagardère NEWS

2 PRESS TITLES

1 GLOBAL PRESS BRAND

3.2 MILLION
READERS[1] WEEKLY

373
EMPLOYEES

Editor of *Paris Match* (France).

Lagardère RADIO

3 RADIO STATIONS

1 ADVERTISING SALES BROKERAGE

MORE THAN 5 MILLION
LISTENERS[2] DAILY

318
EMPLOYEES

Europe 1 studio (France).

(1) Source: ACPM One Next S2 2023.
(2) Source: Médiamétrie EAR National, 13 years and older, Monday-Friday, 5:00 a.m.-midnight, Europe 1, Europe 2 and RFM, November-December 2023, cumulative audience.

Lagardère LIVE ENTERTAINMENT

4 PERFORMANCE VENUES

OVER 1 MILLION FANS AND **MORE THAN 500** ARTIST DATES HOSTED IN THE 4 VENUES

OVER 300 ARTIST EVENTS PRODUCED BY L PRODUCTIONS

97 EMPLOYEES

Arkéa Arena (France).

LAGARDERE PARIS RACING 2006

13,500 MEMBERS

7 HECTARES OF LAND

44 TENNIS COURTS

2 SWIMMING POOLS (INCLUDING 1 OLYMPIC-SIZE)

205 EMPLOYEES

La Croix Catelan (France).

2023 MILESTONES

JANUARY

- Virgin Radio changes and becomes Europe 2 again based on a pop-rock programme.

FEBRUARY

- Lagardère Travel Retail completes its acquisition of Marché International.
- Lagardère is included in S&P's Global Sustainability Yearbook for the fifth consecutive year.
- Le Livre de Poche celebrates its 70th birthday.
- Lagardère Travel Retail acquires 142 Costa Coffee points of sale in Poland and Latvia.
- Hachette Boardgames picks up two As d'Or awards.

MARCH

- Hachette Livre wins the ANDRH Grand Prix HR and Environment award.
- The Guide du Routard celebrates its 50th birthday.

APRIL

- 1001 Nuits, La Plage and Hachette Éducation are all winners in the 2023 Trophées de l'Edition awards.
- The Annual General Meeting overwhelmingly approves all the resolutions.

MAY

- Hachette Boardgames acquires French board games publisher Catch Up Games.
- Lagardère Paris Racing hosts the second Clarins Trophy, a professional women's tennis tournament (WTA 125), at its Croix Catelan site in Paris.
- Lagardère Live Entertainment acquires Euterpe Promotion, a French company specialising in hosting and local promotional services for French and international productions.

JUNE

- Lagardère SA extends the maturity of its financial liquidity.

JULY

- Hachette UK is included in this year's ranking of the Top 50 Employers for Gender Equality published by *The Times*.
- The Hachette Foundation for Reading announces the 13 winning non-profits in its 2023 call for projects.
- Lagardère Travel Retail is awarded the tender for the Extime Travel Essentials Paris joint venture with ADP.

SEPTEMBER

- Grupo Anaya launches two new publishing houses in Spain (Faeris and Petaletras).
- Lagardère Travel Retail rolls out its new sustainable checkout bag strategy to reduce waste and plastic pollution.
- Hachette Livre enters into a long-term partnership with Libraries Without Borders.

OCTOBER

- Lagardère makes its radio unit autonomous further to Arcom approval.
- *Le Journal du Dimanche* celebrates its 75th birthday.
- Lagardère Travel Retail is awarded a master concession agreement at Cotonou airport (Benin).

NOVEMBER

- Lagardère Publishing's publishing houses pick up more than 20 French literary prizes at the end of the year, out of a total of more than 120 awards won in France and internationally in 2023.
- Arnaud Lagardère is appointed Chairman and Chief Executive Officer of Hachette Livre and Stéphanie Ferran is appointed Deputy Chief Executive Officer.
- The link-up between Vivendi SE and Lagardère SA is finalised.
- Lagardère Travel Retail acquires Tastes on the Fly, a well-known North American Foodservice operator.
- Lagardère Travel Retail inaugurates 18 Duty Free and Foodservice points of sale in the new terminal at Abu Dhabi airport (United Arab Emirates).
- The second Maison Elle hotel opens in Amsterdam (Netherlands).
- Maxime Saada is appointed Vice-President of the Lagardère group.

DECEMBER

- Yannick Bolloré joins the Board of Directors of Lagardère SA
- Hachette Livre acquires Mama Éditions (France).
- Lagardère Travel Retail signs a supply and operational support agreement for the Duty Free concession in Kansai airport's terminal 1.
- Lagardère Travel Retail wins the Foodservice tenders at Varna and Burgas airports (Bulgaria).
- The Jean-Luc Lagardère Foundation unveils its 2023 prize-winners.

1 OVERVIEW OF THE GROUP

1.1 HISTORY 20

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1.1 HISTORY

The original purpose of Lagardère SA, named MMB up until 1992 and subsequently Lagardère group until 1996, then Lagardère SCA until 2021, was to unite all media sector assets held by the Matra group in 1982 prior to the French State's acquisition of an interest in Matra's capital, so that the State would not be in a position of control.

Under the initiative and management of Jean-Luc Lagardère, the Company then took control of Hachette, followed by Matra, which returned to the private sector in early 1988.

In 1992, the activities of these two companies were combined when their two holding companies were merged to form Matra Hachette. At the same time, Lagardère Groupe changed its legal form and became a French partnership limited by shares.

The restructuring process was completed in June 1996, when the Lagardère group absorbed Matra Hachette and adopted its former name of "Lagardère SCA", which was changed to "Lagardère SA" further to the Company's conversion to a French joint-stock company (*société anonyme*) in June 2021.

Since then and to date, the following main changes have taken place in the Group's structure:

- **Major alliances and divestments in the Defence and Space industries:**

  The European alliance strategy was initiated in the early 1990s, and underwent an important development in 1999 when Aerospatiale Matra was formed through the contribution of Matra Hautes Technologies – which held all of Lagardère's aerospace operations – to Aerospatiale. The process was completed in 2000 when all of Aerospatiale Matra's businesses were merged with those of DaimlerChrysler Aerospace AG and Spanish company CASA to form the European company EADS NV (since renamed Airbus Group SE), in which Lagardère indirectly held an interest of approximately 15%.

  This stake was reduced to 7.5% in 2009 and the entire remaining interest was then sold in 2013. The Lagardère group no longer owns any interest in Airbus Group SE.

- **Repositioning and streamlining in the media and communication industries, by means of:**
  - a takeover of businesses in these two sectors in 1999, with the bid for Europe 1 Communication (Audiovisual business), and the share exchange offer for Hachette Filipacchi Médias (Magazine Publishing business) in 2000, followed by an offer to purchase all of the remaining minority interests;
  - several agreements signed, essentially in the audiovisual sector (acquisition of a 34% interest in CanalSatellite, replaced in early 2007 by a 20% interest in the pay television operator Canal+ France and the sale of this interest to the Vivendi group in 2013);
  - the combination of the Audiovisual, Digital and Magazine Publishing businesses within a new entity, Lagardère Active, in 2006;
  - from 2010, Lagardère Active began to streamline and rationalise its activities. This process notably involved:
    - the sale of the International Magazine Publishing business to Hearst in 2011 (102 publications in 15 countries),
    - the sale of the Radio business in Russia in 2011,
    - the sale of ten French Magazine Publishing titles in 2014.

- **Creation of a Sports division, first named Lagardère Unlimited and later Lagardère Sports and Entertainment, through:**
  - the acquisition, between 2007 and 2008, of Sportfive (management of sports broadcasting and marketing rights), IEC in Sports (media rights), World Sport Group (management of sports audiovisual broadcasting rights in Asia), Upsolut (organisation of endurance sports events) and PR Event (organiser of the Swedish Open tennis tournament);
  - the combination of all the Sports division entities with the Best group (agents to stars and sports personalities) within the Lagardère Sports and Entertainment division in 2010.

- **Continued development of Lagardère Publishing** with a steady stream of investments in attractive country markets like France, Spain, the United States, the United Kingdom and Australia, enabling it to go from 11th position to become the third-largest publisher in the world with:
  - the acquisition in 2002-2004 of Vivendi Universal Publishing's European assets in France and Spain, and of Hodder Headline's businesses in the United Kingdom;
  - the acquisition in 2006 of US publisher Time Warner Book;
  - the acquisitions in 2016 and 2017 of US publishing group Perseus Books, leading UK e-book publisher Bookouture, and Summersdale, a UK publishing house;
  - the acquisitions in 2020 and 2021 of UK-based Laurence King Publishing, and US-based Workman Publishing;
  - the acquisition in 2022 of UK-based Welbeck Publishing Group.

  Since 2016, Lagardère Publishing has diversified into adjacent businesses (Board Games, Mobile Games and premium stationery) through a number of acquisitions in France and internationally.

- **Development of the Lagardère Travel Retail division**: the Travel Retail business has increased in stature through organic growth and major acquisitions.

  Examples of some key transactions include:
  - in 2012, the acquisition of ADR Retail Srl, a Duty Free/Duty Paid operator in Rome airports;
  - in 2014 and 2015, the acquisitions of Gerzon Holding (operator of Fashion stores at Schiphol Airport in the Netherlands), the Airest group (operator of 200 stores in 11 countries) and Paradies (an airport Travel Retail leader in North America, with concessions in more than 76 airports);
  - in 2018 and 2019, the acquisitions of Hojeij Branded Foods (a leading Foodservice company in North America) and International Duty Free (a Travel Retail leader in Belgium);
  - in 2021, signing of a strategic partnership agreement with JD.com to accelerate the growth and digitalisation of the businesses in China;
  - in 2022, the acquisition of Creative Table Holdings Ltd (Foodservice operator at Dubai airport);
  - in 2023, the acquisitions of Marché (a Swiss group with operations in six countries) and Tastes on the Fly (a North American Foodservice operator).

Travel Retail has also completed the disposal of its Distribution business with the sales of its Magazine Distribution activities in the United States (2015), and its Press Distribution businesses in Switzerland (2015), Spain (2015), Belgium (2016), and, lastly, Hungary (2017).

- In 2018, the Group launched a **strategic refocusing** around two main divisions, each of which is a world leader in its respective sector:
  - Lagardère Publishing;
  - Lagardère Travel Retail.

  The main objective of this strategic refocusing was to improve the Group's industrial profile and improve cash generation in order to fund the growth of the Group's two priority divisions.

  To achieve this objective, from 2018 to 2020, the Group divested Lagardère Active assets, with the exception of Lagardère News (*Paris Match*, *Le Journal du Dimanche*, Europe 1, Europe 2, RFM and Advertising Sales Brokerage businesses and the Elle licence), as well as Lagardère Sports (except for the activities of Lagardère Live Entertainment).

- **Conversion of Lagardère into a French joint-stock company (*société anonyme*) and implementation of a new governance structure:**

  In 2021, following a significant change in its ownership structure and with a view to achieving a composed shareholder dialogue, managerial continuity and reaffirmation of the integrity of the Group, Lagardère SCA was converted into a French joint-stock company (*société anonyme*) with a Board of Directors made up of representatives of its main shareholders. Arnaud Lagardère and Pierre Leroy were appointed Chairman and Chief Executive Officer and Deputy Chief Executive Officer, respectively, for a period of six years.

- **Friendly transaction between Lagardère SA and Vivendi SE:**

  On 21 February 2022, Vivendi SE filed a friendly public tender offer for Lagardère SA, which ran from April to June 2022 following authorisation from the French financial markets authority (*Autorité des marchés financiers* – AMF). At the end of this public offer, Vivendi SE held 57.35% of Lagardère SA's share capital, but could not exercise all the voting rights attached to its shareholding pending authorisation from the competition authorities. On 9 June 2023, the European Commission authorised Vivendi SE to acquire control of Lagardère SA, subject to the completion of Vivendi SE's two commitments, i.e., the sale by Vivendi of 100% of the share capital of Editis and of *Gala* magazine to approved buyers. Following the completion of these two sales, the link-up between Vivendi SE and Lagardère SA was finalised on 21 November 2023.

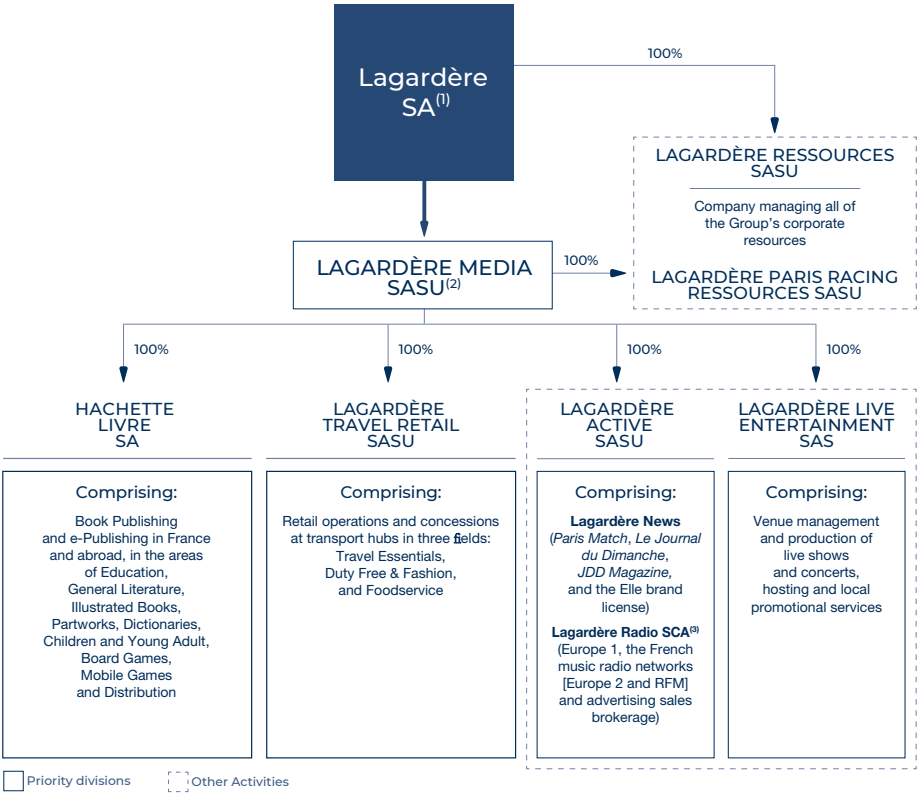
- **Autonomy for the radio unit:**

  On 25 October 2023, Arcom, the French audiovisual regulator, approved the proposal submitted on 29 July 2022 to make the Lagardère group's radio unit (Europe 1, Europe 2 and Advertising Sales Brokerage) autonomous. Lagardère Radio, the head company of the radio unit, has been converted into a French partnership limited by shares (*société en commandite par actions*), of which Arnaud Lagardère is indirectly General Partner and personally Managing Partner. In this dual capacity, Arnaud Lagardère is now solely responsible for supervising the management and teams of the radio unit and is the ultimate decision-maker on editorial policy. The radio unit autonomy project is part of the commitment, reiterated many times by the Board of Directors of Lagardère SA, to preserve and maintain the integrity, sustainability and managerial continuity of the Group.

1.2 ORGANISATION CHART – PRINCIPAL SUBSIDIARIES – RELATIONS BETWEEN THE PARENT COMPANY AND SUBSIDIARIES

Lagardère SA's role in respect of its subsidiaries is described in section 4.2, below, and in the Lagardère SA Company financial statements (including the notes) in sections 5.4 and 5.5.

In addition, note 5 to Lagardère SA's consolidated financial statements also includes segment information, by division and by geographic area.



(1) Organisation chart at 31 December 2023.
(2) Lagardère Media is the holding company for all Group operations. Percentages correspond to share capital and voting rights.
(3) Controlled by Arnaud Lagardère.

The Group operates (except for Lagardère Radio, see hereafter) through subsidiaries that are wholly owned by Lagardère Media, which is itself wholly owned by Lagardère SA. These operating units are:

- Hachette Livre: a French holding company for the Lagardère Publishing division;
- Lagardère Travel Retail: a French holding company for the Lagardère Travel Retail division;
- Lagardère Active: a French holding company for Lagardère News and Lagardère Radio, whose subsidiaries (Europe 1, Europe 2, RFM and Advertising Sales Brokerage) are controlled by Arnaud Lagardère;
- Lagardère Live Entertainment: a French holding company for the Entertainment division;
- Lagardère Paris Racing Ressources: a company operating the Croix Catelan site;
- Lagardère North America, Inc: a US holding company for the US subsidiaries of the Lagardère Publishing and Lagardère Travel Retail divisions.

A detailed list of the Group's 519 consolidated subsidiaries and their locations is provided in note 38 to the consolidated financial statements.

1.3 BUSINESS ACTIVITIES AND STRATEGY AFR

Lagardère is an international group with operations in more than 40 countries worldwide. It employs some 31,300 people and generated revenue of €8,081 million in 2023.

The Group focuses on two priority divisions:

Lagardère Publishing(1) includes the Book Publishing and e-Publishing businesses and Distribution, covering all segments of the consumer publishing market, including textbooks and extra-curricular works, general literature, illustrated books, partworks, dictionaries, children and young adult titles, paperbacks and travel guides.

Strongly rooted in the three main language groups (English, Spanish and French), Hachette Livre is the world's third-largest trade book publisher for the general public and educational markets (number one in France, number two in the United Kingdom, number three in Spain, and number four in the United States).

The division has diversified into adjacent growth markets with business models similar to book publishing, such as board games, mobile games and premium stationery.

There are several key success factors in Hachette Livre's strategy:

- well-balanced positioning (across geographic areas and publishing segments), allowing it to capitalise on the fastest-growing markets;
- decentralised organisation, giving a large degree of autonomy to its different entities and publishing houses;
- a particular focus on taking full advantage of its diverse catalogue and related rights with a view to adapting the written word for different forms of distribution and new audiences;
- sustained investments in digital technology and the Internet in order to offer products resonant with emerging market trends and suited to multiple distribution channels, media and formats (e-books, audio books, digital marketing, adaptive learning platforms, etc.);
- an ambitious CSR strategy to improve its environmental, social and societal performance (carbon footprint, use of recycled or certified paper, initiatives to promote diversity, accessible books, etc.).

The book market saw contrasting trends in 2023, in a predominantly unfavourable economic environment shaped by inflationary pressures. Against this backdrop, Lagardère Publishing nevertheless maintained a good level of business and profitability.

In 2024, the division expects a less buoyant year in terms of activity (end of the national curriculum reform in Spain and no new Asterix album release), but will continue to diligently manage its operations while securing the operating performance of all of its business lines. Lagardère Publishing will also pursue its strategy of targeted acquisitions in its core publishing business as well as in adjacent markets.

Lagardère Travel Retail consists of retail operations in transit hubs and concessions in three business segments: Travel Essentials, Duty Free & Fashion, and Foodservice.

Through its network of more than 5,120 stores across five continents, Lagardère Travel Retail is a global industry leader:

- the third-largest Travel Retail operator (second largest in airport Travel Retail);
- the leading global Travel Essentials operator, with the largest international network of Travel Essentials stores;
- number one European operator in the Travel Retail Fashion segment;
- the fourth-largest operator in airport Core Duty Free;
- the world's fourth-largest Foodservice provider in transit hubs.

In line with 2022, and despite geopolitical upheavals, global air traffic continued to recover in 2023. The various regions in which the division operates therefore benefited significantly from the sustained recovery in traffic and posted double-digit growth, which was also driven by dynamic sales policies and innovation.

In 2024, the priorities of Lagardère Travel Retail's strategy will be to:

- continue to instil a culture focused on performance and continuous improvement in operations;
- take advantage of the many development opportunities that the market will offer in order to continue winning new concessions while improving operating profitability;
- boost team engagement and development to increase the division's attractiveness and help retain talent;
- continue to roll out the CSR initiatives under its internal PEPS (Planet, Ethics, People, Social) programme;
- be recognised by customers as the most innovative player in the industry, with an ever-growing range of new offers, concepts, services and business models.

The Group's scope of consolidation also comprises "Other Activities", which mainly include:

- **Lagardère News**, which comprises *Paris Match*, *Le Journal du Dimanche*, *JDD Magazine* and licensing management for the Elle brand.

  The press advertising market was fairly stable in 2023, but sales remain significantly down on their 2019 level. In this environment, Lagardère News' transformation projects continued apace (development of digital media and a fee-based Press offer, consolidation of the Elle brand worldwide), while it remained focused on cost control measures.

  In 2024, digital expansion will be among Lagardère News' key challenges, based on further development of online subscriptions to *Le Journal du Dimanche* and *Paris Match*, a broader audio and video offer on its online platforms, and growth in its audience numbers on social media.
- **Lagardère Radio**, which includes Europe 1, the French music radio stations Europe 2 and RFM, and Advertising Sales Brokerage, following measures taken in 2023 to make the radio unit autonomous.

  The radio advertising market remained resilient in 2023, but has not yet returned to its 2019 level. Against this backdrop, Lagardère Radio continued to consolidate Europe 1's programming schedule and reverse its downward trend, while rolling out the Europe 2 brand and adjusting the positioning of RFM in the market.

  In 2024, Lagardère Radio intends to continue to grow Europe 1's audience (particularly in the key target 25-59 age group), raise Europe 2's profile and consolidate RFM's appeal.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

(1) This Universal Registration Document refers to this business interchangeably as Hachette Livre or Lagardère Publishing.

- **Lagardère Live Entertainment**, which is active in:
  - managing performance and entertainment venues (Folies Bergère, Casino de Paris, Arkéa Arena and Arena du Pays d'Aix);
  - producing concerts (Florent Pagny, Matthieu Chedid [-M-], Jean-Louis Aubert, Hoshi, etc.) and shows (Kev Adams, *Les Choristes*, etc.) with L Productions;
  - hosting and providing local promotional services for French and international productions (since May 2023 following the acquisition of Euterpe Promotion).

  In 2023, Lagardère Live Entertainment cemented its position as a major player in the live entertainment sector, with revenue topping the previous record set in 2019, before the introduction of the Covid-19 health measures that had severely impacted this sector in 2020 and 2021.

  2024 should see a record number of shows hosted in venues managed by Lagardère Live Entertainment. In addition, business at L Productions is expected to remain in line with 2023, while Euterpe Promotion will be fully integrated into Lagardère Live Entertainment and will continue its development.
- **Lagardère Paris Racing**, which is operating the nearly seven hectares that constitute the Croix Catelan site under a concession from the City of Paris until 31 December 2028. Located in the heart of the Bois de Boulogne, the Lagardère Paris Racing site offers its 13,500 members tennis, swimming, fitness and bridge activities, as well as additional services (restaurants, event venues, etc.).

  After returning to pre-Covid-19 visitor numbers, Lagardère Paris Racing intends to continue its actions to promote sport and its values in 2024, while continuing to upgrade its facilities and improve the quality of the services offered.

1.3.1 LAGARDÈRE PUBLISHING

A) PRINCIPAL ACTIVITIES AND MAIN MARKETS.

The world's third-largest Trade book publisher for the general public and educational markets[1] (number one in France[2], number two in the United Kingdom[3], number three in Spain[4], and number four in the United States[5]), Lagardère Publishing is a federation of publishing companies. They are united by common management rules, a concerted effort to expand in digital activities, and a coordinated strategy in respect of global distribution giants.

Since its foundation in 1826, Hachette Livre has consistently sought to publish, sell and distribute high-quality innovative books that satisfy its readers' thirst for knowledge, culture and entertainment.

Represented directly or indirectly in more than 70 countries, the branch comprises more than 200 publishing brands and publishes over 15,000 new titles a year in a dozen languages, with a strong presence in the three main language groups (English, Spanish and French).

Hachette Livre has a well-balanced, diversified portfolio serving all segments of the consumer publishing market, including textbooks and extra-curricular works, general literature, illustrated books, partworks, dictionaries, children and young adult titles, paperbacks and travel guides.

Most of its new publications are also published in France, the United Kingdom and the United States in digital formats that are marketed in the form of e-books on every platform and, increasingly, as downloadable audiobooks.

In recent years, the division has diversified into adjacent markets with business models similar to book publishing, such as board games (Hachette Boardgames), mobile games (Hachette Mobile Studios) and premium stationery (Paperblanks).

The division's business model is based on its publishing/distribution value chain. Thanks to its highly reputed publishing houses and brand names, it is able to draw the fullest benefit from its close relationships with authors, the expertise of its sales force, the rigorous logistics organisation of its distribution network and the commitment of its highly trained employees.

The autonomy of the publishing houses, which are independent and fully responsible for their own creative processes and editorial decisions, encourages both creativity and internal competition. Hachette Livre's different divisions form a kind of federation of small and medium-sized independent publishing houses, each with its own corporate culture and specific, even unique, editorial line.

Each publishing house is responsible for relations with its own authors. Excellent individual relationships enable publishers to control the copyright portfolio and offer seamless supply to the paperback sector. In France, they also give rise to merchandising opportunities.

(1) World publishing rankings prepared internally by Hachette Livre based on:
- the annual financial reports of the groups in question (most cases);
- rankings appearing each year in Livres Hebdo (rankings prepared with Rüdiger Wischenbart Content and Consulting, and generally used subsequently in partnership with *The Bookseller, Publishers Weekly* and *Buchreport*), and which are sometimes based on direct contacts with the groups in question (i.e., when annual reports are not available);
- the ranking, which takes into account private publishing companies in the Textbook market (excluding professional, and scientific, technical and medical publishing) and general interest (Trade).

(2) Source: data from the GfK survey panel in France and the education group of the French publisher's association.
(3) Source: internal analyses based on Nielsen BookScan in the United Kingdom.
(4) Source: data from the GfK survey panel in Spain.
(5) Source: data from NPD BookScan in the United States.

Central management functions in turn enable Hachette Livre to devise an aligned strategy in digital technologies, negotiate from a better position with large accounts and suppliers, and leverage economies of scale.

Lagardère Publishing's strategy is built on several core objectives:

1. constantly exploring new growth opportunities by making the high value-creating acquisitions needed to maintain the division among the top-ranking publishing groups worldwide, which is an essential advantage conferring extra influence in negotiations with major customers. These acquisitions may also extend to adjacent growth segments such as Board Games, in a commitment to reaching consumers who are shifting from books to other forms of entertainment;
2. spreading risks across a significant number of markets and market segments in order to smooth out the cyclical effects specific to each one;
3. concentrating acquisitions and new subsidiaries in countries belonging to language areas that offer a critical size for potential markets;
4. ensuring broad editorial independence for publishing subsidiaries, encouraging creativity, rapid responses, team motivation and therefore the ability to attract and retain talent;
5. actively seeking out international bestsellers able to attract an extensive readership in all markets where the division operates;
6. managing distribution both as a cost centre and a strategic link in the book value chain, in all the markets where the division operates;
7. sustained investment in digital technologies so as to better understand and satisfy authors, booksellers and readers;
8. an ambitious CSR strategy aimed at promoting a more ecological and inclusive development model.

A.1 FRANCE[1]

As France's leading publisher, Hachette Livre covers all publishing genres through some 50 publishing houses.

General Literature comprises prestigious publishing houses such as Grasset, Fayard, Stock, Calmann Lévy and JC Lattès. Each is prominent in a specific domain, but competes with the Group's other publishing houses and with rival publishing groups' brands. Le Livre de Poche, which releases paperback reprints for all of the division's publishing houses, as well as for many non-Group publishers, is today France's leading source of General Literature paperbacks. Lastly, Audiolib publishes audiobooks in CD and digital formats.

Hachette Illustré covers the entire range of Illustrated Books. It is number one in France for Lifestyle (Hachette Pratique and Marabout) and Travel guides (Hachette Tourisme and Le Routard). Hachette Illustré is also the top publisher in the Children and Young Adult segment (Hachette Jeunesse Disney, Hachette Jeunesse, Hachette Romans, Deux Coqs d'Or, Gautier-Languereau and Livre de Poche Jeunesse). Hachette Livre boasts valuable publishing assets in this market, including characters such as Asterix, Babar the Elephant, Noddy and Fantômette. The division also enjoys a strong position in fantasy literature following its 2022 acquisition of Bragelonne, the French publisher of Andrzej Sapkowski's successful *The Witcher* saga.

At the end of 2023, Hachette Illustré announced the acquisition of the entire share capital of Mama Éditions. This leading publisher in the esoteric book market is renowned for its high editorial standards and its expertise in shamanism, birth and health.

In Textbooks, Hachette Livre is the leading publisher in France[2] with Hachette Éducation, the Alexandre Hatier group and Le Livre Scolaire. These entities include such reputed publishers as Hachette, Hatier, Didier and Foucher and other strong brands (Bled, Bescherelle, Passeport, Littré and Gaffiot), enabling Hachette Livre to occupy a leading position on the extra-curricular book segment.

In Reference and Dictionaries, famous assets include the Larousse, Hachette and Harrap's brands. Hachette Livre is number one in France for both monolingual and bilingual dictionaries. With its international reputation, Larousse is currently particularly well established as a brand in Spanish language books.

The Academic and Professional division includes Dunod-Armand Colin, the leader in France's higher education market. Hachette Livre is also present in the corporate segment (management, marketing, finance, etc.), private wealth management (estate planning, stock market investing, etc.) and business-related self-help through publisher Maxima.

Distribution for Hachette Livre and other non-Group publishing houses under exclusive contracts is carried out through a distribution network managed from the national centre in Maurepas. Hachette Livre handles around 250 million copies per year and supplies more than 15,000 bookshops, online booksellers, speciality stores, newsagents, newsstands and supermarkets in France, while at the same time providing a high level of service with deliveries to booksellers in 24 or 48 hours. Hachette Livre Distribution, the number one distributor in France, also operates in Belgium, Switzerland and French-speaking Canada.

Hachette Livre's main competitors in France are Editis, Madrigall, Albin Michel and Média-Participations.

A.2 INTERNATIONAL[3]

United Kingdom and the Commonwealth

In the United Kingdom, Hachette UK is number two in the Trade market with more than 50 publishing houses organised around ten divisions: Octopus for Illustrated Books; Orion; Hodder & Stoughton; John Murray Press; Headline; Little, Brown; Quercus; Bookouture and Welbeck Publishing for General Literature; as well as Hachette Children's Group in the Children and Young Adult segment.

These divisions and their brands have also enabled Hachette Livre to develop operations in Australia, New Zealand, Ireland, India and the English-speaking Caribbean.

Hachette Livre also ranks number two in the Textbooks market with Hodder Education, Illuminate Publishing and John Catt Educational.

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

Lastly, Hachette Livre has a distribution business in the United Kingdom and an automated warehouse in Didcot (Oxfordshire).

(1) Hachette Livre's competitive positions reflect data provided by the GfK panels to which the division subscribes.
(2) Source: internal estimates.
(3) Source: internal data, based on Nielsen BookScan in the United Kingdom, data from the GfK panel in Spain and NPD BookScan in the United States.

United States

In the United States, Hachette Book Group is the fourth-largest Trade book publisher with more than 40 imprints such as Grand Central Publishing, Little, Brown and Company, as well as Little, Brown Books for Young Readers in the Children and Young Adult segment, FaithWords and Worthy Books in religious literature, Center Street for political essays, Orbit in science fiction, Perseus in non-fiction, Mulholland in crime fiction, etc. In 2021, the acquisition of Workman Publishing, a speciality publisher of young adult, illustrated books and non-fiction, strengthened Hachette Book Group's position in segments that fit well with the catalogues of the division's other imprints.

Hachette Livre also has distribution operations in the United States.

Spain and Latin America

Hachette España, which has some 20 imprints, is the third-largest publisher in Spain and ranks as the number two publisher of textbooks through Anaya and Bruño. These two publishing houses are key players in the Education market, as well as in the extra-curricular books, General Adult Literature and Children and Young Adult segments. Hachette Livre is also very well established in Spanish-speaking markets through its major Larousse, Anaya, Bruño, Alianza, Algaida, Barcanova, Xerais, Contraluz and Salvat brands. In Mexico, the division is one of the leading textbook publishers under the Larousse and Patria brands, with a growing General Literature business.

Partworks

Through its Hachette Collections division, Lagardère Publishing is the world's leading publisher of Partworks. Sold by the issue on newsstands and through direct sales, Partworks are published in 16 languages across 39 countries.

Outside France, Lagardère Publishing operates alongside competitors such as Pearson, Penguin Random House, Scholastic, Simon & Schuster, HarperCollins, Planeta and Holtzbrinck.

B) REGULATORY ENVIRONMENT

Lagardère Publishing's Book Publishing and Distribution business is subject to specific local regulations in terms of intellectual property rights, legal copyright registration requirements, rules governing the pricing of books, and VAT rules. In France, for example, the Group's businesses are subject to regulations imposing a fixed book price set by the publisher or importer, which restrict any qualitative or quantitative discounts granted to distributors. Further regulations also apply to Children and Young Adult titles and to broadening access to out-of-print books.

Lagardère Publishing closely monitors applicable laws and regulations on copyright, libel and slander, image rights, privacy, artificial intelligence and cybersecurity.

C) OPERATIONS DURING 2023

Contribution to consolidated revenue in 2023: €2,809 million (versus €2,748 million in 2022).

Breakdown of revenue by activity

	2023	2022
Education	**11.1%**	10.7%
Illustrated Books	**18.6%**	19.1%
General Literature	**42.5%**	42.0%
Partworks	**9.1%**	10.3%
Other (including Reference and Distribution)	**18.7%**	17.9%
Total	**100%**	**100%**

Breakdown of revenue by geographic area

	2023	2022
France	**29.0%**	27.2%
United Kingdom	**16.2%**	16.8%
United States	**26.6%**	28.6%
Spain	**5.6%**	5.1%
Other	**22.6%**	22.3%
Total	**100%**	**100%**

After seeing all of its regions decline in 2022, the Book market experienced contrasting trends in 2023.

France, which had seen a 2.9% decline[1] in value in 2022, improved slightly in 2023, with revenue up 1.5%, spurred by the General Literature segment.

(1) Source: GfK (by value).

Spain enjoyed robust momentum, with the market growing by 4.5% in value terms. This performance reflects vigorous growth in Education sales (peak of the national curriculum reform begun in 2022) and a dynamic Trade market (with the exception of comics and mangas, which were down slightly after reporting double-digit growth in 2022).

Performances were mixed in English-speaking markets. Printed book sales rose by 1.2%(1) in the United Kingdom, but fell by 2.6%(2) in the United States after a 5.8% decline in 2022. Digital audiobooks in both countries continued to enjoy good growth momentum.

Against this backdrop, revenue for Lagardère Publishing came in at €2,809 million, up 2.2% as reported and 1.9% like for like. Lagardère Publishing's leading positions combined with major publishing success in all its markets and strict operational management helped it maintain a high level of activity and profitability in a predominantly unfavourable economic environment.

C.1 FRANCE

In France, business improved in 2023, but with contrasting trends from one segment to the next.

Hachette Éducation, the Alexandre Hatier group and Le Livre Scolaire suffered from the absence of curriculum reform for the second year running. However, the French-as-a-Foreign-Language (FFL) business grew thanks to buoyant export sales. Children and Young Adult publisher Rageot (Alexandre Hatier group) continued to enjoy a very good level of trading, despite slower sales of its Holly Black titles, which had been very successful in recent years.

Illustrated Books was boosted by strong growth in the comics and manga segment, with the publication of a new Asterix album (*L'Iris blanc*) and an illustrated album, *Astérix et Obélix*: *L'Empire du Milieu* (to coincide with the film's release in cinemas). The Children and Young Adult segment also advanced, spurred by the popularity of the Dark Romance segment at Hachette Romans (Sarah Rivens' *Captive* trilogy, Camille Creati's *Fallen Angel*, Laura Swan's *Troublemaker*, etc.) and by the resounding success of certain Le Livre de Poche youth paperback titles including Tillie Cole's *Milles baisers pour un garçon* and Mercedes Ron's *À contre-sens* saga. Thanks to the recovery in global tourism, the Tourism segment rallied sharply, almost back to 2019 pre-Covid levels. The Practical guides segment reported higher revenue in its divisions, in line with strong momentum at EPA, as well as in high-quality illustrated books. Lastly, Bragelonne (consolidated in March 2022) reported sales growth thanks to the success of Ali Hazelwood's titles and the development of Mangetsu, its manga publishing specialist.

Larousse reported a fall in revenue, with a decline in the Practical guides segment whose release schedule was intentionally reduced in 2023 in a bid to promote sales of backlist titles. Sales of dictionaries continued to fall in a contracting market.

General Literature sales enjoyed strong growth. Le Livre de Poche's paperback sales hit an all-time high, while Audiolib was boosted by a rise in downloads of its digital audiobooks. Publishers of large-format books also reported growth, albeit to a lesser extent and with uneven performances from one publisher to the next: Fayard (success of *Le Suppléant* (Spare) by Prince Harry and Florent Pagny's memoirs) and Stock (Cédric Sapin-Defour's *Son odeur après la pluie* and Panayotis Pascot's *La prochaine fois que tu mordras la poussière*) saw strong growth, while JC Lattès also advanced. On the other hand, Calmann-Lévy (no new Guillaume Musso titles in 2023) and Grasset (a lighter publication schedule in 2023 and the prior-year success of Virginie Despentes' *Cher Connard*) experienced a decline in activity.

C.2 INTERNATIONAL

United Kingdom and the Commonwealth

After an excellent 2022, Hachette UK delivered record-beating 6.1% like-for-like growth in 2023, outperforming market growth of only 1.2% in the Trade print book market.

This performance is mainly due to strong momentum in Adult Trade sales. Little, Brown Book Group enjoyed a string of publishing successes, both in terms of new titles in 2023 (Rebecca Yarros' *Fourth Wing* and *Iron Flame*, Robert Galbraith's *The Running Grave* and Colleen Hoover's *Too Late*) and its backlist (titles by Ana Huang). Elsewhere, Bookouture put in a strong performance in 2023, led by titles by Freida McFadden (*The Housemaid* and *The Housemaid's Secret*), as did Headline (rebound in sales of Matthew Perry's autobiography, published at the end of 2022) and John Murray Press (success of Billy Connolly's *Rambling Man*). After a very good year in 2022, business stabilised at a high level in the Commonwealth, buoyed by a strong performance at Paperblanks.

In contrast, the lack of an equivalent success to Alice Oseman's *Heartstopper* saga which had boosted 2022 sales weighed on the Children and Young Adult segment. Octopus also recorded a decline in business due to the slowdown in export sales.

Finally, the Education segment was up slightly on the back of robust export sales.

Sales in the Digital business enjoyed vigorous momentum, spurred by growth in audiobooks (up 16%) and e-books (up 11%).

United States

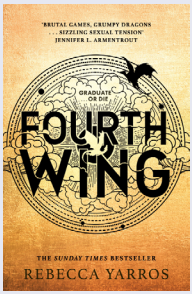
Revenue at Hachette Book Group was down 6.8% in 2023.

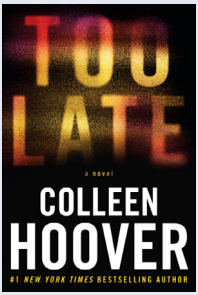
This decline was mainly attributable to Grand Central Publishing, where the release of Colleen Hoover's *Too Late* only partly made up for the publishing phenomenon *Verity* by the same author in 2022, which had driven a huge rise in sales in that year. Workman Publishing's sales of backlist titles were down on 2022 in a downbeat market, as was the case with Little, Brown Adult, which had no equivalent to *Run, Rose, Run*, the 2022 novel co-written by James Patterson and singer Dolly Parton. Lastly, sales also retreated at Little, Brown Books for Young Readers (owing to a less buoyant publication schedule and an unfavourable climate in the Children and Young Adults market) as well as at Nashville (more particularly Center Street, its division specialising in political essays) and Perseus.

(1) Source: Nielsen BookScan (by value).
(2) Source: NPD BookScan (by volume).

Orbit, on the other hand, reported a slight rise in trading thanks to strong sales of backlist titles.

Lastly, sales of digital audio books rose 6% in an upbeat market, while sales of e-books were down (5% lower than in 2022, boosted by the success of Colleen Hoover's *Verity)* in a declining market.





Spain and Latin America

Revenue in Spanish-speaking markets grew sharply by 17.8% in 2023.

In Spain, the business delivered bumper growth in line with the peak of the new national curriculum reform launched in 2022.

Trade sales were also grew, albeit at a slower pace, buoyed by the publication of a new Asterix album at Bruño, and by strong momentum at new commercial fiction (Contraluz) and "romantasy" (Faeris) publishing houses.

In Latin America, sales rose sharply in the Trade segment, spurred by notable successes in General Literature, including works by Ali Hazelwood, and to a buoyant dictionary sales campaign in 2023.

Partworks

Sales of Partworks were down in 2023, as the good performance of older collections and the promising start to launches in the second half of the year failed to offset a disappointing launch campaign in the first half.

With the exception of Poland and, to a lesser extent, Germany, sales were down in all geographic areas.

Board Games

The Board Games business enjoyed robust growth in 2023, driven by the expansion of the Hachette Boardgames catalogue, an impressive publishing and distribution performance, and the ramp-up of marketing activities in the United States and the United Kingdom (rounded out by the creation of a new marketing structure for the French-speaking Benelux market).

The division continued to expand, acquiring a majority stake in Catch Up Games, a French board games publisher, in 2023.

C.3 OBJECTIVES AND ACHIEVEMENTS IN 2023

Following a slowdown in the market in 2022 after two exceptional years, in 2023 Lagardère Publishing expected to see the continuation of the round of curriculum reforms launched in Spain in 2022 and the release of a new Asterix album, as well as inflationary pressures on costs (raw materials, printing, transportation and wages).

Market dynamics were more downbeat than expected, particularly in the United States and France, against a backdrop of persistently high inflation. However, major publishing successes in the Trade segment (France and the United Kingdom) coupled with strong growth at Anaya (the peak of the school curriculum reform in Spain) enabled the division to maintain a high level of activity. Further, thanks to disciplined management, Lagardère Publishing was able to maintain profitability well above pre-Covid levels. Lastly, the diversification into Board Games has clearly paid off, placing the division on a solid long-term organic growth trajectory.

D) OUTLOOK

Lagardère Publishing expects 2024 to be a less favourable year in terms of business, owing to the end of the national curriculum reform in Spain and the absence of a new Asterix album.

In line with these expectations, and in a still fairly uncertain economic climate with inflationary pressures on costs (raw materials, printing, transportation and wages), the division will continue to diligently manage its businesses and secure the operating performance of all its business lines, while leaving its editorial teams complete creative freedom to seize opportunities in every segment and every geographic area.

Lastly, the division will actively pursue its strategy of targeted acquisitions in its core publishing business as well as in adjacent growth markets with business models similar to book publishing, such as board games and stationery.

1.3.2 LAGARDÈRE TRAVEL RETAIL

A) PRINCIPAL ACTIVITIES AND MAIN MARKETS

With operations in 42 countries on five continents, Lagardère Travel Retail is a global industry leader.

The division operates businesses in transit hubs and concessions in three segments: Travel Essentials, Duty Free & Fashion, and Foodservice.

At the end of 2023, the Lagardère Travel Retail network operated 5,122 stores, of which 3,679 in France, Europe, Middle East and Africa, 582 in Asia-Pacific and 861 in the Americas.

Its network, established in more than 290 airports as well as 700 train and underground stations, includes stores operated:

- under its own banners:
  - either internationally, for example with Relay, Discover, Tech2go, InMedio, 1Minute, Hubiz, Hub Convenience, Aelia Duty Free, The Fashion Gallery, The Fashion Place, Eye Love, So Chocolate, Bread&Co, So Coffee, Trib's, Vino Volo, Natoo, FIX, Beercode and Marché,
  - or with a strong local identity, such as Casa Del Gusto, The Belgian Chocolate House, Sawa, Extime Duty Free, Icons, etc.;
- under franchise or licence with retail partners such as Lego, TripAdvisor, Fnac, iStore, Marks & Spencer, Hermès, Victoria's Secret, Nespresso, Costa Coffee, Burger King, EL&N, Panda Express, Pierre Hermé, Éric Kayser and Paul.

As such, this broad portfolio, balanced between brands designed specifically for Travel Retail and those operated through partnerships with leading brands offering unique and differentiating customised concepts, allows Lagardère Travel Retail to cover all the specific needs of its B2B and B2C customers with diversified and innovative product offerings.

The operational excellence demonstrated by Lagardère Travel Retail, with a customised approach and shrewd responses to tenders, are major assets when bidding for new concessions in an environment where licensors worldwide are constantly raising the bar.

A forerunner in all three business segments, Lagardère Travel Retail has become one of the leaders in its industry[1]:

- the third-largest Travel Retail operator (second largest in airport Travel Retail);
- the leading global Travel Essentials operator, with the largest international network of Travel Essentials stores;
- number one European operator in the Travel Retail Fashion segment;
- the fourth-largest operator in airport Core Duty Free;
- the world's fourth-largest Foodservice provider in transit hubs.

Travel Retail is one of the most attractive niches in retailing and the division is stepping up its expansion in this segment by:

- leveraging its current positions to increase effectiveness and brand awareness;
- continually expanding its concepts and commercial offerings in all markets;
- building on its competitive positioning that was, until recently, unique and differentiating, through its expertise in three business segments;
- placing proximity at the heart of its global offering, strategy and organisation;
- committing to Travel Retail's transition to a more sustainable model;
- intensifying its organic growth, particularly in the most dynamic markets, led by business development and contract renewals. Compelling examples in 2023 include:
  - France
    - Renewal for a ten-year term of the Travel Essentials concession agreements operated as a joint venture (Extime) with the ADP group at Paris-Charles-de-Gaulle and Paris-Orly airports.
    - Renewal of the joint venture agreement with SNCF (Lagardère & Connexions) for a further ten-year term.
    - Renewal of the concession agreement for Duty Free and Travel Essentials activities at Marseilles airport.
  - EMEA
    - Italy: new Foodservice points of sale opened at Rome-Fiumicino airport.
    - Spain: contract won and new Duty Free stores opened at airports in north-west Spain.
    - Austria: Foodservice business strengthened with four new points of sale opened at Vienna airport and the integration of Marché points of sale. Continued expansion of Travel Essentials (Relay) in Vienna, with two new stores at the airport and a first store opened in a train station.
    - Bulgaria: expansion of Foodservice activities with new concessions awarded at Varna and Burgas airports, where points of sale are due to open in the first quarter of 2025.
    - United Kingdom and Ireland: presence stepped up thanks to the two new points of sale opened at London Luton airport (YO! Sushi and Discover) and a new Foodservice contract signed at Dublin airport to open four points of sale in the first quarter of 2024.
    - Netherlands: development of the Foodservice business in train stations with inauguration of three new Natoo restaurants.
    - Poland: long-term partnership strengthened with Costa Coffee, as exclusive franchisee, following the acquisition of the brand's 142 points of sale in Poland and Latvia.
    - Africa: master concession agreement awarded at Cotonou airport (Benin), Foodservice point of sale opened at Dakar station and a Travel Essentials store opened in Thiès (Senegal).
    - Middle East: Duty Free and Foodservice activities launched in the new terminal at Abu Dhabi airport (United Arab Emirates) and Foodservice tender awarded at Riyadh airport (Saudi Arabia).

(1) Source: Moodie Report, 2022 data (post-Covid-19), Lagardère Travel Retail Strategy Department, company annual reports. The Moodie Report website (www.moodiereport.com), which is recognised as a reference in the industry, regularly publishes changes in the market share of Travel Retail operators.

- Asia-Pacific
  - China: expansion of the network with new Fashion stores opened at Shanghai-Pudong and Hangzhou airports, and new Relay stores inaugurated at Shanghai-Pudong and Beijing-Capital airports.
  - Hong Kong: first autonomous convenience store launched at Hong Kong airport.
  - Japan: supply and operational support agreement signed with Kansai Airports Retail & Services for the Duty Free concession in Kansai airport's terminal 1.
  - Pacific: Duty Free contract awarded as sole operator at Auckland airport (New Zealand), concessions renewed and extended at Cairns, Hobart, Darwin and Alice Springs airports (Australia).
- Americas
  - North America: numerous tenders awarded and/or contracts extended at airports in the United States and Canada (Washington-Dulles, Salt Lake City, John Wayne-Orange County, Oakland, San Diego, Phoenix, Sarasota, New York-Kennedy, El Paso, Madison, Edmonton, Greensboro, Louisville, etc.).
  - South America: continued development in Peru with a tender awarded to operate Foodservice points of sale at Lima airport's new terminal (11 new points of sale in 2025) and to operate Travel Essentials stores at three regional airports. Foodservice activities expanded in Chile at Punta Arenas and Iquique airports, and were consolidated at Santiago airport following the award of a new Foodservice tender.

Finally, in a market that continues to consolidate, Lagardère Travel Retail acquired two specialist Foodservice groups in 2023:

- Marché, a Swiss multi-brand group operating in six countries (Germany, Austria, Croatia, Slovenia, Czech Republic and Singapore). Finalised on 1 February 2023, the acquisition of Marché, an established and widely recognised global brand, also strengthens Lagardère Travel Retail's portfolio of brands;
- Tastes on the Fly, a highly-regarded operator in North American airports, which brings its expertise in the operation of 25 restaurant concepts at five major airports (San Francisco, Denver, New York-Kennedy, Boston and Vancouver). This acquisition was finalised on 1 November 2023.

a) World leader in Travel Essentials

With the Relay, Hubiz, 1Minute and Hub Convenience stores, as well as local banners, Lagardère Travel Retail currently runs the world's largest international network of travel essentials stores located in transit hubs, including in nearly 200 international airports. The segment counted 2,655 stores worldwide at 31 December 2023.

Lagardère Travel Retail designed and operates Relay, the largest global Travel Essentials brand which offers all of the travel essentials travellers may need based on five major product categories: food, reading materials, gifts and souvenirs, travel and children.

In train stations and airports, Lagardère Travel Retail also operates a large number of stores selling electronic devices under the Fnac, iStore, Tech2go and eSavvy names.

Lastly, Lagardère Travel Retail is a souvenir store operator with the international Discover concept, as well as Air de Paris and other local brands related to concessions (Eiffel Tower, Sydney Opera House, etc.).

Lagardère Travel Retail's main competitors in the sale of convenience products in transit hubs are Avolta (following the merger between Dufry and Autogrill), WH Smith, SSP, Areas and Valora.

b) A top player worldwide in Duty Free & Fashion

Lagardère Travel Retail designed and operates stores (859 stores at end-2023) that cover the classic categories of alcohol, tobacco, perfume, cosmetics and gastronomy, as well as specialised concepts:

- either under its own banners, including Aelia Duty Free, So Chocolate and The Fashion Gallery;
- or through licences for international brands including Hermès, Longchamp, Hugo Boss, Ferragamo and Victoria's Secret.

Aside from Lagardère Travel Retail, the leading operators of Duty Free and specialist concept stores in travel areas are Avolta, DFS (LVMH group), CDFG, Lotte and Heinemann.

c) Fast-growing operator in Foodservice

Lagardère Travel Retail operated 1,608 Foodservice points of sale at end-2023:

- under its own banners, such as So Coffee, Bread&Co., Trib's, Vino Volo, deCanto, Natoo and Smullers, Marché, etc.;
- through concepts tailored to meet the specific needs of licensors and locations, including La Plage and Pan Garni at Nice-Côte d'Azur airport in France, Loksins Bar at Keflavik airport in Iceland and Bar Symon at Pittsburgh airport in the United States, etc.;
- under franchise agreements with major international brands including Starbucks, Costa Coffee, Prêt à Manger, Burger King, Ajisen Ramen, Eric Kayser, Paul, Dean & DeLuca, etc., or local brands such as SumoSalad, SaladStory, Java U, etc.

Lagardère Travel Retail's main global competitors in the Foodservice segment are Avolta, SSP, Areas and Delaware North.

B) REGULATORY ENVIRONMENT

Lagardère Travel Retail's operation of retail premises under concession agreements as well as its marketing activities must comply with certain specific local regulations as regards negotiations and the documentation of relationships with concession grantors and suppliers, those applicable to the sale of press, foodstuffs, tobacco, alcohol and duty-free products (which may be governed by conventions signed with the local customs authorities), and freight operations. For example, press distribution in France is regulated by the Bichet Act.

The World Health Organization's framework convention on tobacco control recommends various measures to reduce the supply and demand of tobacco, banning or restricting duty-free and tax-free sales of tobacco products to international travellers and banning smoking in public transport and public places. In response to this framework convention, as well as to other measures, stricter regulations are regularly being put in place regarding the sale and consumption of tobacco and could thus have an impact on Lagardère Travel Retail's businesses.

Various countries have also introduced environmental protection measures (e.g., recycling certain products) that may affect stores.

Lastly, certain Lagardère Travel Retail businesses may be required to obtain prior authorisations to operate (retail tobacco sales, alcohol sales, duty-free warehousing and sales, freight activities as carrier or principal, etc.).

C) OPERATIONS DURING 2023

Contribution to consolidated revenue in 2023: €5,018 million (versus €3,927 million in 2022).

Breakdown of revenue by activity

	2023	2022
Travel Essentials	**34.7%**	38.7%
Duty Free & Fashion	**38.5%**	38.5%
Foodservice	**26.8%**	22.8%
Total	**100%**	**100%**

Breakdown of revenue by geographic area

	2023	2022
France	**17.4%**	19.2%
Europe (excluding France), Middle East and Africa	**48.3%**	43.9%
Americas	**26.5%**	29.8%
Asia-Pacific	**7.8%**	7.1%
Total	**100%**	**100%**

Following on from 2022 and despite geopolitical upheavals, global air traffic continued to recover in 2023, particularly in Europe and North America in the first half of the year, with the gradual ramp-up in international flights (especially to and from Asia-Pacific) and sustained momentum in regional traffic. In the second half of the year, air traffic was almost back at pre-Covid levels in most airports in Europe and the United States. The direct impact of the war in Ukraine on passenger traffic has been fairly limited.

More specifically, trends in air traffic[1] during the year were as follows:

- in the first quarter, global air traffic was up by 50% on 2022 (but still down 11% on 2019), spurred by the remarkable growth in Asia-Pacific traffic year on year (up 86%);
- in the second quarter, traffic was up by 32% on 2022 and continued to be driven by Asia-Pacific (up 85%), pushing global traffic to 95% of its 2019 level;
- this recovery slowed in the third quarter, with traffic 22% higher than in 2022 and at 95% of its 2019 level;
- the fourth quarter also saw traffic continue to recover across all regions, which were almost back to their pre-Covid levels, with the notable exception of Asia-Pacific, hard hit by the economic slowdown, particularly in China.

The various regions in which the division operates therefore benefited significantly from the sustained rally in traffic to post double-digit growth, which was also driven by dynamic sales policies and innovation. Lagardère Travel Retail supported this upsurge in traffic by reopening its entire network of stores, inaugurating new, modernised points of sale and reshaping its commercial offer to meet the new expectations of travellers and concession grantors.

In this context, Lagardère Travel Retail's revenue increased by 27.8% as reported and by 23.4% like for like in 2023.

The Travel Essentials business represented 34.7% of consolidated revenue in 2023, versus 38.7% in 2022. As this segment proved more resilient during the Covid-19 pandemic, its share of the mix was rebalanced by the stronger recovery of Duty Free & Fashion businesses (which had been much harder hit by the pandemic) and acquisitions in the Foodservice segment.

Duty Free & Fashion accounted for 38.5% of consolidated revenue in 2023, stable versus 2022 (39.7% in 2019), reflecting the strong rally in international air traffic and increased purchasing power amongst travellers.

Lastly, the Foodservice business represented 26.8% of consolidated revenue in 2023, compared with 22.8% in 2022 (22.5% in 2019), driven by the recovery in air traffic in North America and Europe, and by the acquisitions of Creative Table Holdings Ltd in Dubai in April 2022, Marché in February 2023 and Tastes on the Fly in November 2023.

(1) Source: ACI World; 2023.

C.1 FRANCE

Business was up by 15.9% versus 2022, driven by the airport network (up 19.2% year on year), as air traffic rallied and spending per passenger increased. The increase in non-airport sales (up 8.9% versus 2022) reflects the recovery in train station traffic (long-distance and suburban lines) and greater footfall in hospitals after visitor restrictions were lifted at the end of 2022.

Against this backdrop of a gradual recovery, business in the Travel Essentials network grew by 2.0% versus 2022 (up 26.1% versus 2022, excluding the impact of contracts transferred to the Lagardère & Connexions joint venture, which is accounted for by the equity method). This increase was driven by robust trading in the airport network (up 10.2% versus 2022) and at tourist attractions (Eiffel Tower), which saw a strong rally thanks to the return of international tourists (up 25.3% on 2022). To a lesser extent, business also benefited from the good momentum at train stations, with revenue up 14.6% excluding the impact of stores transferred to the joint venture with SNCF (down 13.3% on 2022 on a consolidated basis), despite the recurring adverse impact of remote working on passenger numbers in commuter networks.

The Foodservice segment advanced 22.6% on 2022, with a year-on-year rise of 18.8% in transit hubs (up 47.8% in airports and down 8.4% in train stations) and of 24.5% in the hospital network.

The Duty Free & Fashion business delivered 19.0% year-on-year revenue growth, as air traffic rebounded in Paris (up 15.3% year on year, but still 7.6% down on 2019 in line with the slower recovery in traffic to and from China) and at regional hubs (up 17.6% year on year at Nice-Côte d'Azur airport).

C.2 EUROPE, MIDDLE EAST AND AFRICA (EMEA – EXCLUDING FRANCE)

Business in the EMEA region (excluding France) benefited from the favourable post-crisis climate already observed in 2022 and from the sustained recovery in traffic. Revenue jumped +33% year on year, buoyed by (i) the continued upturn in European traffic (up 20% on 2022), despite the slower recovery in Chinese passengers and the absence of Russian travellers (linked to the conflict in Ukraine), (ii) a favourable scope effect (acquisition of Marché in the first quarter of 2023 and full-year effect of the Creative Table Holdings Ltd acquisition at Dubai airport) and (iii) dynamic sales initiatives and new store openings across all countries in the region.

Operations in **Italy** reported revenue up sharply by 44.1% year on year. The Duty Free business, which in 2022 had been affected by international traffic that remained below its 2019 level, saw sales increase by 50% year on year in 2023. This performance was driven by the sustained recovery in international passenger traffic, which was almost back to its 2019 level at most airports, with the exception of Rome-Fiumicino (down 10% on 2019), and by network expansion at regional airports. The Travel Essentials and Foodservice businesses were the biggest winners of the sharp recovery in traffic, delivering year-on-year revenue growth of 33% and 36%, respectively.

In the **United Kingdom**, sales rose 32% year on year owing to the recovery in traffic, the favourable impacts of Brexit on spending per passenger, and the development of new ferry routes.

Aelia Duty Free (United Kingdom).

In **Belgium**, Duty Free revenue for the year jumped 26% versus 2022, fuelled by the recovery in intra-European and transatlantic air traffic and by a dynamic sales policy. However, traffic at Zaventem airport remained below its 2019 level (down 15% on 2019).

Sales in the **Netherlands** were up 31% on 2022, boosted by the gradual return of international traffic at Schiphol airport (particularly to and from China). Passenger volumes in 2023 were at 86% of 2019 levels. The Foodservice and Travel Essentials businesses also benefited from the faster recovery in domestic traffic at transport hubs and the opening of new stores.

Although also affected by the absence of Russian travellers, operations in **Central Europe** were buoyed by a more resilient non-airport business and higher inflation.

In **Germany**, excluding Marché (which had consolidated revenue of €88 million in 2023), business was up 28% year on year, and has now exceeded 2019 figures (14% higher). This performance was notably due to the new food court opened at Nuremberg station and to the gradual recovery in air traffic. However, the recovery in traffic in Germany is one of the slowest in Europe, due to the fact that the events and trade fair sector is still not back to its pre-Covid level.

Poland saw strong 48% revenue growth compared with 2022, driven by buoyant air traffic, high inflation and network expansion (acquisition of Costa Coffee). Growth in Duty Free and Travel Essentials (up 26% on 2022 for each of the two segments) continues to be driven by the robust recovery in air traffic, which benefited from the return of large numbers of workers between Poland and the United Kingdom (favourable impact of Brexit on spending per passenger) as well as Northern Europe. The Foodservice business delivered stellar 130% revenue growth versus 2022, reflecting the takeover of Costa Coffee stores in mid-February 2023. Excluding this scope effect, revenue growth in this segment remained strong at 41%, lifted by inflation and by the introduction of new concepts in the network.

Revenue in the **Czech Republic** was up by 19% year on year but was hampered by a sluggish rebound in air traffic in terms of both volumes and quality as a result of the Russia-Ukraine conflict. Despite this, revenue in 2023 outperformed its 2019 level (3% higher).

Business in **Romania** grew by 15.3% year on year thanks to the performance of the shopping mall network and to solid momentum in tobacco sales.

Revenue in **Bulgaria** was 30.6% higher year on year, lifted by tobacco sales in the Travel Essentials network, a good performance from the Foodservice business at airports during the summer months and the development of the network.

Foodservice revenue in **Iceland** was up 26.6% on 2022, reflecting the opening of new stores amid major extension work at Keflavík airport.

West Africa (Senegal, Gabon, Mauritania and Gambia) saw strong revenue growth in the year (up 18% on 2022), led by the opening of new stores and optimised sales in the legacy scope. This performance is particularly impressive given the political turmoil in Senegal (riots in the run-up to the elections) and Gabon (coup d'état).

East Africa (Tanzania) enjoyed vigorous growth (up 33% year on year), with the continued improvement in legacy businesses and the increase in regional air traffic.

Lastly, business in the **Middle East** was up 77.2% on 2022, driven by a favourable comparison basis (acquisition of Creative Table Holdings Ltd in April 2022), the opening of eight new restaurants and growth in the Duty Free business in line with the strong upsurge in traffic in Saudi Arabia, the inauguration of three stores at Dubai airport and the start of operations at the new Abu Dhabi airport terminal in November 2023.

C.3 ASIA-PACIFIC

In the **Pacific** region, traffic continued to recover, but was still down on 2019 levels. 2023 saw the transition of the Duty Free concession at Auckland airport to a sole operator. Note that since the merger of Lagardère Travel Retail Pacific with AWPL on 1 May 2022, these activities have been accounted for under the equity method. Revenue as managed on a 100% basis jumped 117%, but was down 72% versus 2022 on a consolidated basis.

In **Singapore**, an exclusively international airport hub, traffic continued its very gradual recovery in 2023 and in December stood at 85% of its 2019 level. 2023 figures include the acquired Marché restaurants. Revenue therefore improved sharply, soaring 242.2% on 2022.

In **mainland China**, China's radical "zero Covid" policy remained in place until the end of December 2022, with major lockdowns in Shanghai, Beijing and Hainan leading to a sharp fall in airport and rail traffic. In 2023, the recovery in traffic was very gradual and business grew more slowly than expected, in line with an economy losing steam compared to the pre-Covid period. Despite this difficult environment, revenue advanced 31.2% year on year. On the island of **Hainan**, where Lagardère Travel Retail played a part in the opening of the island's second-largest Duty Free shopping centre in late 2020 (30,000 sq.m. spread over five levels) in partnership with Hainan Tourism Investment Development (HTI), the division continued to supply the HTI point of sale network.

Travelwell (Hong Kong).

In **Hong Kong**, traffic at airports and train stations gradually rallied following the end of restrictions linked to the Covid-19 pandemic, driving a 150.5% increase in revenue year on year.

The division continued to expand in **Japan** through a new partnership signed on 6 December 2023 with Kansai Airports Retail & Services to supply the Duty Free stores in Kansai airport's terminal 1.

C.4 AMERICAS

In 2023, **North America** saw robust growth of 12.5% versus 2022, led by the **United States**, which reported an 11.0% year-on-year rise in revenue. The recovery was underpinned throughout the year by the sustained return of domestic traffic and the success of sales initiatives. The business also benefited from a favourable scope effect, with a full year of activity for stores opened in 2022, the inauguration of new stores in 2023 (mainly at the Nashville, Ronald Reagan Washington Airport, Oklahoma City, Grand Rapids and Detroit hubs) and the November 2023 acquisition of Tastes on the Fly (27 restaurant concepts across San Francisco, Boston, Denver, New York-Kennedy and Vancouver).

Vino Volo (United States).

Canada, which is more exposed to international flights, saw a stronger recovery than the United States (up 27.8% year on year) and outperformed 2019 (19% higher).

Lagardère Travel Retail began operating in **South America** in January and February 2022 after it was awarded concessions at Santiago airport in Chile (Foodservice) and Lima airport in Peru (Duty Free & Fashion under a profit-sharing arrangement). In Chile, revenue surged 104.5% on 2022 (combined effect of a full year of operations and stores opened in Iquique and Punta Arenas regional airports and at Santiago airport). Lastly, in Peru, sales were up 33.5% on 2022.

C.5 OBJECTIVES AND ACHIEVEMENTS IN 2023

The main objectives for 2023 were as follows:

- achieve and entrench the ambitions of the LEaP Forward programme, despite new inflationary pressures;
- support operational excellence by boosting team engagement and development to increase attractiveness and help retain talent;
- become a market reference through the wide-scale deployment of sustainability initiatives under its internal "PEPS" (Planet, Ethics, People, Social) programme, designed to accelerate Travel Retail's transition to a more responsible and ethical model;
- accelerate innovation with new offers, concepts, services and business models;

- adapt the division's strategy in Asia to the new geopolitical landscape;
- press ahead with cash conservation and optimisation initiatives to support the growth strategy and adapt organisations to the prevailing climate.

These objectives were all met during the year, in some cases with performance far exceeding expectations.

D) OUTLOOK

Lagardère Travel Retail's outlook for 2024 depends mainly on the dynamics of air traffic amid uncertainties in the economic and geopolitical environments.

However, Lagardère Travel Retail remains confident that it will be able to maintain its current upturn and will pursue its ambitious growth path based on its high-quality concepts, operational excellence and organisational agility. The Lagardère Travel Retail also intends to press ahead with its strict cost control policy and selective investment approach.

Its 2024 objectives aim to benefit fully from the new post-Covid momentum, focusing on the following priorities:

- continue to instil a culture focused on performance and continuous improvement in operations;
- take advantage of the many development opportunities that the market will offer in order to win new concessions while improving the profitability of operations;
- boost team engagement and development to increase attractiveness and help retain talent;
- continue to roll out the CSR initiatives under its internal "PEPS" (Planet, Ethics, People, Social) programme;
- to be recognised by customers as the most innovative player in the sector, with an ever-growing range of new offers, concepts, services and business models.

1.3.3 OTHER ACTIVITIES

1.3.3.1 LAGARDÈRE NEWS

The following comments describe the situation of Lagardère News in its 2023 configuration, which comprises *Paris Match*, *Le Journal du Dimanche*, *JDD Magazine* and licensing management for the Elle brand.

A) PRINCIPAL ACTIVITIES AND MAIN MARKETS

With three press titles (*Paris Match*, *Le Journal du Dimanche*, *JDD Magazine*) and a global magazine brand (Elle), Lagardère News brings together 3.2 million readers[1] every week and 6.8 million unique visitors[2] every month to its digital platforms.

A.1 PRESS

Lagardère News publishes *Paris Match*, *Le Journal du Dimanche* and *JDD Magazine* press titles.

With 10.1 million readers every month[1] across its various paper and digital formats, *Paris Match* is France's leading news magazine, as measured by both print audience and circulation. It enjoys unique market positioning, combining the professionalism of news weeklies, the excitement of photo magazines and stunning coverage of news, culture, lifestyles and people. It can assign seasoned journalists to get to the heart of the world's most spectacular events, while offering intimate insights into the lives of France's favourite newsmakers and celebrities.

Every month[1], *Le Journal du Dimanche* reaches 4.9 million readers, including France's top opinion leaders, in its various paper and digital formats. Thanks to its breaking news stories, exclusive interviews and hundreds of weekly pick-ups by other media, it is France's weekend newspaper of choice and one of the country's most influential newspapers in the fields of politics, business and culture.

In October 2022, *Le Journal du Dimanche* launched *JDD Magazine*, a monthly literary and investigative publication. Leveraging the brand's visibility and reputation, *JDD Magazine* is published on the last Sunday of each month and sold as a supplement with *Le Journal du Dimanche*. This new publication appeals to readers interested in literature, investigative reporting, and fashion and lifestyle. An online edition available on *Le Journal du Dimanche*'s website amplifies reader experience with newsletters, dedicated and exclusive features on social media, and adapted versions of the content published in the newspaper and magazine.

In the world of news weeklies, the main competitors of *Paris Match* are *Le Point*, *L'Obs*, *L'Express* and the weekly supplements of newspapers including *Le Figaro Magazine* and *M, le magazine du Monde*. With its mix of news, field reports, photojournalism and coverage of royalty and celebrities, *Paris Match*'s competitors now include publications such as *Gala* for example.

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

Competition covers print, digital media (websites and apps) and social networks.

(1) Source: ACPM One Next S2 2023.
(2) Source: Médiamétrie NetRatings, total Internet audience in France, October 2023, unduplicated audience: *Le Journal du Dimanche* (B), *Paris Match* (B); base: 2 years and older.

A.2 ELLE INTERNATIONAL

The leading fashion and lifestyle media brand, Elle International is the world's number one women's media network, with 32 million readers and 90 million unique visitors each month on 56 local websites. Elle also has more than 200 million followers on social media.

It has close to 80 international editions, including 45 *Elle* and 25 *Elle Décoration*, licensed in 42 countries with partners such as Hearst, Burda and Aller.

It also includes a non-media licensing business (fashion, beauty, decoration, services, etc.) comprising 190 licensees in over 80 countries.

Lastly, an exclusive international advertising sales brokerage unit sells print and online space in all Elle editions to advertisers through a network of nearly 30 representative offices around the world.

B) REGULATORY ENVIRONMENT

Lagardère News' Press business is subject, for example, to (i) press law (the 29 July 1881 law on the freedom of the press and the 1 August 1986 law reforming the legal regime for the press), (ii) intellectual property law, including copyright and related rights, (iii) consumer rights, data protection regulations, and (iv) the 18 October 2019 law on the modernisation of press distribution (reforming the Bichet Act), which requires press publishers to form a cooperative if they pool distribution and use approved press distribution companies.

Lagardère News' Digital business is subject in particular to the French law of 21 June 2004 designed to build trust in the digital economy.

Pursuant to the 1 August 1986 law, foreigners who are not members of the European Union or the European Economic Area are prohibited from holding, directly or indirectly, more than 20% of the capital of a company that publishes works in French. Its content production activities operate under the aegis of the relevant legislation, in particular, restrictions on tobacco and alcohol advertising, online gambling laws, sustainability and laws concerning false and misleading advertising. Lagardère News complies with the rules of the French Joint Commission of Press Publications and Agencies (CPPAP), whose policy statements determine aid granted to the printed and online press.

Lastly, Lagardère News also closely monitors laws and regulations on copyright, trademarks, libel and slander, image rights and privacy.

C) OPERATIONS DURING 2023

Breakdown of revenue by activity

	2023	2022
Press	**64.0%**	66.2%
Elle International	**36.0%**	33.8%
Total	**100%**	**100%**

Breakdown of revenue by geographic area

	2023	2022
France	**65.7%**	67.3%
International	**34.3%**	32.7%
Total	**100%**	**100%**

The advertising market for offline media (TV, cinema, radio, press and outdoor advertising)[1] was fairly stable in January-September 2023 compared with the same period in 2022 (down 0.9%), but has not yet returned to its pre-Covid level (7.1% lower than in 2019). Specifically, the press advertising market was also relatively stable year on year (down 0.7% on 2022), but continues to significantly underperform 2019 (down 22% on 2019).

Against this backdrop, Lagardère News pursued its transformation efforts (development of digital versions and a fee-based press offer, consolidation of the Elle brand worldwide), while remaining focused on diligently managing costs in order to limit the impact of the decline in its revenue.

(1) Source: BUMP/IREP, cumulative figures for three quarters in 2023, January-September 2023.

C.1 PRESS

Circulation revenue generated by *Paris Match* and *Le Journal du Dimanche* ended the year down 11.5%, compared with a 6% decline in 2022. More specifically, Digital sales increased while newsstand print sales and print subscriptions fell back in a structurally contracting market.

In terms of newsstand sales, *Paris Match* remained a force to be reckoned with in paid circulation among French news magazines, with an average weekly circulation of 463,993 copies in 2022-2023 (down 4.96%[1] on 2021-2022).

In the dailies segment, *Le Journal du Dimanche* reported an 8.8% decline[1] in paid circulation over 2022-2023 (versus 2021-2022), with an average circulation of 124,150 copies per issue.

In **Advertising**, after a good year in 2022, the second half of 2023 was more challenging, with the temporary halt in the publication of Le *Journal du Dimanche* (six-week strike) in a difficult advertising environment for newspapers in general and amid increased competition for weekend publications following the launch of *La Tribune Dimanche* in October 2023.

In **Digital**, the *Paris Match* website and app received almost 5 million unique visitors every month on average between January and October 2023[2]. It also maintained an extensive social media presence with six million followers. In addition, the *Le Journal du Dimanche* website and app attracted an average of 2.3 million unique visitors every month[2]. Since the end of October 2022, the digital platforms of *Le Journal du Dimanche* have also featured content from *JDD Magazine*.

C.2 ELLE INTERNATIONAL

Elle's international licensing business had an eventful year in 2023, seeing:

In the media segment:

- launch of *Elle Man* in the Middle East;
- relaunch of *Elle Men* in Thailand;
- launch of Elle Digital (website and social media) in Switzerland;
- change of partner for *Elle Croatia*, *Elle Singapore* and *Elle Thailand*;
- signature of an agreement to launch *Elle Lithuania* slated for February 2024;
- continued development of certain global events such as the Elle Deco International Design Awards (EDIDA) and the Elle International Beauty Awards (EIBA).

Maison Elle hotel (Netherlands).

In the non-media segment:

- opening of the second Maison Elle hotel (following Paris, France, in 2022) in Amsterdam (Netherlands);
- opening of two Elle cafés in Taipei (Taiwan) and Riyadh (Saudi Arabia);
- launch of Elle coffee capsules in North America;
- launch of Elle Girl ready-to-wear websites in Japan;
- collaboration with the Remonte footwear brand in Europe and North America;
- launch of a line of Elle bed linen in China.

For the international Advertising Sales Brokerage:

- successful deployment of brand content campaigns in Watches & Jewellery;
- growth in non-endemic business (cars, etc.).

C.3 OBJECTIVES AND ACHIEVEMENTS IN 2023

In 2023, Lagardère News teams worked on the transformation of both of its divisions:

- development of digital media and a fee-based press subscription offer; rollout of *JDD Magazine*;
- consolidation of Elle brand leadership worldwide, development of its special operations through its international advertising network and growth in its non-media licensing business.

Lagardère News also remained focused on diligently managing costs to limit the impact of the decline in its revenue.

D) OUTLOOK

In 2024, digital expansion will be among Lagardère News' key challenges, driven by the ongoing development of online subscriptions to *Le Journal du Dimanche* and *Paris Match*, a broader audio and video offer on its online platforms, and the development of its audience on social media.

(1) Source: ACPM-OJD, DFP-DSH, July 2022-June 2023.
(2) Source: Médiamétrie Internet Global, January-October 2023.

1.3.3.2 LAGARDÈRE RADIO

The following comments describe the situation of Lagardère Radio in its 2023 configuration, which comprises Advertising Sales Brokerage, Europe 1 and the French music radio networks Europe 2 and RFM.

A) PRINCIPAL ACTIVITIES AND MAIN MARKETS

Lagardère Radio reached more than 5 million listeners every day in 2023(1), through its three radio stations (Europe 1, Europe 2 and RFM).

A.1 RADIO

With its three national networks, Lagardère Radio is a major player in the French radio broadcasting market. Radio station revenues are mainly made up of radio and advertising revenue, which depend greatly on audience ratings and the state of the advertising market.

Europe 1

Europe 1, France's leading general-interest radio station, offers high-quality programmes for the general public, with more than 2.2 million daily listeners(2).

Europe 2

Officially launched on 1 January 2023, the Europe 2 brand is back as a replacement for Virgin Radio.

A music radio station with a core target audience of adults aged 25 to 49, Europe 2 offers a pop-rock music format that combines classic sounds with songs by young up-and-coming French artists. It had nearly 1.2 million daily listeners in 2023(2).

RFM

Every day, RFM offers its more than 1.8 million daily listeners the very best of music in a general interest, family-friendly format, featuring a rich blend of pop, disco, funk and rock(2).

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

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

A.2 ADVERTISING SALES BROKERAGE

Lagardère Publicité News markets a rich and varied media offering and smart media solutions closely matched to the needs of advertisers, media agencies and communications consultants.

The company is the advertising sales house for Lagardère Radio stations (Europe 1, Europe 2 and RFM), Lagardère News' press titles (*Paris Match*, *Le Journal du Dimanche*, *JDD Magazine*) as well as for Oüi FM (greater Paris region), Radio FG (greater Paris region and Nice), Radio Meuh, Radio Public Santé and Replay News.

In 2023, Lagardère Publicité News enhanced its audio offer with Crooner Radio and Sonos Radio inventories.

The company markets emblematic, leading and complementary brands firmly anchored in the daily lives of French people, whether in news or entertainment.

Lagardère Publicité News services span radio, press, digital and experiential formats. They draw on their business expertise, innovative media solutions and powerful brands to amplify conventional media campaigns or design tailor-made communication solutions.

Lagardère Publicité News has a powerful offering that in 2023 reached around 29 million people, or 53% of the French population, over a one-month period(3).

B) REGULATORY ENVIRONMENT

Lagardère Radio activities are subject to broadcasting regulations. In France, this concerns in particular (i) the law of 30 September 1986 and its enabling decrees, (ii) the inter-industry agreements relating in particular to government oversight, and (iii) broadcasters' contributions to audiovisual production and the terms and conditions governing their implementation.

In accordance with the law of 30 September 1986, for its Radio activities in France Lagardère Radio must seek authorisations for specific periods determined by the French audiovisual regulator (*Autorité de régulation de la communication audiovisuelle et numérique* – Arcom). Radio activities are also governed by conventions signed with Arcom, renewed in compliance with the above-mentioned law.

Pursuant to the French law of 30 September 1986, foreigners who are not members of the European Union or the European Economic Area are prohibited from holding, directly or indirectly, more than 20% of the capital of a company that has an authorisation to provide terrestrial radio services in French. By the same logic, French law of 14 November 2016 promoting media freedom, independence and pluralism, prohibits Arcom from granting authorisation to operate a French language terrestrial radio service to companies whose capital ownership by non-French entities exceeds a certain threshold. Violations of these rules on foreign ownership of the media could lead to criminal penalties.

Within the scope of its content editing and Advertising Sales Brokerage activities, Lagardère Radio is subject to various regulations, both at national level (e.g., French law of 21 June 2004 designed to build trust in the digital economy and the provisions of the French online retailing consumer code) and internationally (e.g., Regulation (EU) of 27 April 2016, applicable as of 25 May 2018). Lagardère Radio's Advertising activities are subject to applicable laws and regulations, in particular those relating to tobacco and alcohol advertising, online gaming, sustainable development and false or misleading advertising. They are also subject to the law of 29 January 1993 on anti-corruption and transparency of the economy and of public procedures ("Sapin").

Lastly, Lagardère Radio also closely monitors laws and regulations on copyright, press freedom (including libel and slander), image rights and privacy.

(1) Source: Médiamétrie EAR National, 13 years and older, Monday-Friday, 5:00 a.m.-midnight, Europe 1, Europe 2 and RFM, November-December 2023, cumulative audience.
(2) Source: Médiamétrie EAR National, 13 years and older, Monday-Friday, 5:00 a.m.-midnight, November-December 2023, cumulative audience.
(3) Source: Cross Médias 2023.1 study; 15 years and older; exposure over one month; radio, websites and apps, press; Europe 1, Europe 2, RFM, *Paris Match*, *Le Journal du Dimanche*.

C) OPERATIONS DURING 2023

Breakdown of revenue by activity

	2023	2022
Europe 1	**23.4%**	25.3%
Europe 2	**25.4%**	27.0%
RFM	**27.2%**	25.2%
Other (Advertising Sales Brokerage and Éditions musicales François 1er)	**24.0%**	22.5%
Total	**100%**	**100%**

Advertising revenue from offline media (TV, cinema, radio, press and outdoor advertising)(1) was fairly stable over January-September 2023 compared with the same period in 2022 (down 0.9%), but continued to underperform its pre-pandemic level (down 7.1% on 2019). More specifically, the radio advertising market remained resilient, with revenue up 0.8% on 2022 (down 2.4% on 2019).

Against this backdrop, Lagardère Radio continued to consolidate its programming schedule and to reverse the downward trend at Europe 1, while rolling out the Europe 2 brand and adjusting RFM's positioning.

C.1 RADIO

Europe 1

With over 2.2 million daily listeners(2), Europe 1 had a cumulative audience (CA) of 4.0% in November-December 2023, up 0.4 percentage points year on year and down 0.2 percentage points versus 2021. The station's audience share was 3.4%, up 0.5 percentage points year on year and stable versus 2021(3).

Europe 1's performance against its commercial targets was as follows:

- 2.2% audience share among 25- to 59-year-olds(4) (up 0.7 percentage points year on year and down 0.2 percentage points versus 2021);
- 2.6% audience share among AB+ listeners(5) (up 0.4 percentage points year on year and down 0.7 percentage points versus 2021).

In 2023, repositioning efforts for Europe 1 continued apace, with a denser, new-look coherent programme schedule based on four editorial focuses: news, business, culture, and compelling historical narratives and true crime stories.

Autumn 2023 saw the arrival of big names (Pascal Praud, Sophie Davant and Olivier de Lagarde) to join the station's well-known presenters, Laurence Ferrari, Laurent Mariotte and Christophe Hondelatte. The programme schedule also continued to evolve, with the simultaneous broadcasting on CNews and Europe 1 of the Sonia Mabrouk interview and, since 8 January 2024, of the first half-hour of *l'Heure des pros* (9:00 a.m.-9:30 a.m.) hosted by Pascal Praud.

Europe 1 has also stepped up its digital transformation strategy, increasing its creative, marketing and technological investment spend.

After a record year for podcasts in 2022, Europe 1 registered a total of 178 million downloads in 2023(6). This success was led by Christophe Hondelatte's true crime stories (*Hondelatte raconte*), which once again proved to be France's most popular storytelling podcast. Following the successful launch of its new social media strategy in 2022, focused primarily on ramping up video, the station stepped up momentum in 2023, registering nearly 500 million views over the year.

(1) Source: BUMP/IREP, cumulative figures for three quarters in 2023, January-September 2023.
(2) Source: Médiamétrie EAR National, 13 years and older, Monday-Friday, 5:00 a.m.-midnight, November-December 2023, cumulative audience.
(3) Source: Médiamétrie EAR National, 13 years and older, Monday-Friday, 5:00 a.m.-midnight, November-December 2023, cumulative audience and audience share.
(4) Source: Médiamétrie EAR National, 25-59 years, Monday-Friday, 5:00 a.m.-midnight, November-December 2023, audience share.
(5) Source: Médiamétrie EAR National, AB+ listeners, Monday-Friday, 5:00 a.m.-midnight, November-December 2023, audience share.
(6) Source: Médiamétrie eStat Podcast, 2023 cumulative downloads.

Music radio

With almost 1.2 million daily listeners[1], Europe 2 had a cumulative audience of 2.2% and an audience share of 1.3% in November-December 2023[2].

The music station, which primarily targets listeners aged 25-49 (representing almost two out of three listeners), was particularly popular among the 35-49 age group, with a cumulative audience of 4.6% (up 0.1 percentage point year on year) in November-December 2023[3].

Since 28 August 2023, two new features have been added to the programme schedule:

- *Clément s'incruste*, the morning show on Europe 2 hosted by Clément Lanoue, which attracted 687,000 listeners between 6:00 a.m. and 9:30 a.m.[4];
- *After Work Europe 2*, the music show hosted by Marie-Pierre Schembri, which attracted 573,000 listeners between 4:00 p.m. and 8:00 p.m.[5].

RFM notched up over 1.8 million daily listeners[6]. During the year-end wave, the station recorded a cumulative audience of 3.3% in November-December 2023, up 0.4 percentage points on the previous wave and down 0.3 percentage points year on year. The audience share was 2.7%, up 0.1 percentage point on the previous wave and down 0.3 percentage points year on year[7].

Focusing on adult listeners, RFM has become more influential and competitive in its core market of 35-59-year-olds, with its cumulative audience up 0.7 percentage points and audience share up 0.4 percentage points[8] in the autumn season.

The station still boasts a long listening time (one hour and 43 minutes a day), thanks to:

- the morning show hosted by Caroline Ithurbide and Albert Spano, which woke up 866,000 listeners between 6:00 a.m. and 9:30 a.m. in 2023, an increase of 97,000 listeners and 0.1 percentage point in audience share for the autumn season[9];
- a drive time presented by Pat Angeli, which attracted 729,000 listeners between 4:00 p.m. and 8:00 p.m., an increase of 77,000 listeners for the autumn season[10];
- strong music slots with over 976,000 listeners between 9:30 a.m. and 4:00 p.m., an increase of 105,000 listeners and of 0.2 percentage points in audience share[11].

Changes in Lagardère Radio's cumulative radio audience in France are as follows (5:00 a.m.-midnight, 13 years and older, Monday-Friday):

Cumulative audience %	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
Europe 1	9.0%	8.1%	7.2%	6.4%	5.5%	5.0%	4.5%	3.8%	**3.8%**
Europe 2	4.7%	5.0%	4.8%	4.5%	4.3%	3.4%	2.9%	2.7%	**2.3%**
RFM	4.5%	4.4%	4.2%	4.1%	4.0%	3.9%	3.4%	3.2%	**3.1%**

Source: Médiamétrie EAR National, 13 years and older, Monday-Friday, 5:00 a.m. to midnight, January-December, cumulative audience (%).

C.2 OBJECTIVES AND ACHIEVEMENTS IN 2023

The main objectives and achievements in 2023 were based around:

- consolidating Europe 1's programme schedule and editorial focus, and reversing the downward trend in the station's audience figures;
- rolling out the new Europe 2 brand and introducing a new prime time slot in September 2023;
- adapting RFM's programming and positioning to meet the growing competition from music radio stations in its core target market.

D) OUTLOOK

In 2024, Lagardère Radio's development will be based on:

- Europe 1: continuing to grow audience figures (particularly among the target 25-59 age group), improving the brand's digital presence and visibility, and promoting the station's identity and assets;
- music radio: strengthening Europe 2's reputation, cementing RFM's appeal, developing special operations and events, implementing a cost savings and growth plan (restructuring of resources, pooling, etc.).

(1) Source: Médiamétrie EAR National, 13 years and older, Monday-Friday, 5:00 a.m.-midnight, November-December 2023, cumulative audience.
(2) Source: Médiamétrie EAR National, 13 years and older, average Monday-Friday, 5:00 a.m.-midnight, November-December 2023, cumulative audience and audience share.
(3) Source: Médiamétrie EAR National, 25-49 years, Monday-Friday, 5:00 a.m.-midnight, November-December 2023 vs. November-December 2022, cumulative audience.
(4) Source: Médiamétrie EAR National, 13 years and older, average Monday-Friday, 6:00 a.m. to 9:30 a.m., November-December 2023, cumulative audience.
(5) Source: Médiamétrie EAR National, 13 years and older, average Monday-Friday, 4:00 p.m. to 8:00 p.m., November-December 2023, cumulative audience.
(6) Source: Médiamétrie EAR National, 13 years and older, Monday-Friday, 5:00 a.m.-midnight, November-December 2023, cumulative audience.
(7) Source: Médiamétrie EAR National, 13 years and older, Monday-Friday, 5:00 a.m. to midnight, November-December 2023 vs. November-December 2022 and vs. September-October 2023, cumulative audience and audience share.
(8) Source: Médiamétrie EAR National, 35-59 years, average Monday-Friday, 6:00 a.m. to 9:30 a.m., November-December 2023 vs. September-October 2023, cumulative audience and audience share.
(9) Source: Médiamétrie EAR National, 13 years and older, average Monday-Friday, 6:00 a.m. to 9:30 a.m., November-December 2023 vs. September-October 2023, cumulative audience and audience share.
(10) Source: Médiamétrie EAR National, 13 years and older, average Monday-Friday, 4:00 p.m. to 8:00 p.m., November-December 2023 vs. September-October 2023, cumulative audience and audience share.
(11) Source: Médiamétrie EAR National, 13 years and older, average Monday-Friday, 9:30 a.m. to 4:00 p.m., November-December 2023 vs. September-October 2023, cumulative audience and audience share.

1.3.3.3 LAGARDÈRE LIVE ENTERTAINMENT

A) PRINCIPAL ACTIVITIES AND MAIN MARKETS

Lagardère Live Entertainment is a subsidiary of the Lagardère group dedicated to the performing arts. Comprising powerful brands recognised throughout the world, the company develops innovative solutions based on three complementary activities:

- managing iconic theatres (Casino de Paris and Folies Bergère) and larger new-generation venues (Arkéa Arena and Arena du Pays d'Aix);
- producing shows and tours (L Productions);
- hosting and providing local promotional services for French and international productions (Euterpe Promotion).

Lagardère Live Entertainment is the first company in France to operate in all three areas of live entertainment.

In 2023, Lagardère Live Entertainment and its subsidiaries employed the full-time equivalent of 173 people across France (including occasional performers).

A.1 MANAGEMENT OF CONCERT AND ENTERTAINMENT VENUES

Lagardère Live Entertainment manages a number of entertainment venues. Since 2011, the venue portfolio has been enhanced by acquiring iconic Parisian music halls and theatres such as Folies Bergère and Casino de Paris. Lagardère Live Entertainment has also invested in major new-generation venues in the rest of France, such as the Arkéa Arena concession in Bordeaux and the public service concession for the Arena du Pays d'Aix in Aix-en-Provence.

Lagardère Live Entertainment manages venues that have become iconic spaces for millions of concert- and theatre-goers.

A.2 PRODUCTION OF LIVE SHOWS AND CONCERTS

Since its founding, L Productions has steadily expanded its artist roster. Alongside established stars such as Florent Pagny, Matthieu Chedid (-M-), Jean-Louis Aubert, Hoshi and Kev Adams, it has gradually built up an A-list of emerging artists with a new generation of talents like Stéphane, Ilyes Djadel, Laurie Darmon, Malo', Ferielle and Météo Mirage.

L Production offers a wide range of services to its artists, including marketing, communication, digital strategy, ticketing, technical support, budgeting and booking.

At the same time, L Productions' success has been built on its experience in producing musical shows, with such blockbuster hits as *Les Choristes*.

A.3 HOSTING AND LOCAL PROMOTIONAL SERVICES

Acquired by Lagardère Live Entertainment in May 2023, Euterpe Promotion has established itself over the past 45 years as a reference in hosting cultural events in south-west France, with more than 300 annual shows, notably in Bordeaux, Biarritz, Bayonne, Toulouse, Limoges, Pau, Agen, Poitiers, Boulazac, La Rochelle, Angoulême, Châteauroux and Niort.

Euterpe Promotion offers know-how and expertise in promotion, production, communication and technical management. The company has also developed an online and in-store ticketing business (Bordeaux, Toulouse and Limoges) through its Box Office division.

Its cross-generational programming is designed to entertain all audiences with eclectic French and international productions including concerts, comedy shows, theatre, dance, musicals and shows for young audiences.

B) REGULATORY ENVIRONMENT

Lagardère Live Entertainment's activities are not only subject to intellectual property law, labour law and standards for establishments receiving members of the public, but also to special regulations pertaining to certain professions (entertainment producers, venue operators, etc.).

Pursuant to decree no. 2019-1004 of 27 September 2019, companies that operate performance venues and/or produce or broadcast live performances in France must file a statement of intent with the Ministry of Culture, whose receipt of filing serves as a licence to exercise these activities, subject to compliance with a certain number of conditions.

C) OPERATIONS DURING 2023

Breakdown of revenue by activity

	2023	2022
of which venue management	**63%**	80%
of which production of live shows and concerts	**12%**	20%
of which hosting and local promotional services	**25%**	-
Total	**100%**	**100%**

From 2010 to 2019, the market for live music and entertainment shows in France[1] saw a steady rise in attendance and ticket sales, with 2019 considered an exceptional year. As a result of the Covid-19 pandemic, ticket sales fell by 83% in 2020 and by 73% in 2021. With more than 62,000 paid performances and 32 million admissions, business picked up again in 2022 and passed the €1 billion revenue mark for the first time, with total ticket sales of €1,146 million.

The final figures for 2023 were not all known at the date of this document, but the start of the year saw sharp increases across the market as a whole.

(1) Source: French national music centre – *Centre national de la musique* (CNM).

Against this backdrop, Lagardère Live Entertainment confirmed its position as a major player in this sector in 2023, with revenue exceeding the previous record set in 2019.

C.1 MANAGEMENT OF CONCERT AND ENTERTAINMENT VENUES

2023 saw an upturn in the number of performances hosted in venues managed by Lagardère Live Entertainment, at 533 as compared to 488 performances in 2022.

The Arkéa Arena hit a new record high in terms of visitor numbers, boosted by events such as the inauguration of Stromae's new show and the seven consecutive sell-out performances of the rock opera *Starmania*. Casino de Paris also enjoyed strong growth, led by performances of *Mamma Mia!* and shows by Måneskin and Hoshi. Ticket sales at Folies Bergère, which was closed for four months due to renovations, advanced only slightly thanks to artists such as Véronique Sanson, Tryo, Renaud and Maxime Gasteuil. Lastly, despite a buoyant programming schedule featuring -M-, Florence Foresti and Michel Sardou, Arena du Pays d'Aix saw a drop in revenue compared with 2022, when sales had been boosted by shows initially postponed due to Covid-19.

Lagardère Live Entertainment also confirmed its commitment to CSR during the year, with the launch of ISO 20121 certification (the benchmark standard for sustainable events) for Arkéa Arena, the introduction of sensory kits at all venues for audiences with sensory difficulties, automatic monitoring of fluid consumption and the completion of several carbon audits.

Arkéa Arena (France).

C.2 PRODUCTION OF LIVE SHOWS AND CONCERTS

The year's biggest event was -M-'s phenomenally successful tour, which drew over 1 million spectators in 18 months (67 dates in 2023). After the cancellation of the second part of his 2022 tour, Florent Pagny was able to perform 17 festival dates in the summer of 2023, which proved more popular than expected. Lastly, Kev Adams gave 53 performances at Zénith venues and festivals.

2023 also saw the emergence of new talent produced by L Productions, such as Stéphane (23 dates) and Malo' (24 dates). Two major new artists were also signed in the year, namely Hoshi (Grand Prix Sacem for Song of the Year in 2023) and comedian Ilyes Djadel (35 dates at the Palais des Glaces in Paris).

Lastly, L Productions continued to develop the international licence for *Les Choristes*, with performances in China, Spain and Canada.

C.3 HOSTING AND LOCAL PROMOTIONAL SERVICES

Acquired in May 2023, Euterpe Promotion hosted 188 shows between May and December 2023, including several stadium concerts by international stars (Muse, Depeche Mode, The Weeknd, Mylène Farmer, etc.). The company also organised a comedy festival in Bordeaux (Les Fous Rires) and a series of concerts in the Bayonne Arena (-M-, Bigflo & Oli, Florent Pagny).

Euterpe is a forerunner in the ticketing market in France through its Box Office division and a major player in south-west France through its online ticketing service and network of stores.

D) OUTLOOK

Despite the planned closure of Folies Bergère for four months in connection with its renovation programme, 2024 should see a record number of shows staged in the venues managed by Lagardère Live Entertainment, in particular Arkéa Arena and Arena du Pays d'Aix. We are optimistic about this projection on the basis of the bookings already confirmed to date.

Business at L Productions is set to remain in line with 2023, with tours by Hoshi and Ilyes Djadel. -M- will offer the public an innovative new project from the second half of 2024, while some fast-growing new artists should confirm their initial success (Stéphane, etc.).

2024 will also see the integration of Euterpe Promotion over a full year to secure its existing business and optimise its CRM and analytics tools with a view to developing the company in new businesses and regions.

Lagardère Live Entertainment will also be negotiating new agreements with ticketing operators and strengthening its CRM policy.

Finally, guided by its focus on sustainability, the company will study the possibility of switching to geothermal energy at the Arkéa Arena in Bordeaux.

1.3.3.4 LAGARDÈRE PARIS RACING

A) PRINCIPAL ACTIVITIES AND MAIN MARKETS

Created in 2006 and with 13,500 members, Lagardère Paris Racing's main activity is to organise sports activities at the Croix Catelan site (Paris, France). This site boasts 44 tennis courts (14 of which are natural clay courts), three padel courts, two outdoor swimming pools (including an Olympic pool) and fitness facilities.

Croix Catelan also has a Foodservice offering as well as sports shops, a children's play park and entertainment venues.

Since its creation, a vast renovation programme has been carried out to modernise and upgrade all the club's technical and sporting facilities. Lagardère Paris Racing has been awarded ISO 14001 certification by AFNOR (a French standards organisation), in recognition of the initiatives undertaken as part of its environmental policy. These include rainwater collection, energy stewardship and improved waste sorting.

B) REGULATORY ENVIRONMENT

Lagardère Paris Racing is subject to regulations applicable to establishments receiving members of the public and occupying public land, and to town planning law, the sports code and the statutes and regulations of the federations of the sports practised within its facilities.

C) OPERATIONS DURING 2023

Breakdown of revenue by activity

	2023	2022
Income from membership fees	**80%**	77%
Other	**20%**	23%
Total	**100%**	**100%**

Second edition of Trophée Clarins (France).

In 2023, the Croix Catelan site saw a return to its pre-Covid attendance figures.

The year was shaped by the second edition of Trophée Clarins, an international women's professional tennis tournament (WTA 125). The event helped to raise the profile of Lagardère Paris Racing, confirm its commitment to top-level sport and strengthen its ties with its members.

The membership renewal campaign demonstrated the firm loyalty of existing members and the strong appeal of the club, which has a waiting list of over 400 prospective members.

D) OUTLOOK

Lagardère Paris Racing will continue its activities along three main lines in 2024:

- promoting sport and the values embodies by sport;
- continuing to upgrade its facilities and sports equipment;
- improving the quality of services on offer and facilitating access to information about club life.

To coincide with the third edition of the WTA tournament, the club will once again run various promotional and outreach initiatives for young tennis players in the Paris region, particularly children and young adults from disadvantaged Parisian neighbourhoods.

Finally, as a preparation centre for the Paris 2024 Olympic and Paralympic Games, the site will host the Japanese tennis delegation as well as the French open water swimming team.

1.4 MAJOR INVESTMENTS

The Group's major contractual commitments in terms of investments are described in notes 32 and 33 to the 2023 consolidated financial statements.

1.4.1 INVESTMENT AND INNOVATION POLICY

1.4.1.1 PURCHASES OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(in millions of euros)	2023	2022	2021
Lagardère Publishing	**64**	49	38
Lagardère Travel Retail	**196**	124	92
Other Activities	**9**	4	6
Total	**269**	**177**	**136**

1.4.1.2 PURCHASES OF INVESTMENTS

(in millions of euros)	2023	2022	2021
Lagardère Publishing	**(3)**	68	273
Lagardère Travel Retail	**388**	140	39
Other Activities	**(2)**	2	(33)
Total	**383**	**210**	**279**

These figures are taken directly from the consolidated statement of cash flows and represent purchases of investments net of cash acquired.

1.4.2 MAJOR INVESTMENTS IN 2021

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

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

1.4.3 MAJOR INVESTMENTS IN 2022

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

Purchases of investments amounted to €210 million in 2022, mainly corresponding to the acquisition of Creative Table Holdings Ltd and capital increases at Société de Distribution Aéroportuaire and Lagardère & Connexions (Lagardère Travel Retail), as well as to the acquisition of Welbeck Publishing Group, Paperblanks and Bragelonne (Lagardère Publishing).

1.4.4 MAJOR INVESTMENTS IN 2023

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

Purchases of investments represented a cash outflow of €383 million in 2023. These mainly relate to Lagardère Travel Retail and include the acquisition of a 49% stake in Extime Duty Free Paris, the acquisitions of Tastes on the Fly in the United States and Swiss-based Marché International group, Costa Coffee in Poland and Latvia, and the financing of joint ventures in the Pacific and in Asia.

1.5 MATERIAL CONTRACTS AFR

1.5.1 MATERIAL CONTRACTS BINDING THE GROUP

In the two years immediately preceding publication of this Universal Registration Document, the Company signed the following major contracts (other than those entered into in the normal course of business):

ACQUISITION BY LAGARDÈRE TRAVEL RETAIL OF A MAJORITY SHARE IN CREATIVE TABLE HOLDINGS LTD

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

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

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

LAGARDÈRE TRAVEL RETAIL WINS THE TENDER TO OPERATE DUTY FREE & FASHION STORES IN PARIS AIRPORTS

Following the public consultation launched in November 2021, Lagardère Travel Retail was selected in July 2022 as co-shareholder of the ADP group in the future Extime Duty Free joint venture, which will be responsible for the design, development and operation of nearly 150 Duty Free & Fashion stores in the Paris-Charles de Gaulle and Paris-Orly airports for the next ten years.

ACQUISITION OF WELBECK PUBLISHING GROUP BY HACHETTE UK

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

ACQUISITION OF MARCHÉ INTERNATIONAL BY LAGARDÈRE TRAVEL RETAIL

On 1 February 2023, Lagardère Travel Retail acquired 100% of the shares in Marché International AG, the holding company of the Marché group, from Carlton Holding AG. Marché is a well-established international foodservice operator in travel and leisure locations. The acquisition of Marché, a long-standing and highly recognised brand globally, considerably strengthens Lagardère Travel Retail's portfolio of in-house brands and helps consolidate its network of restaurants across Europe.

ACQUISITION BY LAGARDÈRE TRAVEL RETAIL OF TASTES ON THE FLY HOLDINGS, INC.

On 1 November 2023, HDS Retail North America LLC, a subsidiary of Lagardère North America Inc., acquired the entire share capital of Tastes on the Fly Holdings, Inc., part of Paradies Lagardère, the North American division of Lagardère Travel Retail.

This acquisition makes Lagardère Travel Retail the second-largest player in the North American Travel Retail and Foodservice sector, operating in more than 90 airports and with total annual revenue in excess of USD 1.5 billion.

1.5.2 CONTRACTS INVOLVING MAJOR COMMITMENTS FOR THE WHOLE GROUP

The Company and its subsidiaries have also entered into a certain number of material contracts (other than those entered into in the normal course of business) involving an obligation or major commitment for the whole Group. The contracts concerned are the financing agreements referred to in note 28 to the 2023 consolidated financial statements, particularly the following:

- On 11 May 2015, the Company arranged a €1.25 billion multi-currency syndicated credit facility for general corporate purposes. At the end of its initial five-year term, the facility was extended for two years, to May 2022. On 18 December 2020, the Company and its partner banks agreed to amend the facility to lower the line of credit to €1.1 billion, extend the maturity of a €1.0 billion tranche from 2022 to March 2023 and redefine the financial covenants to reflect the impact of the health crisis on all of the Lagardère group's businesses (see note 28.1 to the consolidated financial statements). The facility was further amended on 21 December 2021 to reflect the phase-out of the London Interbank Offered Rate (LIBOR), one of the leading benchmarks for setting interest rates in interbank financial markets. A further amendment was signed on 21 April 2022, (i) immediately reducing the credit facility from €1.102 billion to a total of €1.042 billion and (ii) extending the maturity of a €982 million tranche from March 2023 to April 2024, with the option to further extend the maturity to April 2026 subject to the agreement of the banks. On 28 June 2023, the maturity of this syndicated loan agreement was extended from 30 April 2024 to 30 April 2025.
- On 14 June 2017, the Company carried out a seven-year €300 million bond issue on the Luxembourg stock market, maturing in June 2024 and paying an annual coupon of 1.625%. Following the change of control of the Company at the end of 2023, bonds totalling €260.5 million were presented for early redemption.
- On 26 June 2019, the Company raised €250 million through the private placement of German Schuldscheindarlehen debt instruments. The placement consisted of four euro-denominated tranches issued with five- and seven-year maturities at fixed and floating rates. Following the change of control of the Company at the end of 2023, debt instruments totalling €27 million were presented for early repayment.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

- On 9 October 2019, the Company issued a total of €500 million worth of seven-year bonds on the Luxembourg stock market, maturing in October 2026 and paying an annual coupon of 2.125%. Following the change of control of the Company at the end of 2023, bonds totalling €451.2 million were presented for early redemption.
- On 30 September 2021, the Company issued a total of €500 million worth of six-year bonds on the Luxembourg stock market, maturing in October 2027 and paying an annual coupon of 1.75%. Following the change of control of the Company at the end of 2023, bonds totalling €491.5 million were presented for early redemption.
- On December 12, 2023, Vivendi and the Company entered into a loan agreement under which Vivendi granted a loan of up to €1.9 billion to Lagardère in order to provide it with the means of meeting (i) its early repayment obligations on a portion of its borrowings triggered by its change of control and (ii) its cash requirements for December 2023 and the first half of 2024. The agreement will expire on 31 March 2025. The Company will consider arranging financing to repay the debt drawn on this loan. However, Vivendi and the Company have agreed to set up a new loan agreement for any part of the loan that may not be refinanced at maturity, by adapting the terms of the current loan.

1.6 RECENT DEVELOPMENTS (SINCE 1 JANUARY 2024)

1.6.1 SIGNIFICANT EVENTS

1.6.1.1 PROSPECTS OF *PARIS MATCH* MAGAZINE

Lagardère SA has received from the LVMH group an offer to acquire magazine title *Paris Match*.

At its meeting of 27 February 2024, the Board of Directors decided to enter into exclusive discussions with the LVMH group.

The employee representative bodies would be consulted on the mooted disposal in due course.

1.6.1.2 PIERRE LEROY STEPS DOWN FROM THE GENERAL MANAGEMENT OF THE LAGARDÈRE GROUP

Pierre Leroy has decided to terminate his office as Deputy Chief Executive Officer, member of the Executive Committee and advisor on the Board of Directors of Lagardère SA, with effect from 19 March 2024. He was appointed Advisor to the Group's Chairman and Chief Executive Officer, Arnaud Lagardère, with effect from that same date.

1.6.2 MAJOR CHANGES IN THE GROUP'S FINANCIAL AND COMMERCIAL POSITION

On 12 January 2024, Lagardère SA repaid a nominal amount of €1,203.2 million and approximately €7 million in interest to bondholders requesting early repayment following the triggering of the change of control clause at the end of 2023. The outstanding balance for each of the three bond issues is €39.5 million maturing in 2024, €48.8 million maturing in 2026 and €8.5 million maturing in 2027.

At the same time, an additional amount of €1,210 million was drawn down under the loan agreement with Vivendi SE (due 31 March 2025), bringing the total amount drawn down on the facility to €1,480 million. The undrawn balance of this agreement amounted to €420 million at 12 January 2024.

1.7 OUTLOOK AFR

1.7.1 TREND INFORMATION

Despite the uncertain geopolitical and macroeconomic environment, the Lagardère group remains confident in its ability to maintain a high level of results, thanks to the dynamism and responsiveness of its teams, and the diversified geographical presence of its two core businesses:

- despite less buoyant markets and pressures on costs, Lagardère Publishing should maintain similar performances to 2023;
- with ongoing robust momentum in global air traffic, in spite of geopolitical tensions and uncertainty concerning a rebound in Chinese international tourism, Lagardère Travel Retail has potential for revenue and profitability growth, thanks in particular to its efforts to optimise its operations.

1.7.2 OUTLOOK

The outlook for each of the Group's businesses is disclosed in section 1.3.

1.8 EARNINGS FORECAST

None.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

2

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Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

2.1 THE LAGARDÈRE GROUP BUSINESS MODEL AFR

The "Lagardère 2023 in brief" section and section 1.3 of this Universal Registration Document provide detailed information on the Group's strategy, businesses and model, key figures, markets and more.

The Lagardère group's overarching objective is to develop the loyalty of its audiences and consumers worldwide through powerful brands that deliver content publishing, production, broadcasting and distribution. The key features of this integrated model of value creation are presented in the chart below.

Business model

A sustainable value creation model

INPUTS AND RESOURCES(1)

HUMAN CAPITAL

31,316 employees

46% of women top executives

FINANCIAL CAPITAL

€652 million in business investment

€3,079 million in available liquidity

Leverage ratio(2) of **2.97**

ENVIRONMENTAL AND SOCIETAL CAPITAL

304 GWh power consumption of buildings(3)

140 kilotons of paper purchased and supplied

23,594 audiobooks available in the Lagardère Publishing catalogue at year-end

BUSINESSES

Lagardère is an international group with operations in more than 40 countries worldwide. It ranks among the world leaders in publishing (Lagardère Publishing) and travel retail (Lagardère Travel Retail).

Lagardère Publishing
Books
e-Books
Partworks
Stationery, Board Games and Mobile Games

Lagardère Travel Retail
Travel Essentials
Duty Free & Fashion
Foodservice

Other Activities(4)
Press and the Elle brand licence
Radio
Venue management, production of live shows, hosting and local promotional services
Sports club

VALUE CREATION(1)

EMPLOYEE VALUE

14,327 permanent recruitments

352,707 training hours Group-wide

74% of workforce with employee representation

FINANCIAL VALUE

€8,081 million in revenue

€520 million in recurring operating profit (recurring EBIT)

€261 million in free cash flow

€0.65 per-share dividend(5)

ENVIRONMENTAL AND SOCIETAL VALUE

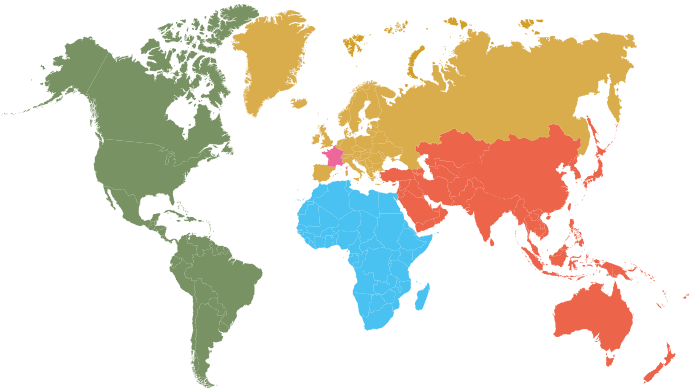
99% of paper purchased and supplied certified or recycled

11.2 tCO_2eq. of emissions per €m of revenue(6)

(1) Data at 31 December 2023.
(2) Leverage ratio: net debt/recurring EBITDA.
(3) Oil, gas, electricity and district heating.
(4) Lagardère News (*Paris Match*, *Le Journal du Dimanche*, *JDD Magazine*, and the Elle brand licence), Lagardère Radio (Europe 1, Europe 2, RFM and Advertising Sales Brokerage), Lagardère Live Entertainment (production of concerts and live shows, venue management, hosting and local promotional services), Lagardère Paris Racing (sports club) and the Group Corporate function.
(5) Dividend subject to shareholder approval at the Annual General Meeting to be held on 25 April 2024.
(6) Scopes 1 & 2 carbon emissions from fixed sources (power consumption of buildings).

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

Workforce by geographic area at 31 December 2023



FRANCE

Lagardère Publishing	2,707
Lagardère Travel Retail	1,854
Other Activities	1,076
Total	**5,637**

EUROPE (EXCLUDING FRANCE)

Lagardère Publishing	2,703
Lagardère Travel Retail	8,703
Total	**11,406**

AMERICAS

Lagardère Publishing	1,929
Lagardère Travel Retail	8,727
Other Activities	20
Total	**10,676**

ASIA-PACIFIC

Lagardère Publishing	166
Lagardère Travel Retail	3,141
Total	**3,307**

AFRICA

Lagardère Publishing	96
Lagardère Travel Retail	194
Total	**290**

2.2 CSR POLICIES, STAKEHOLDERS AND STRATEGY AFR

Create purpose. Foster personal fulfilment at work. Combine professional excellence with respect for the planet. Anticipate the needs of a changing society. These challenges are reflected in the Lagardère group's CSR commitments, without compromising on three internal objectives: comply with increasingly stringent regulatory requirements, make responsibility an integral part of the development strategy and maintain strong stakeholder relations.

2.2.1 CSR POLICY OBJECTIVES

2.2.1.1 ADAPTING CSR TO GROUP STRATEGY

The Lagardère group applies its CSR policy across the Group's various businesses. The CSR roadmap reflects:

- changes in the Group's activities. The development of activities offering growth potential, as well as changes in the business models of the more historical activities, to the extent that innovation is an essential component that affects the social, environmental and societal impacts of the Group's activities;
- the Group's increasingly international footprint. The international expansion of the Lagardère group's activities, entry into new emerging markets and the objective of ensuring that growth becomes less centred on France are also factors to bear in mind since they alter the contours of the Group's CSR strategy (inclusion of issues with an international reach, impacts on local communities, promotion of cultural diversity, etc.).

2.2.1.2 COMPLYING WITH INCREASINGLY STRINGENT REGULATORY REQUIREMENTS

The CSR reference framework applies internationally.

In France and in Europe, non-financial disclosure requirements have become more stringent over the years. This section represents the Group's non-financial statement, published pursuant to articles L. 225-102-1 and R. 225-105 of the French Commercial Code. It also contains the duty of care plan, which is obligatory for parent companies and contracting entities (see section 2.7), as well as Regulation (EU) 2020/852 of the European Parliament, known as the Taxonomy Regulation (see section 2.8).

Internationally, Lagardère applies a number of core CSR documents and principles, such as the International Bill of Human Rights, the ILO's Fundamental Principles[1] the OECD Guidelines for Multinational Enterprises, and the Guiding Principles on Business and Human Rights.

The Lagardère group draws on other guidelines in carrying out its business activities, such as ISO 26000, Unesco's Convention on the Protection and Promotion of the Diversity of Cultural Expressions and Unicef's Implementation Handbook for the Convention on the Rights of the Child.

Furthermore, the UN's Sustainable Development Goals (SDGs) – formulated in 2015 and setting out the societal priorities for building a more sustainable society – have become the reference for CSR best practice. Accordingly, the Group endeavours to build a strategy consistent with those goals that are most relevant to its businesses. Broken out into 17 global development goals on wide-ranging topics including gender equality, climate action, quality education and innovation, the SDGs cover all of the core sustainability priorities for the period through to 2030. They set out a clear framework of standards and shared language for all stakeholders, ensuring synergy and consistency in actions and initiatives at all levels.

Lastly, as in previous years, Arnaud Lagardère, Chairman and Chief Executive Officer of Lagardère SA, has renewed his commitment to the principles of the Global Compact, which the Group has upheld since 2003.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

(1) International Labour Organization.

With operations on every continent, the Lagardère group is one of the world's leading publishing and travel retail businesses. As an international Group, we need to be rigorous and exemplary in promoting rights and principles that are universally recognised and adopted to ensure that globalisation is respectful of humankind and the environment. This international commitment is expressed through the Group's membership of the United Nations Global Compact, which we joined in 2003, and which encourages businesses to operate responsibly.

To reaffirm our commitment, each year we report on the progress made by our Group in the ten principles.

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.

Principle 5: Businesses should uphold the effective abolition of child labour.

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

FIGHTING CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Arnaud Lagardère

Chairman and Chief Executive Officer of Lagardère SA

2.2.1.3 STRENGTHENING STAKEHOLDER RELATIONS

Authors and other artists, readers and listeners, employees and suppliers, concession granters and the travelling public, customers and investors, consumers and shareholders: Lagardère's various stakeholders – internal, external, general public and industry – are mapped out in the following chart. The Group maintains regular and constructive dialogue with its stakeholders at local and national level in each of the countries where it operates. Dialogue takes varying forms depending on the stakeholder, both at Group level and in each entity. The information provided herein mainly refers to dialogue structured at the level of the listed company, Lagardère SA.

A) EMPLOYEES AND REPRESENTATIVE BODIES

The Group recognises the importance of social dialogue at various levels (sites, entities, subsidiaries, Group) for regular discussion of the operational and strategic decisions that best reconcile the Company's responsibilities to its employees with its economic interests.

Depending on local regulations and cultures, social dialogue is carried out with independent partners serving as employees' legitimate representatives. Occupational health and safety issues, working conditions as well as organisational changes impacting the professional environment are among the main topics dealt with.

At Group level, two committees have been formed to address strategic priorities and the management of operations in France and internationally: the European Works Council, set up in 2003, and the Group Employees' Committee, set up in 2002. Both bodies have regular exchanges with Management about the Group's activities and the changes required to ensure their sustainability.

The Group Employees' Committee and the European Works Council each comprise 30 members who are employees of the Lagardère group in France and Europe respectively. Since the committee's membership was renewed in 2019, French employees have held 15 seats, with the balance held by representatives from the nine other European countries in which the Group has operations – Austria, Czech Republic, Germany, Italy, Netherlands, Poland, Romania, Spain and the United Kingdom.

The articles of association of the Group Employees' Committee and the European Works Council stipulate that each of these bodies must hold an annual ordinary plenary meeting. In addition to these annual meetings, extraordinary meetings or meetings between committee members and these committees may be held if warranted.

The public offer for Lagardère SA launched by Vivendi SE in 2022 meant that social dialogue continued at a sustained and smooth pace in 2023.

The procedures for informing and consulting employee representatives concerning the public offer and the resulting link-up project were completed in July 2023 with the presentation of the expert's report commissioned by the Group Employees' Committee.

Lastly, in the subsidiaries, discussions between management and the bodies focused on the various operational projects underway and their organisational impact, as well as on employees' questions on the Group's acquisition by Vivendi, which closed on 21 November 2023.

B) NON-FINANCIAL COMMUNITY

Among stakeholders, the Lagardère group also maintains a dialogue with the community of non-financial analysts.

The Lagardère group accordingly achieved the following performances in 2023 (based on 2022 data), reflecting its high level of commitment, maturity and sustainability and ESG practices:

- Sustainalytics: "low risk", with a rating of 16.6 (up 1.2 points on the previous period, ranking Lagardère 168th out of the 505 companies rated in the "Retail" sector;
- CDP: C rating, below the average for European companies (B), but in line with the "Publishing" sector (C) in which the Lagardère group is assessed;
- S&P – Global CSA: score of 48/100 in 2023 (down 12 points from the previous year). However, Lagardère's performance is in the 95th percentile compared with other companies rated in the Media, Movies & Entertainment category.

C) STAKEHOLDER PANEL

Lagardère set up a stakeholder panel in 2015. This advisory body comprises 13 members (including 12 from outside the Group) who represent the Group's main priorities, business lines and sectors. Chaired by General Management and facilitated by the Sustainable Development and CSR Department, this panel's meetings have three objectives:

- establishing regular dialogue between Lagardère and its stakeholders at Group level;
- obtaining a better understanding of stakeholders' perception and expectations of the Group;
- supporting Lagardère's forward-looking strategy for its main social, environmental and societal priorities.

The panel has already met 11 times since it was first set up. In 2023, a process was undertaken to reconstitute the panel so as to adapt its membership to the Lagardère group's latest double materiality analysis, carried out in anticipation of the implementation of the European Union's new Corporate Sustainability Reporting Directive (CSRD), to which the Lagardère group will be subject in 2025 with respect to 2024.

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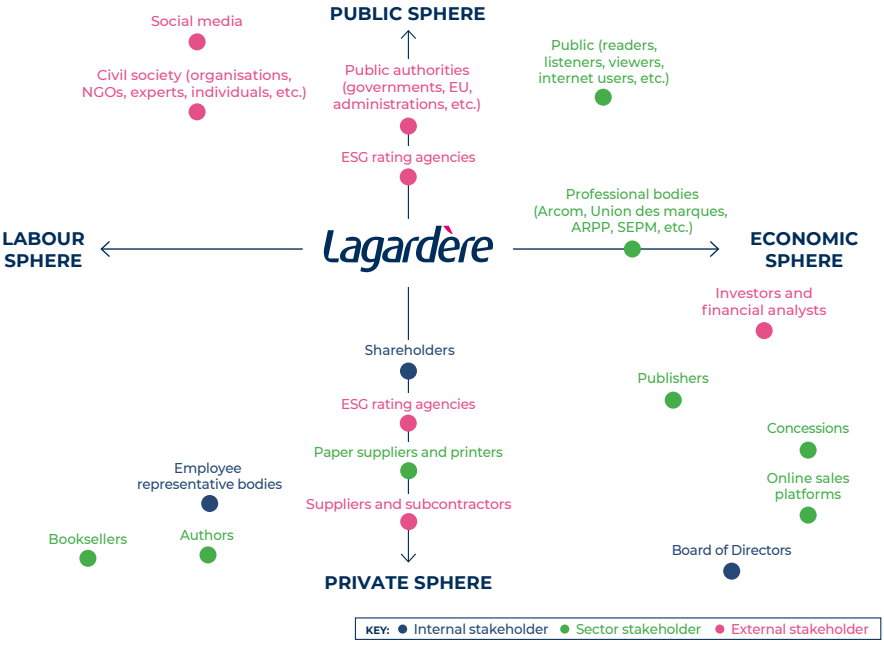


2.2.2 CSR PLAYERS AND GOVERNANCE

In view of the Group's organisation, ambitions and culture, as well as changing stakeholder expectations, Lagardère's CSR governance was strengthened and broadened in 2022 and 2023.

The Board of Directors regularly reviews issues related to Lagardère's CSR and climate strategy. In addition, the Appointments, Remuneration and CSR Committee (ARCSRC) has been tasked with these issues since 2015. Over the course of 2023, the Sustainable Development and CSR Department made four presentations to the ARCSRC to present developments in CSR and the climate action plan. The Audit Committee was also more closely involved in non-financial reporting and the carbon audit, notably during a joint meeting with the ARCSRC dedicated to the Gaia project, whose purpose is to ensure compliance with the CSRD. Furthermore, during its meeting of July 2023 the Board of Directors was given a presentation on developments in its role and responsibilities regarding CSR and the climate strategy.

At Group level, the Sustainable Development and CSR Department, which reports to the Secretary General, who is also a member of the Executive Committee, sets the framework for Lagardère SA's CSR and climate strategy, working mainly with the divisional CSR and HR departments. It oversees the implementation and execution of the strategy within the divisions. Once a year, a Group-Division CSR committee meets in the presence of each division's Chief Executive Officer to review the previous year's initiatives in relation to the Group's objectives and to draw up the roadmap for the following year. In addition, a cross-functional CSR committee meets monthly with the divisional CSR and HR directors to ensure that policies and action plans are aligned throughout the year.

The CSR Department also ensures that the Group's activities are compliant with evolving regulations, carries out non-financial reporting campaigns, establishes a consolidated view of the Group's non-financial data, interacts with the rating agencies and investors, manages communication and relationships with stakeholders on all issues concerning Lagardère SA, and takes charge of the cross-divisional projects incumbent on a listed Group. In 2023, a new steering committee was set up to oversee the strengthening of Lagardère's non-financial reporting, under the dual responsibility of the Secretary General and the Group Chief Financial Officer, both members of the Executive Committee. It brings together the CSR, Finance, HR, Compliance, Internal Control and Operations functions of each division.

Within the divisions, the CSR departments propose and lead each division's strategy, in line with the Group's strategy, and coordinate implementation across all subsidiaries and regions, working hand in hand with all functions and business lines. Governance dedicated to CSR has also been set up at each level, in addition to the regular updates provided by the Executive Committees. Bodies include the Lagardère Travel Retail PEPS[1] Committee and the Lagardère Média News advertising sales brokerage CSR Committee. The divisions help the operating entities to identify local challenges and roll out the resources needed to manage them.

The operating entities manage the action plans associated with their activities in order to meet the objectives set by the Group and the divisions. Within this framework, they roll out the systems and programmes provided.

2.2.3 THE GROUP'S CSR STRATEGY: RISKS, IMPACTS AND OPPORTUNITIES

In 2023, the Lagardère group continued to roll out its CSR strategy, based on four pillars:

- **Limiting the environmental impact of our products and services**

  The Group works towards a pragmatic, environmentally-driven commitment that is relevant to its business activities, focusing on three fronts: climate change, responsible resource management (especially paper and plastics, waste reduction, recycling) and an environmentally responsible approach to the food chain.

- **Placing people at the heart of our strategy**

  The Lagardère group has a policy of actively promoting diversity and inclusion, and has made the fight against sexism in the workplace one of the major thrusts of its gender balance policy. Meanwhile, its day-to-day involvement in developing its employees' skills also plays a role in attracting and retaining talent.

- **Sharing the social and cultural diversity of our businesses**

  The Lagardère group promotes access to education and knowledge while defending freedom of speech, pluralism of ideas and cultural diversity through the content it produces and distributes, as well as through its various partnerships and cultural and social solidarity programmes.

- **Ensuring ethical and responsible corporate governance**

  The Lagardère group is committed to growing its business in accordance with the leading quality, compliance and ethical standards, while endeavouring to seize all the opportunities that arise in addressing the related issues.

The strategy resulted from a materiality analysis initiated in 2017 and updated in 2020 to take into account developments in the Group's activities.

In 2023, the Lagardère group took a new step by carrying out its first ever double materiality analysis, ahead of the CSRD obligations.

Led jointly by the Lagardère group's Risk, CSR and Finance departments, the project involved all divisions and their business lines. Around 40 issues were identified in relation to the Group's activities and assessed using a method based on the same scoring scale as the Group's risk analysis and in the light of external data sources (MSCI, EcoVadis etc.). Thirteen material issues were retained from a pre-selection of 21, thereby confirming and developing the strategic priorities already identified. The double materiality analysis now includes not only a gross assessment of the financial risks CSR challenges pose for the Company, but also an assessment of the impact of the Group's activities on the environment and stakeholders.

Of the 13 material issues identified in this double materiality analysis, five are priorities for the Group as a whole and eight are specific to the divisions, depending on their activities.

(1) PEPS: Planet, Ethics, People, Social.

PRIORITY ISSUES FOR THE GROUP AS A WHOLE

Climate is a compelling issue for all divisions. Three social issues also stand out across all activities and business lines: **working conditions, health and safety**, and **workers in the value chain** (in relation to subcontracting activities and supplier relationships). Lastly, **equal opportunities** has been identified as a core value for the Group, which, although associated with risks and impacts, offers significant opportunities for its human resources and commercial activities: diversity of talent is a strength in all businesses, and editorial diversity also guarantees increased market share (particularly in the publishing and media business lines).

ISSUES SPECIFIC TO DIFFERENT DIVISIONS

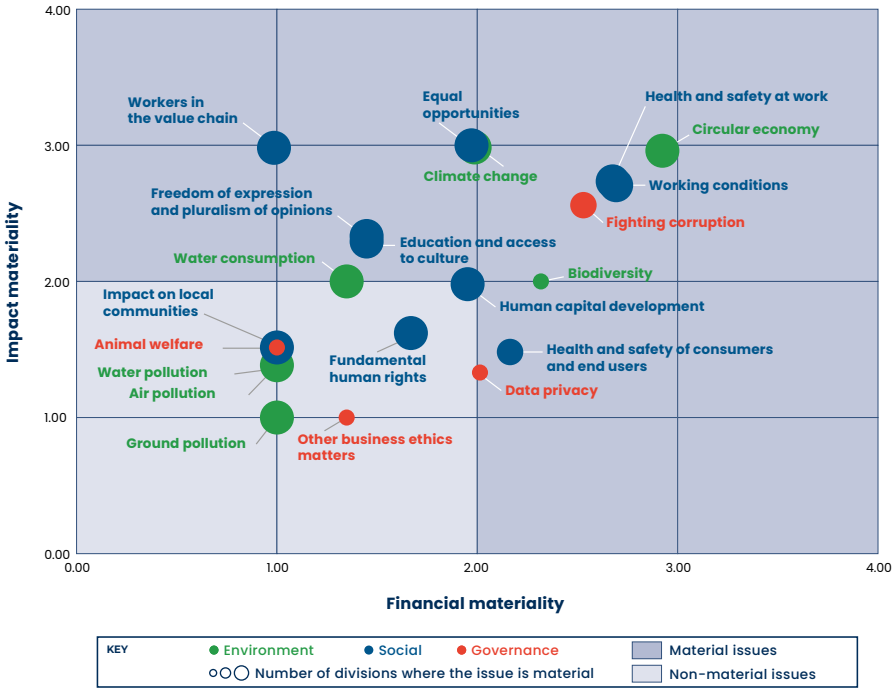
- Mounting concerns around **biodiversity** intersect with the issue of managing the resources (wood, water, etc.) needed to produce paper for the publishing activities (Lagardère Publishing and Lagardère News).
- The **circular economy** is a material issue for both publishing and retail.
- **Consumer health and safety** is a particular concern for both Lagardère Travel Retail and Lagardère Live Entertainment, two activities that are both open to the public.
- Governance covers issues including **anti-corruption and business ethics**, particularly for the Group Corporate function and the Lagardère Travel Retail teams, as well as **data protection** for Lagardère News.
- As three of our four businesses are dedicated to content (books, entertainment, media), **education and access to culture** represent substantial opportunities, as do **freedom of expression and pluralism of opinions**, and also underpin the importance of the Jean-Luc Lagardère Foundation and the Hachette Foundation for Reading.

In 2024, the Lagardère group will continue this approach by fine-tuning the analysis and embedding it more deeply in its strategy, business model and non-financial reporting. "Biodiversity", "Workers in the value chain", and "Health and safety at work", which did not appear in the previous materiality analysis from 2020, are now described in the following sections on the basis of existing actions and will be the subject of more robust action plans in 2024. "Human capital development" (training, retention), which did not reach the level of materiality in the analysis, is nevertheless covered.

The financial quantification of climate risks, as described in section 5.2, also complements and informs this work.

Lastly, with regard to the publication of information aimed at strengthening the bond between the nation and the armed forces and supporting service in the reserves, the Lagardère group has not yet taken any initiatives in this area.

Lagardère group double materiality matrix



Corporate social responsibility cross-reference table

ESG challenges	Risks and opportunities	Materiality	Strategy and KPIs (quantitative and qualitative)	SDG
2.3.1 Placing people at the heart of our strategy	Working conditions	Group	**See chapter 2.3.1.1** • Resignation rates • Internal mobility rate • Average training hours per employee • Percentage of employees covered by an engagement survey • Proportion of workforce covered by employee representation at 31 December • Number of formal disputes involving forced labour or harassment	
	Health and safety at work	Group	**See chapter 2.3.1.2** • Number of work accidents and days' absence due to sick leave • Frequency and severity rate and lost time related to work accidents • Percentage of the workforce at an entity with a health and safety committee • Percentage of training hours dedicated to occupational health and safety • Percentage of the workforce at an entity with regular health monitoring	
	Diversity and gender balance in human capital	Group	**See chapter 2.3.1.3** • Percentage of women top executives • Percentage of women managers • Percentage of managers trained in and/or made aware of diversity issues • Number of employees with a disability • Number of formal disputes involving discrimination	
	Consumer health and safety	Lagardère Travel Retail Lagardère Live Entertainment	**See chapter 2.3.1.4** • Number of countries audited for health and safety during the year • Percentage of countries audited for health and safety at year-end	
	Workers in the value chain	Group	**See chapter 2.3.1.5** • Percentage of expenditure related to suppliers presenting high CSR risks as assessed by EcoVadis • Number of formal disputes involving child labour	
2.3.2 Sharing the social and cultural diversity of our businesses	Access to and dissemination of education, culture and entertainment	Lagardère Publishing Lagardère News Lagardère Radio Lagardère Live Entertainment	**See chapter 2.3.2.1** • Number of audiobooks available in the Lagardère Publishing catalogue at year-end • Percentage of e-books available in ePub3 format among new textbooks (level 1 accessibility) in the Lagardère Publishing catalogue at year-end • Percentage of e-books available in ePub3 format among new textbooks that successfully passed the Level 2 Accessibility Check for ePub in the Lagardère Publishing catalogue at year-end	
	Engaged corporate Foundations	Group	**See chapter 2.3.2.2** • Jean-Luc Lagardère Foundation • The Hachette Foundation for Reading	
	Freedom of expression and plurality of opinions	Lagardère Publishing Lagardère News Lagardère Radio Lagardère Live Entertainment	**See chapter 2.3.2.1** • Number of hours devoted to environmental issues at Lagardère Radio • Number of articles dedicated to the environmental cause at Lagardère News	
2.3.3 Limiting the environmental impact of our products and services	Fighting climate change	Group	**See chapter 2.3.3.1** • Scopes 1 & 2 carbon emissions per €m of revenue (in tCO_2eq) • Scopes 1 & 2 and business travel and commuting carbon emissions per FTE employee (in tCO_2eq) • Group tertiary energy consumption, worldwide (in GWh) • Group GHG emissions, worldwide (in tCO_2eq)	
	Resource management, anti-waste measures and the circular economy	Lagardère Publishing Lagardère Travel Retail	**See chapter 2.3.3.2** • Total weight of paper (supplied and purchased) • Percentage of certified paper and recycled paper • Percentage of Foodservice revenue in countries with food waste measurement systems or initiatives in place • Percentage of Foodservice revenue in countries that have switched to more responsible consumables, in own banners • Water consumption	
	Biodiversity and ecosystem preservation	Lagardère Publishing	**See chapter 2.3.3.3**	
2.3.4 Ensuring ethical and responsible corporate governance	Fighting corruption	Group	**See chapter 2.3.4.1**	
	Respect for privacy	Group	**See chapter 2.3.4.2**	
	Other ethical information	Group	**See chapter 2.3.4.3**	

2.3 CSR STRATEGY IMPLEMENTATION, ROLLOUT AND OUTCOMES AFR

2.3.1 PLACING PEOPLE AT THE HEART OF OUR STRATEGY

2.3.1.1 WORKING CONDITIONS

Today's world is changing fast, with new growth models emerging all the time. To keep up, the Lagardère group must attract and support the career development of talented, creative and engaged employees to design innovative products and services and produce high-quality content.

A.1 STRATEGY

Operating entities manage their employees independently and locally to bring out the best in their human capital. To achieve this, they implement measures to respond to the specific needs of their activities, businesses and environments.

However, this autonomy is subject to commitments common to the entire Group.

The issues of **engagement** and **quality of work life** have become increasingly important in recent years, particularly in the wake of the health crisis. The Group's divisions therefore ensure that they offer working conditions that are appropriate and proportionate to their activities. By reinforcing initiatives that have been in place for several years and introducing new approaches, they aim not only to retain their teams but also to develop their attractiveness in an increasingly complex and competitive job market. Accordingly, work-life balance, physical well-being, remuneration and employee engagement are core drivers of the Group's strategy in this area.

A.2 APPLICATION

QUALITY OF WORK LIFE AND EMPLOYEE ENGAGEMENT

After spreading across the Group during the health crisis, working from home has become standard in all divisions, with an average of two days per week. The option is available to employees in any compatible position, which tends to exclude certain jobs like store sales staff and logistics operators.

At Lagardère Publishing, several initiatives to enhance quality of work life and improve employee work-life balance, health and well-being (massage, coaching and relaxation methods, etc.) have been deployed in the various entities of the French subsidiary (Hachette Livre France). A three-year agreement on quality of life, working conditions and the right to disconnect was also drawn up in 2022.

Introductory webinars are also regularly offered to employees on time management, disconnecting and the movements and postures that help to prevent musculoskeletal disorders (MSDs). Other courses raise managers' awareness of the challenges of preventing mental health risks.

In addition, Hachette Livre France has set up a system that allows employees to donate days off to colleagues to enable them to spend time with a seriously ill dependent child, or those who may have lost a child under the age of 25, or who are caring for relatives with disabilities or reduced autonomy.

In the United Kingdom, Hachette UK is fostering physical well-being in the workplace with its Well-being Employee Network, which organises sports activities that are open to all, including softball, netball, running, yoga, pilates and walks in partnership with the Mental Health Mates network.

The UK subsidiary also offers an Employee Assistance Programme telephone hotline, which any employee can call, free of charge and anonymously, to access psychological support, legal, financial or medical advice or elderly or child care advice. Lastly, events are regularly organised to raise employee awareness of mental health issues.

During the year, the vast majority of Lagardère Travel Retail subsidiaries conducted an initial or repeat Gallup survey of employees, measuring the engagement of 81% of employees on permanent contracts as of 31 December 2023 through 12 questions. Based on the findings, action plans are implemented to respond to each situation, in a commitment to fostering and encouraging employee engagement.

Lagardère Travel Retail also aims to use digitalisation as a means of facilitating the daily lives of its employees. In addition to the overall Learning Management System project, designed to foster a global learning culture and promote a shared base for training, many countries have gone further in digitalising their tools in order to simplify time management, performance appraisal processes and other aspects of employees' daily lives.

Every year, Lagardère News participates in the Quality of Life and Working Conditions Week by organising talks, sports activities (coaching, internal tournaments, yoga, pilates) and relaxation (sophrology), thereby contributing to the overall well-being of its employees at work.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

TRAINING AND INTERNAL MOBILITY

In order to offer employees guidance throughout their career, the Lagardère group's divisions make available a selection of training options in a broad range of fields, including digital technologies, management, communication, health and safety, foreign languages, businesses, etc. The increase in the number of training hours in 2023 underlines the level of commitment throughout the Group, with 72% of the total devoted to professional skills or management practices. These courses are closely correlated to employees' current performance and development potential. At the end of 2023, an e-learning platform was rolled out across the Group, aimed at:

- offering employees an individualised, effective and flexible learning solution providing access to a catalogue of relevant modules in many different fields;
- setting up a shared system within the divisions to pool efforts and facilitate content sharing alongside a decentralised management approach;
- facilitating the training required to comply with applicable regulations.

352,707 hours of training dispensed across the Group.

Several Group entities are gradually introducing regular climate awareness and training programmes to promote their employees' engagement on climate issues. In 2023, Lagardère Travel Retail organised Climate Fresk workshops at its headquarters in France and among other key communities, including country CSR representatives, managers and heads: 180 people have already attended these themed workshops, and nine employees have upskilled to become trainers themselves. Several countries including Switzerland, Peru, the Czech Republic and the United States have also offered the training internally, and more countries plan to follow suit in 2024. The Lagardère News CSR Week, organised to coincide with the European Sustainable Development Week, is an opportunity to run a series of shared initiatives across various departments via podcasts, key figures, competitions and photo exhibitions. Dedicated climate training has also been introduced for journalists (see section 2.3.2.1).

Lagardère Travel Retail employees during a Climate Fresk awareness-raising workshop.

Screenshot of a Lagardère News CSR Week newsletter.

Internal mobility is a key component of the people engagement and retention strategy, building on the training and employee skills development initiatives.

However, the differences between the Group's activities can make mobility between divisions more challenging for operational functions. In France, however, the Lagardère group has developed a special process to assess mobility opportunities (mainly in the support functions) and the profiles of transfer applicants. Comprising HR mobility officers, this inter-division committee met five times in 2023, in addition to regular discussions among the members.

At Group level, 1.2% of vacancies for permanent positions were filled through internal mobility in 2023. While this figure may appear to be low, it was heavily impacted by the high level of employee turnover at Lagardère Travel Retail, mainly among retail sales staff for whom internal mobility is relatively impracticable. Adjusted for this factor (recruitment in the category "Other employees" at Lagardère Travel Retail), the Group's internal mobility rate fell to 6.8% in 2023 from 8.7% in 2022.

REMUNERATION

To take into account employees' skill levels, training and responsibility and the specific nature of the business sectors they work in, individual rather than collective pay rises are increasingly common. As such, most of the Group's entities have set up collective performance incentives such as bonuses and variable pay. These practices enable the Group to correlate employee remuneration to the achievement of individual and collective objectives at the level of the subsidiary concerned.

In return for these individually tailored pay measures, to ensure optimum transparency between staff and their management on remuneration, the Group encourages annual interviews, which give employees a better perception of their performance with regard to the requirements of their job.

In addition, the Group seeks to retain its key employees by regularly distributing shares in the parent company, Lagardère SA. Since its launch in 2019, a large number of managers and young talents have benefited from this programme (see the special report of the Statutory Auditors in section 3.8.9).

A.3 OUTCOMES

Resignation rates[1] (in %)[2]

Division	2023			2022			2021		
	Top executives	Managers	Other employees	Top executives	Managers	Other employees	Top executives	Managers	Other employees
Lagardère Publishing	**3.3**	**7.8**	**12.8**	3.7	8.5	18.9	2.9	7.6	13.5
Lagardère Travel Retail	**18.1**	**19.1**	**51.6**	15	13.3	54.9	8.7	8.8	19.4
Other Activities	**6.8**	**11.3**	**18.5**	4.1	11.8	14.3	4.2	7.4	10.3
Group	**11.4**	**12.3**	**43.7**	**9.3**	**10.8**	**47.3**	**6.0**	**9.8**	**38.9**

The significant divergences in the percentage of voluntary departures by division and professional category in the table above mainly reflect local job markets and starkly different approaches to work between countries. Differences are also found among the subsidiaries.

Voluntary departures are especially common at Lagardère Travel Retail, as retail employees are included in this indicator across a broad scope.

Other indicators

Indicator	2023	2022	2021
Internal mobility rate	**6.8**	8.7	6.0
Average training hours per employee	**12.2**	12.3	13.3
Percentage of employees covered by an engagement survey[1]	**70**	63	-
Number of formal disputes involving forced labour	**0**	0	1
Number of formal disputes involving harassment	**2**	1	2
Percentage of workforce covered by employee representation at 31 December	**74**	69	69

(1) Data reported for the first time in 2022.

Several formal disputes[3] involving harassment were recorded in 2023.

Of the two cases identified, one was still awaiting resolution at 31 December 2023 and the second was settled in favour of the entity further to arbitration (complaint dismissed by the competent authorities).

2.3.1.2 HEALTH AND SAFETY AT WORK

Work plays a central role in the lives of the Group's employees, with most of them spending at least eight hours a day at the workplace, be it an office, warehouse, store or other location. It therefore goes without saying that the working environment should be healthy and safe.

A.1 STRATEGY

The Lagardère group's first priority is to comply with the health, hygiene and safety regulations in force and to take all necessary precautions. Where there is a risk to life and limb, the Group recognises employees' right to withdraw their labour in accordance with the law. The Group also strives to reduce health and occupational risks, while ensuring that all employees are sufficiently well-informed to carry out their duties, and committing to maintaining open social dialogue so that issues can be dealt with effectively at the local level.

A.2 APPLICATION

Certain divisions are not only deploying policies to mitigate health, safety and quality of work life risks, but also a number of initiatives designed to improve employee working conditions through prevention practices, awareness building campaigns and training.

Hachette Livre has adopted the following key measures in France:

- all employees benefit from individual health monitoring by the occupational health and prevention service at Hachette Livre;
- risks to the health and safety of employees are assessed in each work unit, in consultation with staff representatives, including the choice of work equipment, the design of workstations and work organisation. The assessment also covers mental health risks. The results of the assessment are then compiled into a single occupational risk assessment document, which lists all the occupational risks to which employees are exposed and ensures that their exposure can be traced collectively;
- occupational risk prevention programmes are defined and implemented, with an annual assessment;
- safety training is provided regularly. Particular attention is paid to distribution employees and temporary workers, whose work in logistics exposes them to heightened accident risk (gestures and postures, fire safety, etc.). This training is repeated as often as necessary;

(1) Calculated as (resignations plus recruitments) divided by two divided by the workforce at 31 December of the prior year.
(2) Due to the significant level of employee turnover during the year, this indicator is subject to a degree of uncertainty, despite controls conducted on the data representing just over 1% of the workforce in 2023 (level of uncertainty similar to 2022).
(3) Formal dispute means any legal action or claim officially filed with competent authorities.

- distribution employees are provided with appropriate work equipment (conveyors, harnesses, grippers, safety shoes, gloves, high-visibility vests, etc.) and protection appropriate to the risks involved, certified in accordance with European standards. This equipment is provided, used, adjusted and maintained to ensure the safety of our employees.

At Lagardère News, several initiatives are underway internally to raise awareness and support employees on health and safety issues. For example, the division organised quit-smoking month workshops in November 2023. And for Pink October, the division organised awareness-raising workshops and self-examination sessions, as well as a cake sale in support of Rose Up, a charity that provides information and support to women with cancer.

In addition to these events, health and safety is a key focus of media activities. For example, all employees receive terrorism prevention training. Journalists receive regular training on travelling in high-risk environments, and are systematically provided with safety equipment when they travel.

A.3 OUTCOMES

Number of work accidents and days' absence due to sick leave(1)

Division	Number of accidents	Number of days of absence due to work accidents
Lagardère Publishing	108	6,904
Lagardère Travel Retail	320	10,173
Other Activities	36	1,082
Group total 2023	**464**	**18,159**
Group total 2022	338	16,008
Group total 2021	242	8,876

Frequency and severity rate(2) and lost time related to work accidents

Division	Frequency rate			Severity rate		
	2023	2022	2021	2023	2022	2021
Lagardère Publishing	**8.39**	10.43	9.29	**0.54**	0.56	0.32
Lagardère Travel Retail	**8.12**	5.89	3.35	**0.26**	0.26	0.13
Other Activities	**22.42**	13.62	15.77	**0.67**	0.56	0.67
Group	**8.61**	**7.40**	**5.27**	**0.34**	**0.35**	**0.19**

(1) Reported work accidents and days of sick leave include commuting accidents deemed to have occurred in the course of work.
(2) Frequency rate = (number of work accidents resulting in lost time x 1,000,000)/theoretical number of hours worked. Severity rate = (number of days of lost time x 1,000)/theoretical number of hours worked.

Social dialogue and health and safety

Indicator	2023	2022	2021
Percentage of the workforce at an entity with a health and safety committee	**86**	87	87
Percentage of the workforce at an entity with regular health monitoring	**92**	90	92
Percentage of training hours dedicated to health and safety	**14**	5	9

Business levels recovered strongly in 2023, after several years impacted by the Covid-19 crisis. As a result, the frequency rate of work-related accidents increased at Lagardère Travel Retail and for Other Activities compared with 2022. However, severity rates were broadly stable.

2.3.1.3 DIVERSITY AND GENDER BALANCE IN HUMAN CAPITAL

Discrimination based on gender, disability, sexual orientation, origin, religion or other factors is an obstacle to the implementation of diversity, which is key to social harmony and performance. The Lagardère group believes that having a diverse workforce drives creativity and growth.

A.1 STRATEGY

Adapting to local cultures, the diversity of consumers and the increasing number of markets are strategic factors in the development of all Group businesses. Given its wide range of business activities and the broad array of expertise provided by its workforce, the Lagardère group promotes diversity in its subsidiaries through the commitment of its human resources departments.

First, as stated in its Code of Ethics, Lagardère is opposed to all forms of discrimination based on a person's origin, lifestyle, age, sex, political or religious opinions, trade union affiliation, disability or sexual orientation. It works to apply and promote the International Labour Organization's fundamental principles on eliminating discrimination in respect of employment and occupation and stamping out forced and compulsory labour.

Lagardère's strategy to promote diversity and gender balance has translated these principles into three main focal points:

- gender balance in the Group;
- breaking down stereotypes based on race or social class;
- integrating employees with disabilities.

A.2 APPLICATION

GENDER BALANCE IN THE GROUP

Women continue to occupy a central position in the Group's workforce. In 2023, for example, they represented **63% of the total permanent workforce** and 60% of managers. Logically, they also accounted for the lion's share of training (60% of training hours received), promotions and pay rises (62% of promotions as managers or to senior executive positions and 63% of pay rises).

The steady increase in the percentage of women in senior management prompted the Group, starting in 2021, to focus its efforts on a smaller number of "top executives", representing a little more 350 people. Within this group[1], the proportion of women has risen from 42% at end-2020 to 44% in 2021, 45% at end-2022 and 46% at end-2023, which was above the objective of 45% set at the beginning of 2021 for the end of 2024.

One of the ways the Group supports women is through a cross-division mentoring programme led by the LL Network, an employee advocacy group set up in 2018 dedicated to promoting gender balance for all employees in France. In 2023, the fourth class of mentees will benefit from the experience of executives from all divisions. This network is also one of the vectors through which the Group demonstrates its commitment to a range of causes in support of women, such as its endorsement of Women's Empowerment Principles and its commitment to the #StOpE initiative to put an end to everyday sexism in the workplace, etc.

At Hachette Livre France, an awareness-raising and self-diagnosis web app available to all employees, addressing the fight against sexism and sexual harassment at work and developed in partnership with Me&YouToo, was launched for all employees in 2021. In 2022, a new tool extended the approach to all dimensions related to diversity. Since then, these tools have been shared with new arrivals when they are onboarded.

In 2022, the subsidiary also reinforced its initiatives promoting gender equality in the workplace by signing an agreement with employee representatives, in which it undertook to maintain the full salary of any employee with at least six months' seniority throughout their entire second parent leave. Note that French law had lengthened this leave from 11 to 25 calendar days (or 28 days in the case of multiple births) but did not mandate payment of the employee's salary over the period.

In the United Kingdom, Hachette UK has endeavoured to foster a culture of openness and inclusion in the workplace. In line with this, a number of support initiatives were launched in 2022 for women during pregnancy, child loss and menopause.

In 2023, Hachette UK also began conversations to demystify the issues of pay and promotion in the workplace. This initiative promoted open dialogue among employees and on social media, empowering women to chart their careers. This proactive policy earned Hachette UK a place in the 2023 ranking of the Top 50 Employers for Gender Equality published by *The Times*.

Lagardère Travel Retail is also stepping up its activities in this area. In 2023, the division asked each of its host countries to implement at least one initiative to promote gender equality. Poland, for example, has rolled out a "Women's Empowerment" coaching programme to enable talented female employees to develop their leadership skills, while Switzerland has run a campaign to raise awareness of women's rights. A programme to develop female talents was run in Spain and Portugal. In parallel, Italy has introduced "Gender Certification" and Romania has supported not-for-profits promoting women. Lastly, the United States has added a women's advancement task force to the entity's Diversity & Inclusion approach.

(1) This group includes (i) members of the Executive Committee and their direct reports, (ii) members of the enlarged Executive Committees and Management Committees of Lagardère Publishing, Lagardère Travel Retail and Lagardère News, (iii) management teams of independent country entities for Lagardère Travel Retail, and (iv) senior executives for Lagardère Publishing.

In Africa, which is a major focus of business development for the division, a partnership has been established with UN Women in Senegal to raise awareness of gender equality among our teams through a support program for 2,500 women agricultural entrepreneurs, whose products are then sold in stores in airports. A pay equity analysis is also underway across the division. Its findings will be released and acted upon in 2024.

Lastly, the Group's weighted equal pay index as calculated based on the scope of entities subject to disclosure in France, moved back very slightly during the year to 89.8/100 from 91.1 in 2022.

46% of top executives are women.

BREAKING DOWN STEREOTYPES

The broad diversity of Lagardère's employees reflects both the variety of its host geographies and the diversity of its customers and consumers.

Diversity and inclusion committees are becoming more widespread in the divisions, with a focus on diversifying recruitment channels.

At Group level, regular awareness and other training programmes on managing diversity and combating stereotypes continue apace, with 52% of managers trained in 2023.

Several initiatives conducted in partnership with non-profit organisations promoting diversity and inclusion were pursued across the Group during the year. In France, the non-profit organisation Nos quartiers ont des talents (Our neighbourhoods have talent) was supported by sponsors at Hachette Livre and Lagardère News.

During 2022, Hachette Livre also renewed its three-year partnership with Sciences Po Paris, to provide financial support for the school's Priority Education Contracts (CEP) and enable division executives to act as mentors to programme participants.

Hachette UK has continued to take action to combat stereotypes through the Changing the Story programme. Over the last six years, it has worked tirelessly to promote all forms of diversity, building on partnerships and employee networks (see also section 2.3.2.1). In 2019, Hachette UK notably committed to increasing the proportion of employees from ethnic minorities to 15% by 2024. This percentage has been raised to 14.7% in 2023, from 7.7% in 2019.

Extract from the Hachette Livre Mission Handicap brochure.

In the United States, Hachette Book Group is partnering with organisations to make publishing more inclusive, diverse and accessible to all. In 2023, the subsidiary hosted a roundtable discussion on the experience and challenges faced by women of colour in publishing.

Hachette Book Group also hosted an exchange with a panel of publishers, marketers and publicists for the Lambda Literary Foundation, an organisation dedicated to promoting LGBTQIA+ authors. The subsidiary also hosted a Q&A session with the Hurston/Wright Foundation, an organisation dedicated to supporting Black writers, on best practices in finding an agent, pitching a book and the steps involved in getting it published. Lastly, diversity was also promoted by the Group's employees through initiatives such as the Latinx Employee Resource, which organised several events to celebrate Hispanic and Latin American Heritage Month.

Lagardère Travel Retail also continued its actions in 2023. Diversity and inclusion committees have been set up in Spain, Portugal, West Africa (Mauritania, Gambia, Senegal, Gabon and Benin) and the Pacific, following on from those at the headquarters in France and in North America. In Peru, a mentoring programme set up in partnership with non-profit Forge and Lima airport enables Lagardère Travel Retail managers to provide tutoring to disadvantaged young people in the Callao region. It also helps to finance their studies and ultimately leads to their recruitment as store assistants or cashiers.

INTEGRATING EMPLOYEES WITH DISABILITIES

In France, Hachette Livre set up its own Mission Handicap programme in 2015, and was among the first companies to sign the charter for the inclusion of people with disabilities in the workplace.

Awareness-raising activities continued in 2023 in the form of workshops on the basics of sign language and a series of webinars on dyslexia and autism, with contributions from the division's experts and authors. In addition, support groups for employees whose children have learning disorders meet regularly. Since 2021, managers have also been trained in inclusive management in partnership with Aviséa, a human resources consultancy.

Hachette Livre also continues to support employees seeking to obtain disabled worker status. In 2023, to mark the European Week for the Employment of People with Disabilities, Mission Handicap sent out a questionnaire aimed at raising awareness of the recognition of disabled worker status and encouraging employees to express their needs to facilitate the implementation of appropriate measures.

In addition, Hachette Livre continued its long-standing partnerships with Cap Emploi and Agefiph, as well as non-profit organisations Tremplin and Arpejeh, to promote the recruitment of people with disabilities.

In 2023, Hachette UK implemented neurodiversity and accessibility policies to support people with disabilities, whether visible or invisible. They came with guidance documents for line managers and company-wide authors' roundtables to help raise awareness. Hachette UK is now a Disability Confident Committed employer, reaffirming its commitment to this issue at level 2 of the scheme.

In the United States, the Employee Resource Group (ERG) at Hachette Book Group (HBG) organised an event for all employees with a neurodiversity specialist to raise awareness of different ways of thinking and learning, and to improve inclusiveness within the entity.

At Lagardère Travel Retail, for the second year running, the headquarters teams organised workshops and talks during Disability Week and continued to call on companies that provide adapted work and support for people with disabilities for most of their events. In addition, Spain and Portugal have created a diversity management

awareness programme for all support functions and store managers. Lastly, Belgium worked with recruitment agencies specialising in the integration of disabled employees, while Peru trained all supervisors in sign language to make them aware of the difficulties faced by hearing-impaired employees. Volunteering and awareness-raising initiatives on autism and disability have also been developed in close collaboration with Lima airport.

In 2023, like Lagardère Publishing and other Group divisions for several years, Lagardère News took part in DuoDay in France, an event where people with disabilities are paired with employee volunteers for a day in the workplace.

A.3 OUTCOMES

Indicator	2023	2022	2021
Percentage of women top executives	**46**	45	44
Percentage of women managers	**60**	60	58
Percentage of managers to receive diversity awareness-raising or training during the year	**52**	30	16
Percentage of permanent employees classified as disabled at 31 December	**1.97**	1.50	1.35
Number of permanent employees classified as disabled at 31 December	**616**	406	342
Number of formal disputes involving discrimination	**10**	6	9

Over the past several years, the Group has been monitoring the number of formal discrimination cases brought against Group entities. In 2023, ten disputes were recorded, involving entities based in the United Kingdom and the United States. The three disputes in the United Kingdom were resolved in favour of the entity. Of the seven disputes in the United States, five are pending and two were settled out of court at the beginning of 2024.

2.3.1.4 CONSUMER HEALTH AND SAFETY

All companies have a duty to ensure the health and safety of the people who use their products and services, as well as complying with applicable regulations. Within the Lagardère group, this issue mainly concerns Lagardère Travel Retail's Foodservice business line. An incident involving the quality of products sold would not only impact the health and physical safety of consumers but could also jeopardise the Group's credibility and reputation among both customers and partners.

A.1 STRATEGY

Lagardère Travel Retail, which now sells food at more than 1,600 points of sale around the world, is focusing more closely on food hygiene and safety. Developed with the support of Bureau Veritas SGS, Eurofins and Ecosure, all recognised for their expertise in health safety and brand compliance, the division's strategy is based primarily on Food Safety Guidelines distributed in all countries. Last updated in 2020, they impose strict rules that are sometimes more demanding than applicable hygiene regulations.

A.2 APPLICATION

Alongside food hygiene and safety, another challenge for the Group is the opportunity to help promote healthy diets that are good for both people and the planet. That is why Lagardère Travel Retail is gradually committing to sourcing its products in a more ethical manner. In early 2018, Lagardère Travel Retail pledged that it would no longer sell eggs or egg-based products from caged hens as of 2025 throughout its worldwide network. Then in 2020 in France, it undertook to source chicken meat only from farms that meet the criteria of the European Chicken Commitment by 2026. This practice will be extended to other countries in the near future.

The roll out of Lagardère Travel Retail's strategy is organised around five pillars.

1. Food Safety Guidelines include tools for implementing action plans as well as objectives. In every country, a HACCP[1] food safety management system is in place in the catering and packaged food sales operations. Daily food hygiene and safety checks are performed at each point of sale, following strict and specific procedures, from the supplier delivery phase to final sale to the consumer.
2. An annual audit plan is conducted at each of the subsidiaries, including in-depth questionnaires for each point of sale and audits for the headquarters of each of the divisions. Eight countries were audited in 2016, ten in 2017, 14 in 2018 and 16 in 2019. After a two-year pause in 2020 and 2021 due to the health crisis, the headquarters audit campaigns resumed in the first half of 2022, with 18 country organisations audited during the year. This work, led by headquarters in France, is rounded out by audits led by the countries themselves, most of which are conducted quarterly, adding up to more than 3,000 audits conducted annually in the Foodservice network.
3. Awareness-raising programmes are conducted in all new Foodservice geographies. In 2022, an e-learning module was deployed in Senegal, Mauritania, Chile and the United Arab Emirates. In 2023, Switzerland and Belgium also adopted this module.
4. Digitalisation of daily checks since 2018 using tablet-based online tools.
5. The WellDone platform (launched in 2019) enables 360° management of operational quality by including a food safety and hygiene section, plus the findings of all in-store audits, including traceability tools going right up to consumer feedback on social media. The goal for 2024 is to complete the rollout of this platform in the Foodservice business line in all countries where it operates, while continuing its rollout in the Travel Essentials segment.

Following the Foodservice business line's commitments on product sourcing and traceability, some countries have already changed their

(1) HACCP: hazard analysis critical control point.

egg supplies in their entirety where local production volumes allow. This is the case in Italy and Austria, for example. Others, such as the Czech Republic, Germany, Spain and the United States have already succeeded in modifying a substantial part of their range and are on track to beat the target of 2025 for the change.

FIGHTING SEXUAL AND GENDER-BASED VIOLENCE IN PUBLIC TRANSPORT: THE PIONEERING ROLE OF LAGARDÈRE TRAVEL RETAIL FRANCE

Since 6 December 2023, Lagardère Travel Retail France has been operating the first two UMAY-labelled Safe Place stores in the Paris public transport network. Staff at these safe places are trained to understand sexual and gender-based violence so that they can offer refuge to anyone who has experienced it on public transport. In addition, Lagardère Travel Retail France has committed to obtaining the Safe Place label for each of its stores operating in the RATP network as they open or are modernised.

Alongside the food hygiene and safety issues, the Foodservice business line is becoming increasingly aware of growing demand from contractors and consumers for healthier foods that promote traveller well-being. This has given rise to partnerships with brands that are committed to improving the intrinsic quality of the products or providing locally sourced goods.

In addition, some of the company's own banners, such as Relais H Café (the leader in the French hospital segment) and Natoo (currently operating in Italy, Austria, Germany, Spain, the Netherlands, the Czech Republic and Romania), are now pillars of the division's strategy, with a focus on local products and vegetarian food.

Lastly, some of the Group's businesses operating in areas open to the public are gradually setting up safe places to provide a refuge to people exposed to violent, discriminatory and/or oppressive behaviour, offering them a quiet place where they can tell their story and seek guidance. Safe place teams are also trained to support victims of violence and harassment. These systems have been rolled out widely at Lagardère Travel Retail France and Lagardère Live Entertainment.

View of a screen in the Arkéa Arena (Lagardère Live Entertainment) announcing the existence of a safe place in the venue.

A.3 OUTCOMES

Indicator	2023	2022	2021
Number of countries audited for health and safety during the year	**18**	15	0
Percentage of countries audited for health and safety at year-end	**72%**	60%	0%

2.3.1.5 WORKERS IN THE VALUE CHAIN

Companies exert a direct and indirect influence on the human rights of their employees and contractors, their suppliers' employees and the host communities that depend on their operations. This multiplicity of stakeholders explains why a number of countries have already introduced laws to protect workers in areas such as labour relations, discrimination, the environment, and health and safety.

For nearly ten years, the Group has been formally committed to a continuous improvement process to improve its strategy and practices with regard to supplier relationships.

A.1 STRATEGY

Since signing up to the Global Compact in 2003, the Lagardère group has been committed to making respect for human rights and fundamental freedoms a key focus of its sustainable development strategy, although the fact that the Group's activities are service-based tends to limit its direct negative impact on these issues.

The Lagardère group thereby undertakes to uphold the principles inscribed in international treaties such as the International Bill of Human Rights (Universal Declaration, International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights), the fundamental conventions of the International Labour Organization (ILO), and the Guiding Principles on Business and Human Rights (implementing the United Nations "Protect, Respect and Remedy" Framework, or Ruggie Principles).

The Group's Code of Ethics also outlines a set of guiding principles which employees undertake to apply. Issues including respect for individuals, working conditions and social dialogue are closely monitored.

More specifically, the Group's strategy in this area is based on three pillars:

- procurement policies that promote issues such as respect for the environment, diversity and social inclusion, quality of governance and easier access to VSEs and SMEs, encouraging purchasers to consider the cash flow constraints of small suppliers and select sustainable suppliers;
- a Responsible Supplier Charter based on a certain number of international standards, such as the OECD Guidelines, the ILO Conventions and the UN Global Compact, which must be signed by new contractors working with a Group company;
- a joint project with EcoVadis to conduct regular assessments of the social, environmental and ethical performance of its suppliers and subcontractors.

To comply with the new CSRD obligations, the Group plans to review its relevant strategy and action plans between 2024 and 2025.

A.2 APPLICATION

WORKERS UPSTREAM IN THE VALUE CHAIN

Under the social section of the Supplier Charter, signatories commit to adhere strictly to fundamental principles relating to child labour, forced and compulsory labour, working hours, minimum wages and benefits, equal opportunities, health and safety, and labour relations. They also guarantee that their own employees and representatives comply with these principles.

In addition, this document strongly encourages suppliers to participate in a social certification process and, pending the establishment of an ISO standard, recommends that they refer to the following certifications or standards:

- SA 8000 (social certification);
- OHSAS 18001 (working conditions, health and safety certification);
- ILO-OSH 2001 (occupational health and safety management system).

Under the Group's duty of care plan, the divisions rely on work to identify the risks associated with the activities of their suppliers and subcontractors. This work serves to identify the major purchasing families most likely to generate risks in terms of human health and safety, and human rights.

Based on the results of this identification work, the divisions actively implement their specific action plans throughout the year. They primarily focus on suppliers and subcontractors operating in procurement categories at the highest risk level and in countries considered to have the most exposure to CSR risks, and with which procurement spending is most significant.

At Hachette Livre, there are plans to initiate on-site compliance audits at the supplier or subcontractor premises, or at any of their production sites, with penalties applied for any infringements. In 2023, for example, independent third party audits were performed at 15 supplier production plants in Romania, Morocco, China and Bangladesh. A single case of critical non-compliance was identified at a Chinese supplier. It resulted in the preparation of a corrective action plan. No critical non-compliance was identified at other suppliers in China, Romania or Morocco.

WORKERS DOWNSTREAM IN THE VALUE CHAIN

Hachette Livre is intensifying the CSR criteria used in the selection of the road transporters with which it works. For example, for the 2022 call for tenders for courier services, Hachette Livre France included a CSR component in the evaluation criteria for its carriers, based on a questionnaire designed to measure bidders' maturity and commitment on social, societal and environmental issues. Contracts with selected road transporters now contain a specific CSR clause, which also requires them to subscribe to the EcoVadis platform.

More generally, transporters are subject to a detailed security protocol when working on Hachette Livre sites. For example, for Hachette Livre's returns centre in France, the protocol specifies the traffic flow and safety rules to be adopted, such as the maximum speed authorised on the site or the obligation for drivers to wear statutory protective equipment.

A.3 PERFORMANCE

Indicator	2023	2022	2021
Percentage of expenditure related to suppliers presenting high CSR risks as assessed by EcoVadis	**53**	50	31
Number of formal disputes involving child labour	**0**	0	0

2.3.2 SHARING THE SOCIAL AND CULTURAL DIVERSITY OF OUR BUSINESSES

2.3.2.1 ACCESS TO AND DISSEMINATION OF EDUCATION, CULTURE AND ENTERTAINMENT

Sometimes referred to as the fourth pillar of sustainable development, culture plays a central role in the Group's businesses, which operate in the worlds of publishing, travel, information and entertainment. This gives Lagardère a specific social responsibility.

The Group businesses aim not only to instil a love of reading, but also to foster critical thinking, knowledge, openness and learning through a range of content available on various media and in brick-and-mortar spaces. They support their readers, listeners and customers in their everyday lives, helping to satisfy their need to learn, discover, gain knowledge and open up to the world around them.

A.1 STRATEGY

Promoting cultural diversity, a plurality of opinions, freedom of expression, critical thinking, the ability to analyse and understand the world, the accessibility of content and the transmission of knowledge are just some of the commitments demonstrated by the Group's operating entities, depending on their particular sensitivities, geographic locations and local situations. This involves, in particular, forming partnerships and deploying new systems.

Accordingly, Lagardère Publishing uses digital technologies to make books accessible to people with reading difficulties. By signing the Accessible Books Consortium (ABC) Charter in 2019, the division has committed itself in France, the United Kingdom and the United States to increasing the number of books in accessible formats, especially those for the blind and visually impaired, or otherwise print disabled. These efforts are also aligned with the preparation for the application by 2025 of the obligations arising from the law of 9 March 2023 transposing into French law the provisions of European Directive 2019/882 of 17 April 2019 on accessibility requirements for products and services. From June 2025, digital books and specialised software placed on the market will have to be "natively accessible" through compliance with criteria relating to content navigation and interoperability with assistive technologies, and the provision of information on content accessibility features.

Lagardère Publishing also contributes to improving access to reading and cultural diversity through a host of programmes.

Meanwhile, Lagardère Travel Retail relies on its store network to organise and/or support a large number of initiatives designed to promote reading and culture.

The Lagardère Live Entertainment, Lagardère News and Lagardère Radio activities also contribute to the development of access for all to education, culture and pluralism.

A.2 APPLICATION

ON ACCESSIBILITY, LITERACY AND THE PROMOTION OF READING AND ENTERTAINMENT

Lagardère Publishing promotes and develops audiobooks in France, the United States and the United Kingdom through its various brands. In the context of opening up the world of reading, audiobooks are helpful for visually impaired people, as well as for people who have difficulty reading, such as young people with dyslexia. However, they also have broader appeal in bringing the pleasure of reading to a wider audience, whether for the quality of the narrator's voice, simple convenience or education.

Furthermore, publishing houses in France simultaneously release novels and essays in print form and in a "natively accessible" digital version (ePub 3 format) so that they are accessible to readers using a Braille keyboard or the text-to-speech audio transcription function on a compatible device. Publishers also submit their works to the Platon platform operated by France's national library (Bibliothèque nationale de France – BnF) to allow the creation of files adapted by approved bodies.

Several of the Group's Children and Young Adult, Textbook and Paperback publishers have also signed a partnership with Mobidys, a social and solidarity economy company, to make books from their catalogue accessible in audio or digital formats for readers with dyslexia or learning difficulties (more than 230 at the end of 2023). Some of them have also developed a print offer for these young audiences.

In addition to its daily activities and involvement via the French Publishers' Union (SNE) in every public event dedicated to combating illiteracy and encouraging reading, Hachette Livre leads many of its own initiatives.

In 2023, the publishing house formalised its collaboration with Libraries Without Borders in France by signing a long-term partnership agreement (2023-2026). Its three pillars are financial support, the commitment of Hachette Livre employees to support Libraries Without Borders' work and donations in kind.

HACHETTE LIVRE ESTABLISHES SKILLS PATRONAGE WITH LIBRARIES WITHOUT BORDERS

> In 2023, Hachette Livre organised several skills sponsorship sessions for Services and Operations employees so that they could share their specific expertise in logistics and order preparation with the Libraries Without Borders teams. Around ten employees took part in sorting the books collected by Libraries Without Borders at its long-established warehouse in Épône (France). In particular, some employees helped prepare educational school bags for migrant children arriving in France. The publishing house intends to continue these positive-impact actions in 2024.

In the United Kingdom, Hachette UK partnered with the Royal National Institute of Blind People (RNIB) in 2021 to make all the books in its catalogue available via the RNIB Bookshare platform.

The subsidiary also shared the programme's second year impact report with the National Literacy Trust, which was created to tackle low literacy levels and promote the joy of reading among primary school children in the United Kingdom. More than 22,000 books were donated to participating schools, together with free access to a range of teaching and training resources for teachers. The outcomes show that the programme has improved pupils' reading skills: the proportion of pupils reading at the national average after taking part was two-thirds (compared with half before the programme).

In the United States, Hachette Book Group runs several initiatives to promote access to reading for the visually impaired and people from underprivileged backgrounds. This is illustrated by the partnership with the National Library Service for the Blind and Physically Handicapped, through which the American subsidiary makes its entire catalogue of digital books (22,454 titles in 2023) and audiobooks (7,426 titles in 2023) available free of charge to people with these disabilities.

Hachette Book Group also continues to be a key partner in a nationwide US initiative (Book Rich Environments) providing children and whole families with quality books on a variety of topics. In 2023, Hachette Book Group donated around 14,000 books as part of this partnership.

Lagardère News is also committed to accessibility and the promotion of culture, through initiatives such as the Europe 1 literary prize. The fourth edition was held in 2023 and focused on solidarity, collective commitment and human values through the choice of books selected by Nicolas Carreau, president of the jury and Europe 1 specialist literature consultant.

Europe 1's 2023 literary prize award ceremony.

Lagardère Live Entertainment is also committed to promoting equity, diversity and inclusion through awareness-raising initiatives to make culture accessible to all audiences.

In this spirit, and following on from their participation in World Autism Awareness Day since 2018, the teams sought to bring the needs of people with autism spectrum disorder and special sensory needs into sharper focus and enhance their audience experience. Collaborative workshops were set up with stakeholders, ranging from non-profit organisations and specialist educators to families and users, offering tours of the venue and audience pathways to define the best reception protocols and most appropriate tools.

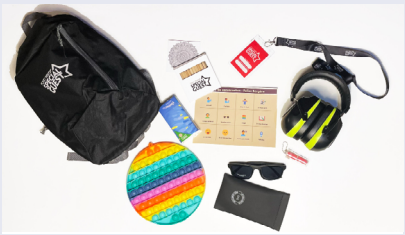
The process resulted in the implementation of a number of measures, such as preparing ahead for the concert experience to reduce anxiety, encouraging appropriate behaviour while waiting for the show to start, reducing noise and dimming lighting in the event of discomfort, managing stress from feelings and emotions, and maintaining communication in all circumstances.

Before the event, people can consult a dedicated page on the Arkéa Arena website to prepare their visit. There, concert-goers can find essential advice on booking and organising their visit.

In addition, to enhance their show-time experience, on the day of the event, people and their companions can also pick up free sensory kits at the Arena containing items such as headphones, dark glasses, a floor plan, a notebook and pencils, earplugs and a conversation

card with essential pictograms. There is also a dedicated entrance and a rest area for people in need of a time out.

Developed in partnership with Adapei 33 and launched at the Arkéa Arena in 2022, the approach was extended to all Lagardère Live Entertainment venues (Folies Bergère, Casino de Paris and Arena du Pays d'Aix) in 2023.



Lagardère Live Entertainment sensory kit for people sensitive to noise and crowds.

In addition, Lagardère Live Entertainment teams work tirelessly to make their venues accessible and suitable for all audiences. Their commitment is reflected in the introduction of specific services for people with disabilities. Each venue is staffed by people with a special awareness of disability issues, to ensure that people get the support they need and enjoy the best possible experience.

ON EDUCATION, FREEDOM OF EXPRESSION, DIVERSITY AND PLURALISM

Hachette Livre is a founding member of the PEN International Publishers Circle. PEN International is an NGO formed in 1921 to protect freedom of expression, particularly that of persecuted writers, and to promote literature worldwide. In the three countries where it operates (France, United Kingdom and United States), Hachette Livre actively helps to finance PEN, and contributes to many other local and national initiatives.

In October 2017, Hachette Livre became a founding investor in Educapital, a European investment fund dedicated to education and training. Educapital identifies and partners innovative start-ups in the education and training sectors, particularly in primary, secondary and higher education segments as well as in extra-curricular activities.

As the publishing business is driven by the diversity of the books it releases and the ideas it develops, Lagardère Publishing's responsibility is also to help readers understand the major issues across the world today. Hachette Livre Spain participated in the 14th edition of the Manos Unidas Clipmetrajes Festival, a competition open to young people and adults over 18 for a one-minute short film on the theme of water and food management in relation to the UN Sustainable Development Goals.

In its commitment to fostering cultural diversity, Lagardère Publishing has stepped up its initiatives in France and other countries.

Among them, JC Lattès held the fourth edition of the Voix d'Afriques writing competition in 2023, in partnership with Radio France Internationale and the Cité Internationale des Arts. Intended for young authors, this prize aims to showcase new African novel-writing talent in French.

In the United Kingdom, Hachette UK's commitment is conveyed through its Changing the Story programme, which features partnerships, workshops, mentoring, fundraising, donations and editorial choices (see section 2.3.1, in the part dedicated to employees) to promote diversity, social inclusion, equity, accessibility, the dissemination of culture, reading and writing.

Meanwhile, Hachette Book Group (HBG) has renewed its partnership with Apex for Youth, a non-profit organisation that provides employment opportunities for young Asians and immigrants from low-income families in New York. In 2023, HBG participated in the non-profit's Summer Career Exploration Program, with four interns taken on for the summer. They attended training sessions and completed a project related to their internship.

HBG also donated more than 50,000 new books to over 45 charities that promote diversity and support disadvantaged communities in the United States.

LAGARDÈRE NEWS CELEBRATES THE 20th EDITION OF THE PARIS MATCH STUDENT PHOTO-JOURNALISM GRAND PRIX

> Aimed at encouraging the talents of the new generation and rewarding their perspective on current events, the award now consists of six prizes focusing on the environment, eco-responsibility and good citizenship.

The breadth of its nationwide network allows Lagardère Travel Retail France to promote the regional press through a policy of listing regional dailies and special issues, as well as through customised merchandising in dedicated displays. Over 150 regional press titles are available at Relay. As regards books, tourist guides sold in stores promote local culture. Lagardère Travel Retail France works with the largest national publishers, but also with local publishers to offer micro-regional guides tailored to a specific geographical area.

Perpetuating a tradition dating back nearly 30 years, Lagardère Travel Retail France contributes to freedom of expression. Through its network of Relay sales outlets, the division supports the work of Reporters Without Borders (Reporters Sans Frontières) by promoting the association's three annual publications, free of charge. Moreover, the amount raised from their sale is donated to it in full. Relay also promotes the organisation on its website and in its stores, notably through free advertising space and support for the association's prospective events, for example.

Lastly, in 2023, Lagardère News and Lagardère Radio continued their actions under the climate contract signed for Europe 1, Europe 2, RFM and Lagardère Publicité News. This contract stems from France's 2021 Climate and Resilience law, which aims to intensify the ecological transition in all areas of daily life. Its aim is to encourage and promote voluntary commitments and actions on this issue by audiovisual operators. However, Lagardère News wanted to go beyond mere compliance with industry regulations by extending its commitments to media activities. As part of this process, Lagardère News and Lagardère Radio have undertaken to list all the stories reported on air or in the print media dealing with environmental issues, environmental protection and the fight against climate change, as well as the environmental experts involved and the prizes offered on air.

In 2023, the signing of the climate contract resulted notably in the broadcasting of more than 50 hours of "green" radio content and 300 articles in the Group's print media, the creation of a more eco-responsible allocation of resources and the training of journalists on environmental and climate issues.

A.3 OUTCOMES

Indicator	2023	2022	2021
Percentage of e-books available in ePub3 format among new books intended for the general public and sold in bookstores (excluding comics and illustrated books) in the Lagardère Publishing catalogue at year-end	**99**	99	89
Percentage of e-books available in ePub3 format among new books intended for the general public and sold in bookstores (excluding comics and illustrated books) that successfully passed the Level 2 Accessibility Check for ePub in the Lagardère Publishing catalogue at year-end[1]	**84**	71	-
Number of audiobooks available in the Lagardère Publishing catalogue at year-end	**23,594**	21,011	18,889

(1) Data reported for the first time in 2022.

2.3.2.2 ENGAGED CORPORATE FOUNDATIONS

A.1 STRATEGY

In keeping with its business lines and divisions, the Group's approach to corporate citizenship in the fields of culture and education is mainly expressed through the Jean-Luc Lagardère Foundation, created in 1989, and the Hachette Foundation for Reading, created in 2022, under the auspices of the Fondation de France.

The Jean-Luc Lagardère Foundation was set up to support the Group's commitment to culture, community and youth. The Foundation develops a number of programmes to promote cultural diversity, encourage creativity and promote access to education and culture for all.

The Hachette Foundation for Reading is dedicated to encouraging reading, writing and, more generally, proficiency in French across every demographic, with particular attention paid to young people and the reading-adverse. In this way, Hachette Livre wanted to expand its role as a vector and enabler of culture – a commitment that is fully aligned with the publishing mission it has pursued for nearly 200 years.

A.2 APPLICATION AND OUTCOMES

JEAN-LUC LAGARDÈRE FOUNDATION

At the heart of the Lagardère group's commitment to the creation of culture lie the prestigious awards presented by respected panels to talented young people under the age of 30 (or under 35 for certain categories) in the culture and media domains, in the following categories: Documentary Film-maker, Animated Film-maker, Writer, Print Journalist, Bookseller, Musician, Photographer, Film Producer and Television Scriptwriter.

Since the inaugural Jean-Luc Lagardère Foundation awards in 1990, 364 prize-winners (13 in 2023) have received a total of €7,420,000, including €170,000 awarded in 2023.

Jean-Luc Lagardère Foundation prize winners also regularly take part in the Foundation's other programmes, in particular its partnerships with the Académie de France-Villa Médicis in Rome and the Centre Pompidou's Studio 13/16, as well as supporting non-profit Lire pour en Sortir and the Marathon des Mots festival.

The Foundation also continued its efforts to promote literature and cultural diversity in 2023 by supporting literary events at the Institut du Monde Arabe (IMA). The aim of this weekly event is to discover and promote emerging and established Arabic and French writers hailing from or dealing with the Arab world.

The support was fully in line with the collaborative spirit that has united the Foundation and the IMA for many years, in particular as regards the Arab Literature Prize which was founded in 2013. It is one of only a handful of French awards recognising new Arabic literature. In 2023, it went to the novel *Je me souviens de Falloujah* (JC Lattès) by Franco-Iraqi author Feurat Alani.

The Foundation also very much honoured its commitment to promote **access to culture for all** in 2023, through several partnerships and support arrangements:

- the Divertimento orchestra and its academy, which supports hundreds of young beginners (mainly from priority education zones), as well as professionals, as they discover the symphonic orchestra;
- the Abbaye aux Dames, la Cité Musicale, and more specifically the Jeune Orchestre de l'Abbaye (JOA), which encourages the professional integration of young musicians at the end of their studies and at the dawn of their career;
- the 12th edition of the Jules Rimet Prize for the promotion of sports literature. This prize is organised by the Jules Rimet Sports and Culture Association, which also offers creative writing workshops for young people in football clubs, creating an opportunity to build bridges between sports and culture.

THE LAGARDÈRE FOUNDATION PROMOTES EMPLOYEE ENGAGEMENT

As part of its support for Lire pour en Sortir, the only national non-profit organisation helping young people in prison find their way back into society by improving their grasp of the French language through personalised reading programmes with volunteers, Lagardère group employees were able to get involved in 2023 by writing reading guides for the new catalogue of books that will soon be available to prisoners.

The Jean-Luc Lagardère Foundation provides equal support for the programme Lire en famille, which aims to combat the dislocation of family bonds. It involves detained parents choosing children's books that they practise reading aloud with a volunteer before passing them on to their children in the visiting room.

THE HACHETTE FOUNDATION FOR READING

In 2023, the Hachette Foundation for Reading organised its second call for projects, with grants ranging from €15,000 to €50,000 depending on the needs of the non-profits selected. Over 200 applications were received. The proposals were first shortlisted by the Foundation team and then reviewed by an internal committee of Group employees, who also interviewed some of the project leaders, before being submitted to the Executive Committee of the Hachette Foundation for Reading.

In the end, 13 projects were given funding. The selected projects include:

- Art'Sign for the organisation of Sourdland Fête le Livre, a literary event that promotes access to books and the pleasure of reading for deaf people;
- Asmae-Association Sœur Emmanuelle for Pour une Petite Enfance Épanouie, a project in Burkina Faso to provide children up to the age of 6 with the basic skills they need to start and stay in school;
- the Centre National du Livre for Nuits de la lecture (Reading Nights) and, more specifically, to enable the distribution of Chèque Lire vouchers to the most disadvantaged people in terms of reading, particularly in rural areas and priority districts for urban policy;
- Enfants du Désert, to provide books to four libraries in boarding schools in Morocco and enable young girls to improve their schooling conditions and their level of French;
- the AP-HP Foundation for L'Escale, a space dedicated to teenagers suffering from chronic diseases hospitalised in the Armand-Trousseau hospital (Paris, France), together with the supply of books for a library and the organisation of book-related cultural activities;
- Zone d'Expression Prioritaire (ZEP), whose Grandir en s'Écrivant (Growing up through Writing) project enables young people aged 14 to 25 to tell their own stories and give an insight into their daily lives through writing workshops run by journalists.

2.3.3 LIMITING THE ENVIRONMENTAL IMPACT OF OUR PRODUCTS AND SERVICES

2.3.3.1 FIGHTING CLIMATE CHANGE

It has now been scientifically proven that increases in the volume and concentration of greenhouse gas emissions caused by human activities are clearly accelerating climate change and that a temperature increase of more than 2°C, compared to the pre-industrial era, could have catastrophic environmental, economic and social consequences. In a sign of the growing recognition of these risks, at the COP21 in December 2015, nearly 200 governments agreed to strengthen the global response to the threat of climate change by "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels." This consensus is known as the Paris Agreement.

A.1 STRATEGY

CARBON FOOTPRINT

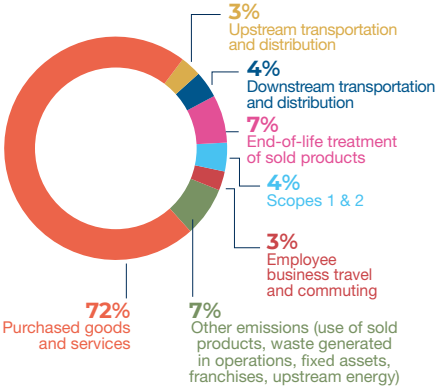
In 2021, the Lagardère group updated its carbon footprint in accordance with Greenhouse Gas Protocol guidance, based on all the direct and indirect emissions from its 2019 scope of reporting. Covering 71% of the Group's 2019 revenue, the update concerned (i) Lagardère Publishing's leading host geographies (France, Spain, North America, the United Kingdom, Australia and New Zealand) but excluding its Partworks and Board Games activities, and (ii) the three Lagardère Travel Retail business segments (Travel Essentials, Foodservice and Duty Free & Fashion) in France, Italy, the Czech Republic, Switzerland, North America and the Pacific. It also concerned all of Lagardère News activities.

The 2019 footprint (calculated in 2021) was, for certain sources, based on estimates and monetary ratios. The results therefore contain a measure of uncertainty, notably in respect of the average emission factors used, the calculation assumptions applied, and the extrapolations and estimates made.

The update enabled us to estimate the Lagardère group's total emissions at just over 1,457,000 tCO_2eq, broken down as follows by business line:

- 36% for Lagardère Publishing;
- 59% for Lagardère Travel Retail;
- 5% for Lagardère News and Lagardère Radio.

Unsurprisingly, Scope 3 (indirect emissions from the supply chain) accounts for 96% of the total. Scope 1 (direct emissions from fossil fuel combustion by vehicles or heating equipment) and Scope 2 (indirect emissions from the purchase of electricity, building heat and cooling) account for the remaining 4%.



REDUCTION PATHWAY

On the basis of these findings, the Lagardère group crafted an emissions reduction strategy and its supporting action plan.

Lagardère aims to place all its direct and indirect emissions (Scopes 1, 2 & 3) on a pathway in line with the Paris Agreement, i.e., compatible with the overall objective of reaching net-zero emissions (greenhouse gas emissions reduced to a level as close to zero as possible, with any residual emissions being absorbed, for example by oceans and forests) by 2050.

As a result, over the medium term, Lagardère is committed to reducing these emissions by almost 30% by 2030 compared with 2019. This is an ambitious objective in absolute terms and based on the latest scientific knowledge of climate change. It may be analysed as follows:

- a 46% reduction in emissions from operations, which include Scopes 1 & 2 emissions, but also a small portion of Scope 3 emissions, i.e., from employee business travel and commuting (or 7% of total Group emissions);
- a 28% reduction in all other Scope 3 emissions, i.e., emissions from the supply chains (93% of total Group emissions).

ANALYSIS OF CLIMATE RISKS(1)

Moreover, Lagardère will leverage assessments of the physical and transition risks of climate change to improve the definition of its strategy. It was with this in mind that the Group carried out its first study in 2022, before adding a vulnerability analysis in 2023 to quantify the main risks identified.

As a first step in assessing climate risks and opportunities, Lagardère chose the two climate scenarios on which to base the entire analysis process:

- a "Paris-aligned pathway" scenario, assuming global warming of less than 1.5°C in 2100. This scenario, based on the Representative Concentration Pathway (RCP) 2.6 issued by the Intergovernmental Panel on Climate Change (IPCC), requires an assertive commitment from governments and international institutions, high carbon prices (carbon tax, setting a per-ton price for carbon, etc.), keen consumer awareness of climate change and its impacts and, in general, aggressive action to reduce emissions to meet the objectives of the Paris Agreement. It is an ambitious scenario that calls for robust mitigation measures;
- a "continuous pathway" scenario, assuming global warming of around 4°C in 2100. This scenario, based on the IPCC RCP 8.5 scenario, assumes a business as usual approach, with limited commitment, low carbon pricing and a steady rise in carbon emissions without any change in current policies. This is a highly pessimistic scenario that will eventually require adaptation to the physical impacts of climate change.

The analysis was conducted over two timeframes, 2030 (short term) and 2050 (long term). A third, closer timeframe (2025) was also studied to provide a baseline.

Using these two scenarios and three timeframes, the Group screened all its business activities for the various categories of transition and physical risks identified by the Task Force on Climate Related Financial Disclosures (TCFD).

For the 2030-2050 period, this analysis resulted in the identification of **two major transition risks, three physical risks and three major opportunities**.

The **two major transition risks** identified are:

- the risk of higher paper prices as a result of conflicts over the use of wood, with demand expected to increase in other sectors such as construction;
- the risk of a gradual decline in air traffic due to changes in consumption patterns and regulatory constraints on consumers.

The extent of the transition risks facing Lagardère Publishing and Lagardère Travel Retail was the subject of sensitivity analysis based on the 2022 study assumptions (using "Charlie", the worst-case scenario from the Shift Project's *Pouvoir voler en 2050* [Flying in 2050] study).

Other transition risks were considered in 2022, but were not quantified for 2023. Further work is planned in 2024 to quantify them and determine their materiality.

The **three main identified physical risks** arising from possible climate hazards (heatwaves, high temperatures, floods, storms, violent winds, drought, etc.) concern:

- an additional risk of an increase in the price of paper due to the pressure exerted by forest fires on timber and pulp production;
- disruption of airport operations over several consecutive days due to flooding or storms, leading to flight cancellations over a number of days, or even airport closures and reduced traffic;
- physical damage to buildings caused by flooding or high winds.

Exposure to the physical risks of climate change was analysed by Zurich Resilience Solutions, an external consultant specialising in this area and recognised in the sector, on the basis of a selection of sites representing 70% of the total value of the Group's physical assets and 50% of its revenue. The exposure analysis was supplemented by a vulnerability analysis of the sites to quantify the risk.

All the risks were assessed in terms of their probability of occurrence (see tables below) and their potential financial impact was initially estimated.

(1) Further information is provided in chapter 5 of this document (section 1.4 of note 1 to the consolidated financial statements at 31 December 2023).

Category	Description	1.5°C scenario		4°C scenario	
		Probability of occurrence in 2030	Financial materiality in 2030	Probability of occurrence in 2030	Financial materiality in 2030
Transition risk	Higher paper prices	Possible	Moderate	Possible	Low
	Downturn in air traffic	Possible	Moderate	Very unlikely	Low
Physical risk	Higher paper prices	Possible	Low	Possible	Low
	Disruption of airport operations	Very likely	Low	Very likely	Low
	Damage to buildings	Very likely	Low	Very likely	Low
Opportunities	Identifying new growth drivers	N/A	N/A	N/A	N/A
	Using our position as a content creator to raise awareness and make a difference	N/A	N/A	N/A	N/A
	Developing new low-carbon products and services	N/A	N/A	N/A	N/A

Category	Description	1.5°C scenario		4°C scenario	
		Probability of occurrence in 2050	Financial materiality in 2050	Probability of occurrence in 2050	Financial materiality in 2050
Transition risk	Higher paper prices	Possible	Moderate	Possible	Low
	Downturn in air traffic	Possible	High	Very unlikely	Low
Physical risk	Higher paper prices	Possible	Low	Possible	Low
	Disruption of airport operations	Very likely	Low	Very likely	Low
	Damage to buildings	Very likely	Low	Very likely	Low
Opportunities	Identifying new growth drivers	N/A	N/A	N/A	N/A
	Using our position as a content creator to raise awareness and make a difference	N/A	N/A	N/A	N/A
	Developing new low-carbon products and services	N/A	N/A	N/A	N/A

The risk associated with higher prices for paper raw materials was deemed to be moderate, even assuming a steep increase in costs and a failure to adjust selling prices.

With regard to the risk of a downturn in air traffic, a highly degraded scenario was used, in line with a net-zero emissions pathway (1.5°C) and assuming a halving of airport revenue by 2050. This points to a significant reduction in the profitability of this business. This is a highly material risk for Lagardère and its Lagardère Travel Retail division. However, the gradual nature of any such fall in traffic means that a number of measures can be taken to limit its impact (renegotiation of concession agreements, adjustment of leased floor space, etc.), underlining the resilience of the division's business model.

Long term, the modal shift towards decarbonised modes of transport (i.e., the transfer of freight shipments from one transport mode to another or to some other form of locomotion) would enable profitability to remain on target. This change in the business model was not taken into account in quantifying the risk in question, resulting in the maximum possible quantification of the impact of declining air traffic in an already extreme scenario.

With regard to physical risks, exposure analysis covering nine chronic and acute physical climate hazards (precipitation, heat wave, drought, storm, flood, cold, hail, wind and forest fire) confirms that Lagardère sites are significantly exposed to precipitation, drought and heat waves.

The vulnerability analysis concludes that the hazards to which Lagardère sites are most vulnerable are (i) high winds and floods due to the resulting damage to buildings, and (ii) storms due to the potential disruption to operations at airports (in the event of airport closures over several days generating a significant drop in airport traffic). The analysis also looked at the potential impacts of an increase in forest fires and heat waves on the availability of timber and consequently pulp.

In the two scenarios considered (1.5°C and 4°C), the magnitude of the impacts is comparable until 2050. The expected impacts increase slowly from 2030 onwards. The impacts estimated to date remain modest overall.

The quantified analysis confirms the assessment expressed in the double materiality analysis, which assigns ratings of 2 for physical risks and 3 for transition risks. A transition plan was deemed necessary in light of the materiality of transition risks. This transition plan will be the subject of a co-construction process with all Lagardère group divisions in 2024.

Subsequently, the transition risks and opportunities not included in the quantified analysis for 2023 will be integrated into a broader analysis, including the impact of the transition plan.

EDUCATING ABOUT CLIMATE ISSUES: A PRESSING RESPONSIBILITY

> Lagardère has long defended the idea that one of its major responsibilities on the issue of climate change lies in its ability to raise awareness, inform and educate the general public. In 2023, the rollout of the climate media contract at Lagardère News and Lagardère Radio resulted in the broadcast of more than 50 hours of "green" radio content and 300 articles in the Group's print media, the creation of a more eco-responsible allocation of resources and the training of 60 journalists on environmental and climate issues.

A.2 APPLICATION

SCOPES 1 & 2 EMISSIONS AND EMPLOYEE TRAVEL

To address energy use of buildings and employee travel (commuting, business travel and vehicle fleet), which together account for around 7% of the Group's emissions as reported in its most recent carbon audit, Lagardère will activate cross-functional levers for action across its business base.

For buildings, the Group is seeking to minimise energy consumption in its leased or owned offices, warehouses and stores by undertaking initiatives to improve energy efficiency, including:

- opting for energy-efficient and/or environmentally certified facilities and upgrading energy management tools. For example, Hachette Livre's head office in Vanves, in the Paris suburbs, has earned HQE NF very high environmental standard certification for commercial buildings, as well as the BBC energy efficiency label, while Hachette UK's new London headquarters has obtained BREEAM certification. In the same vein, the Group will favour the use of buildings heated by electricity or biomass. The Group's office premises are also increasingly being configured for optimal daily energy consumption (LED lighting, occupancy sensors, labelled computer equipment, equipment sharing, etc.);
- rolling out energy optimisation programmes across the international network of stores operated by Lagardère Travel Retail, involving such actions as switching to LED bulbs and using refrigerators with doors and equipment that consumes less energy.

In recent years Lagardère has also carried out numerous energy audits on industrial and service sites, and within its store network in France. The findings of this work are used to enrich the sites' energy efficiency action plans, adding to the catalogue of measures already in place in the various businesses. Lagardère Travel Retail has also carried out energy audits in several of its countries of operation, including Austria, the Czech Republic, Poland, the United States and Singapore. In addition, a global directive covering a series of measures to reduce energy consumption in stores, offices, and warehouses was shared with all countries of operation in January 2023.

Lastly, the gradual application of France's Tertiary Decree and its energy reduction targets will help to improve building energy performance.

The Group also seeks to promote the use of energy from renewable sources. Whenever possible, the Group will also explore the feasibility of installing solar panels on certain sites to enable self-use of the resulting renewable power.

Business travel-related initiatives will focus on:

- transitioning the car fleet to electric vehicles;
- offering eco-driving training and optimising routes, mainly for sales staff;
- redefining travel policies (to limit travel, encourage the use of train and direct flights, etc.);
- offering employees sustainable mobility packages to encourage them to commute using soft mobility transport, car-pooling and public transit by offsetting part of the cost.

SCOPE 3

At Lagardère Publishing, the main levers for action identified as part of the Group's emissions reduction strategy concern over-production, paper procurement, printing/binding processes and shipping.

To limit over-production, Lagardère Publishing's teams have systems to optimise inventory visibility across the value chain and forecast sales, and are planning future developments to make the most of the resulting data to set objectives going forwards. While reducing the percentage of books pulped each year, the division will lower emissions over the entire book life cycle and therefore in the key factors mentioned above (paper production, printing-binding, shipping and waste).

With regard to paper procurement and printing/binding operations, Lagardère Publishing is committed to applying stricter environmental criteria in selecting suppliers, systematically opting for suppliers with the lowest emissions and setting them annual carbon intensity objectives.

Finally, to reduce the impact of freight, Lagardère Publishing is looking into the possibility of relocating the manufacture of certain products and consolidating international deliveries. The division has already tightened its environmental criteria for selecting service providers and is working with them to optimise deliveries.

All of these initiatives have proven to be effective, particularly in the paper traceability and book manufacturing processes. In France, for example, Lagardère Publishing reduced its emissions by almost 20% in 12 years, between 2008 and 2020. What's more, for almost ten years now, the initiatives under way have helped make it possible to display two indicators on every French language book, namely its carbon footprint and the source (certified or recycled) of the fibres used in its paper.

At Lagardère Travel Retail, the primary lever of action concerns the product assortments offered across the store base. To activate it, the division will start by promoting a more sustainable merchandise assortment for which criteria are currently being defined in collaboration with a panel of internal and external experts.

A more detailed analysis of the merchandise portfolio, supplementing the one initiated during the first carbon audit, will be performed in 2024 so that the related emission reductions can be tracked more accurately.

At the same time, the division is intensifying its discussions with its key suppliers to better understand their strategy and commitment to a low-carbon pathway.

Lastly, Lagardère Travel Retail is working on purchasing guidelines to raise awareness and support teams so that they can make informed choices of low-carbon merchandise.

4.55 tCO_2eq/FTE

A.3 OUTCOMES

The consumption shown in the table below covers all the activities of the Lagardère group.

The data factor in the direct (Scope 1) and indirect (Scope 2) energy consumption of all the offices, points of sale, stores, warehouses, server rooms, radio broadcasting sites, venues and sports academies used for the Group's activities in all the regions indicated above.

For Lagardère Travel Retail, there is uncertainty over the exact amount of consumption. The division operates more than 5,120 points of sale worldwide and does not always have access to energy bills detailing the consumption of each point of sale, as energy costs are often included in the charges paid to licensors (airport/station owners).

As a result, operating staff responsible for reporting consumption data for the store network operated in each region are sometimes required to make estimates using average kWh/sq.m./month, data based on the surface area and type of point of sale.

Group tertiary energy consumption, worldwide (in MWh)

		Lagardère Publishing	Lagardère Travel Retail	Other Activities	Lagardère Publishing	Lagardère Travel Retail	Other Activities	GROUP	
		2022			2023			2022	2023
Scope 1 energy consumption (MWh)	Consumption of fuel from oil	2,042	37	0	**1,188**	**1,231**	**0**	2,079	**2,419**
	Consumption of fuel from natural gas	28,702	11,198	6,925	**26,749**	**24,847**	**5,851**	46,825	**57,447**
Total fossil-based energy consumption (MWh)		**30,744**	**11,235**	**6,925**	27,937	26,078	5,851	**48,904**	59,866
Scope 2 energy consumption (MWh)	Electricity consumption	31,141	167,375	8,314	**27,349**	**198,614**	**8,374**	206,830	**234,338**
	Consumption of electricity, heating, steam and cooling purchased or acquired from district heating systems	794	7,777	2,423	**280**	**8,123**	**1,546**	10,995	**9,948**
Total consumption of electricity, heating, steam and/or cooling (MWh)		**31,935**	**175,152**	**10,737**	27,629	206,737	9,919	**217,824**	244,286
Energy consumption from renewable sources (MWh)	Electricity consumption, purchased or acquired from renewable sources (included in electricity consumption reported above)	12,382	13,651	248	**10,646**	**35,855**	**4,154**	26,281	**50,656**
Share of electricity consumption from renewable sources in total electricity consumption (%)		**40%**	**8%**	**3%**	39%	18%	50%	**13%**	22%
Total energy consumption (MWh)		62,679	186,387	17,662	**55,566**	**232,815**	**15,770**	266,729	**304,152**

Group GHG emissions, worldwide (in tCO_2eq)[1]

		Lagardère Publishing	Lagardère Travel Retail	Other Activities	Lagardère Publishing	Lagardère Travel Retail	Other Activities	GROUP	
		2022			2023			2022	2023
Scope 1 GHG emissions (tCO_2eq)									
Gross Scope 1 GHG emissions	Oil	555	10	0	**323**	**335**	**0**	566	**658**
	Natural gas	5,277	2,065	1,253	**4,919**	**4,591**	**1,059**	8,595	**10,570**
	Vehicle fuel	779	1,398	118	**822**	**2,333**	**115**	2,294	**3,270**
Sub-totals		**6,611**	**3,473**	**1,371**	6,064	7,259	1,174	**11,455**	**14,497**
Scope 2 GHG emissions (tCO_2eq)									
Gross location-based Scope 2 GHG emissions	Electricity	6,957	57,065	305	**6,291**	**70,696**	**307**	64,327	**77,294**
	District heating network	153	1,534	436	**47**	**1,672**	**278**	2,123	**1,998**
Sub-totals		**7,110**	**58,598**	**742**	6,338	72,368	586	**66,450**	**79,292**
Scope 3 GHG emissions (tCO_2eq)									
Business travel	-	1,387	3,245	1,346	**2,826**	**6,496**	**861**	5,978	**10,183**
Employee commuting	-	4,137	15,270	277	**4,063**	**19,917**	**388**	19,684	**24,367**
Activities in the fuel and energy sectors (not included in Scopes 1 & 2)	Upstream oil	108	2	0	**63**	**65**	**0**	110	**127**
	Upstream natural gas	881	335	238	**819**	**687**	**201**	1,455	**1,708**
	Upstream vehicle fuel	172	430	27	**183**	**501**	**41**	630	**725**
	Upstream electricity	1,884	11,948	156	**1,748**	**14,681**	**157**	13,987	**16,586**
Sub-totals		**8,568**	**31,229**	**2,045**	9,703	42,346	1,648	**41,842**	**53,697**
Total GHG emissions									
Group total		**22,289**	**93,301**	**4,158**	22,105	121,973	3,408	**119,747**	**147,486**

Indicator	2022	2021	2020
Scopes 1 & 2 carbon emissions per €m of revenue (tCO_2eq)	**11.20**	10.90	13.50
Scopes 1 & 2 and business travel and commuting carbon emissions per FTE employee[1] (tCO_2eq)[2]	**4.55**	4.22	-

(1) Employee travel includes both business travel and commuting. In 2023, these data were reported for 96% of the Group's FTE workforce (compared with 93% in 2022). As a result, the Scopes 1 & 2 data presented in the table above, which cover 100% of the Group's FTE workforce, have been recalculated to align with the FTE headcount covered by travel data.
(2) Data reported for the first time in 2022.

(1) The 2022 emissions have been recalculated to take into account the changes made in 2023 to the emission factors used.

2023 differs from the previous year due to the recovery of the Lagardère group's activities to pre-Covid levels, whereas 2022 was still partially affected by the slowdown triggered by the health crisis, in particular at Lagardère Travel Retail. An exceptional summer, particularly in the United States and Europe, took Lagardère Travel Retail's revenue to a record high, with strong growth over the first nine months.

On top of this momentum, Lagardère Travel Retail's organisational scope expanded, notably with the acquisitions of Marché International and Costa Coffee in Poland, leading to an increase in the number of stores.

This allowed Lagardère Travel Retail's activities to benefit from an increase in retail space operated, and in turn pushed up the consumption and emissions recorded in 2023. The increase in the volume of Scopes 1 & 2, and employee commuting carbon emissions per FTE is therefore attributable to the increase in electricity and gas consumption, the resumption of business travel and the larger workforce than in 2022, reflected in more commuting.

However, the increase in activity also resulted in a substantial jump in revenue, which in turn limited the rise in the volume of Scopes 1 & 2 carbon emissions per million euros of revenue between 2022 and 2023.

In general, the changes in reported energy consumption and greenhouse gas emissions, depending on the division and type of energy, reflect:

- changes in organisational structure, with new entities and/or new buildings entering the environmental reporting scope;
- a better understanding within an entity of the various sources of energy consumption;
- internal organisational changes (often due to refurbishment or renovation works) that may be temporary or permanent, and lead to increases or decreases in energy consumption;
- an update of the emissions factors used to convert energy into carbon equivalent.

2.3.3.2 RESOURCE MANAGEMENT, ANTI-WASTE MEASURES AND THE CIRCULAR ECONOMY

The manufacturing of certain products essential to the deployment and development of the Group's activities involve the use of natural resources. This reliance requires measures to limit the negative environmental impacts generated by these activities. The Group's vigilance on this issue must meet the growing expectations of customers, consumers and other stakeholders.

In this area, the Group's commitments cover three main items, namely paper, food waste and plastic.

Paper is historically the Group's predominant raw material. When made from renewable sources, paper can be a quintessentially eco-friendly material – if the impacts of its production from tree to paper are properly managed. Like any product, paper leaves an environmental footprint throughout its life cycle, from the purchase of raw materials to production and recycling unsold items. Pulp is a globalised resource, imported from many countries and transported around the world, and each step in the papermaking process can combine multiple sources. This complexity calls for special vigilance, particularly in managing supplies.

In view of the growing importance of the Foodservice business within Lagardère Travel Retail, and the financial, environmental and social challenges related to **food waste**, it is also imperative to take action to encourage production and consumption patterns to embrace more sustainable practices.

Lastly, the fight against **plastic pollution** has also become a priority for the Group's activities, which began to make tangible progress on this issue in 2020.

In addition to these three major priorities, the Group's subsidiaries are also committed to eco-design and refurbishments of its stores.

A.1 STRATEGY

Through its book publishing and press activities, the Group has long led a policy of responsible paper management which applies throughout the paper life cycle. From supply to production to the management of returns, Lagardère works with all its trade partners involved at every stage.

The Group seeks first and foremost to increase from year to year the proportion of purchases of certified paper sourced from sustainably managed forests, in other words those where the amount of wood cut each year does not exceed the amount of biomass that has grown that same year, thereby guaranteeing the maintenance of the carbon stock in the forest rather than allowing forests to be overexploited or entire areas to be deforested. It also endeavours to use recycled paper wherever possible. Whether paper is purchased directly from paper manufacturers or supplied by the Group's printers, the policy is to prioritise printing on paper certified by the Programme for the Endorsement of Forest Certification (PEFC) or the Forest Stewardship Council (FSC).

At the local level, in each of the relevant entities, the technical teams in charge of paper manufacturing and/or procurement, as well as the in-store retail teams, support and embody this strategy, thereby contributing to the gradual reduction of the negative impact of the Group's operations.

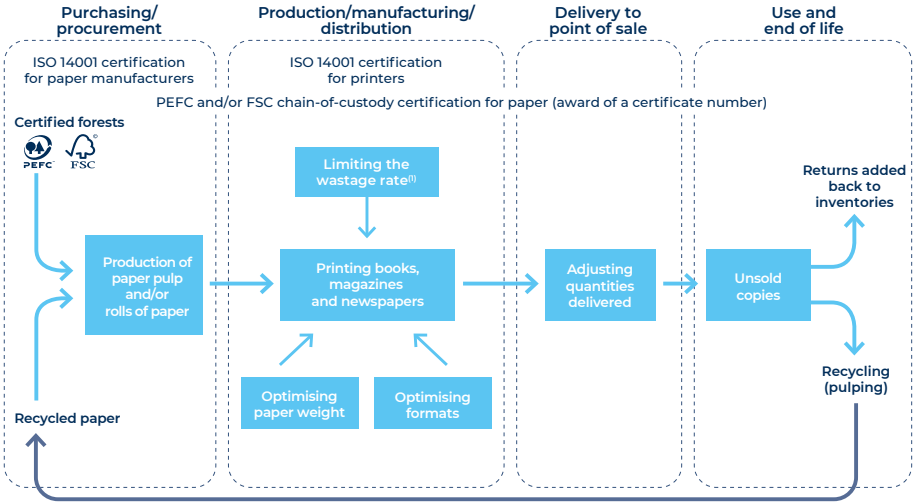
To fight plastic pollution, Hachette Livre conducted an audit in 2020 and used the findings to devise and deploy an action plan in 2021, with targets for 2030.

PAPER CYCLE

> The main raw material used to make paper is wood, which is a renewable resource. The wood is processed into a pulp which is used to make reels of paper. The reels are shipped to the printer to be made into books, magazines and newspapers. Once used, these products can be collected and recycled to be used as a raw material for the production of recycled paper pulp.

Meanwhile, Lagardère Travel Retail is rolling out initiatives in five areas to combat food waste in its operating units.

With regard to plastic pollution, it is working to gradually eliminate single-use plastic from all the outlets operated under its own banners, and to reduce packaging and consumables.



(1) Wastage rate: percentage of paper lost during the manufacturing process.

THE ISSUE OF FOOD WASTE

In 2023, Lagardère Travel Retail took a further step in the fight against food waste, which already goes back several years in its Foodservice business, with the launch of a comprehensive anti-waste programme covering its three business segments. This ambitious programme, known as FLOW (Fighting to Limit Our Waste), has five pillars: measurement, employee engagement, anti-waste procedures, store promotions and surplus management.

A.2 APPLICATION

PAPER PROCUREMENT

Over the years, initiatives focusing on traceability and monitoring of the quality of paper purchased directly or supplied by printers have made it possible to significantly reduce the proportion of fibres used for publications whose origin cannot be traced and/or to ensure that no fibres are used from forests that are not replanted.

Several measures are implemented alongside responsible paper procurement to control the quality of paper purchased.

Lagardère Publishing asks its suppliers in Asia to ban certain qualities of paper that do not meet the requirements (traceability, fibres from sustainably managed forests, etc.).

Since 2016, Hachette Book Group (HBG) has run a programme to verify fibres sourced from Asia that are introduced into the paper it purchases. Each quarter, samples of the paper used for publications distributed by the US subsidiary are tested to obtain assurance that the paper purchased on Asian markets is from suppliers that respect their environmental commitments. To do this, HBG has contracted a specialist laboratory to test the fibres of books selected at random from among the publications printed in Asia. The aim is to ensure that no precious exotic woods are mixed into the weave and that the paper meets the specifications of Lagardère Publishing.

Similar programmes have been implemented in every Lagardère Publishing entity in France, the United Kingdom and Spain. This represents a significant initiative that rounds out and reinforces the subsidiary's policy of purchasing certified and recycled paper.

In 2010, the Group's Press business committed to using only certified PEFC (or recycled) paper printed by certified suppliers, allowing it to place its printers' "PEFC certified" logo on mastheads and in credits. In addition, *Le Journal du Dimanche* is printed entirely on recycled paper, which is ideally suited to the production of newsprint. However, as the supply of recycled paper for magazines remains limited in terms of volumes and the number of suppliers in the market, certified paper is preferred.

The Group's operating staff in charge of paper procurement have for some time run a policy to raise awareness of environmental issues with their paper suppliers and printers, both in France and abroad, by encouraging certification. Consequently, a large majority of Lagardère Publishing's paper purchases are made from ISO 14001-certified suppliers.

MONITORING PAPER CONSUMPTION

Operating staff have adopted a number of initiatives to limit wastage (percentage of paper wasted) during the production process (printing and after-press). The wastage rate is calculated by comparing the amount of paper used in the printing process with the amount of paper delivered in the form of books, newspapers or magazines. This rate varies greatly depending on the printing technology used (type of machine, colours) and the number of books and magazines produced (print run).

As part of the policy for reducing the paper wastage rate, dedicated teams determine the best technical inputs and carry out detailed calculations of the amount of paper to be allocated to the printer. Improving wastage rates is a key factor in negotiations with printers.

Paper consumption and wastage rates are monitored regularly to:

- validate the choice of printer, printing techniques and paper (optimisation of reel width and paper size);
- calculate the number of copies of magazines and newspapers to print according to sales statistics;
- identify new technologies that could be used (rotating rapid-calibration tools, automatic setting of ink devices);
- implement rigorous printing press control procedures and optimised machine calibration (inking, size of paper cuts, etc.);
- inform editorial managers of the most economical formats to help them best meet market requirements;
- define and validate the best paper allocation schedules in conjunction with each supplier;
- identify areas for continuous improvement in conjunction with suppliers.

Adjusting the format of publications is another way of optimising book and magazine production. Lagardère Publishing offers a large range of single-format textbooks by title that are optimised to reduce the paper wastage rate in production. Choosing a lower grammage can also help to reduce paper consumption.

Print-on-demand technology also helps, while also reducing greenhouse gas emissions for production, storage and transport. The Group has developed the use of this technology in France, the United States and the United Kingdom, and its catalogue continued to expand in 2023.

In France, Hachette Livre is also using print-on-demand technology as part of a large-scale project launched in association with France's national library (BnF) to market a selection of more than 288,000 works from the BnF's literary heritage via the network of booksellers. In all, including the national library titles, Hachette Livre's print-on-demand catalogue in France comprises 413,439 works.

WASTE PAPER

At Lagardère Publishing, returns are assessed on editorial, qualitative and economic criteria, after which a substantial proportion are sent back to the imprint's warehouse, so that they can eventually be returned to booksellers. All the others are destroyed and the pulp reused to make recycled paper. In the years to come, Lagardère Publishing will continue to encourage print runs that are as close as possible to sales.

The Group's Press activities take action upstream to reduce the rate of returns, optimising the number of copies of each title sent to stores. Returns are an inevitable part of newsstand sales, and to manage them as effectively as possible, sales managers use specialist software to constantly fine-tune quantities printed and delivered. Over many years, these actions have reduced rates of returns to below the national average.

99% **of purchased and supplied paper is certified or recycled.**

FIGHTING FOOD WASTE

With the fight against food waste now a major issue, Lagardère Travel Retail is striving to contribute to efforts across all of its operating regions by rolling out a comprehensive anti-waste strategy aimed at avoiding, reducing and recycling unsold items. Raising awareness of waste issues, monitoring and measuring losses, optimising sales forecasting, production and inventory management, discount mechanisms and donations to charities are among the cornerstones of the FLOW programme.

Promotion of the Défi No Gaspi (No Waste Challenge) initiative at the entrance to a Relay store.

The gradual deployment of a shared SAP information system is also designed to improve the reliability of data measurement and production assumptions. In addition, a number of initiatives have been launched in recent years to reduce waste wherever possible:

- various promotional offers are organised at the end of the day to limit waste and, as part of the FLOW anti-waste programme, a workshop was organised with country representatives in 2023 to introduce effective promotions and communications at the point of sale to intensify the fight against waste;
- in France, the Défi No Gaspi initiative helps raise awareness and inform customers. Promotional rules have been standardised in own-banner stores, allowing reductions of 30% to 50% on products on their use-by or best-before date;
- applications to facilitate the sale of products close to their use-by date via discounted food baskets. In Europe, a large number of restaurants use Too Good To Go (Germany, France, Netherlands, Switzerland, Poland and Italy). Across the Atlantic, the GoodMeal app is used in Chile;
- in addition to these initiatives, unsold items are offered directly to local charities or via platforms that redistribute donations to NGOs such as Food Angels (Hong Kong), Goodr (United States) and Last Minute Market (Italy).

The country organisations have introduced a number of initiatives to reprocess food waste. In the Czech Republic, a smart composter has been installed to reduce the weight of waste bins and recycle more. The compost is then given to customers free of charge, with instructions on how to use it. In the United Arab Emirates, teams have partnered with startup Bean and Beyond to recover used coffee grounds and produce mushrooms that are then used in their dishes.

To share best practice between countries, a chefs' community has been created, bringing together international chefs to promote anti-waste recipes, as well as vegan and vegetarian options. Their recipes are available via an online platform in all countries.

PLASTIC REDUCTION

Driven by a constant determination to reduce their environmental footprint, the Lagardère group's subsidiaries are making progress on reducing the use of plastic.

In 2020, Hachette Livre France launched a comprehensive review of its use of plastic throughout its processes. The aim is to obtain a precise measurement of the plastic footprint within the manufacturing and distribution chains. Detailed mapping was carried out to determine the various types of materials and volumes of plastics used in production (banners, lamination or protection for books or boxes, etc.) and logistics (film for securing pallets, packaging, etc.). A comparable review was also carried out on partworks, aligned with the specific nature of that activity.

In 2021, a plastic footprint reduction trajectory and a 2030 action plan were laid out, with the goal of shrinking Hachette Livre France's plastic use by 25% by 2030. The action plan has four main thrusts: reduction in plastic volumes (elimination of non-essential uses, eco-design), improvement in the material mix (responsible purchasing, choice of plastics sourced from established circular channels), changes in structure to facilitate the rollout of the approach (installation of industrial innovations, involvement of all business lines), and commitment of the ecosystem (interprofessional initiatives, communication, etc.). The plan got under way in France in 2022. A diagnosis and action plan to reduce the use of plastics in operations outside France were rolled out in 2023.

Since then, Hachette Livre has made progress in France in implementing its Bas-Plastique action plan, focusing its efforts on product eco-design (reducing the lamination of books, replacing the plastic spacer in certain boxes by cardboard and reducing the use of bundling film) and reducing the use of plastic in logistics (reducing the thickness of machine and manual palletising films, reducing the thickness and incorporating recycled plastic in heat-shrink film, eliminating the use of PVC adhesive tape in warehouses and implementing a progress plan for sorting logistics waste).

In late 2019, Lagardère Travel Retail decided to eliminate all plastic consumables used by its own Foodservice banners worldwide. The initiative was rolled out in France starting in July 2020 and has since been gradually extended to all the host countries.

99% of countries with a Foodservice business have eliminated single-use plastic consumables (calculated based on revenue; own banners only).

This major change was possible thanks to rapid action by departments and countries to identify products and suppliers meeting the new specifications. Since the end of 2022, in tandem with this approach, the division has been reviewing the way it uses plastic consumables in order to reduce their use by applying the 4 Rs principle: Remove, Reduce, Reuse and Recycle.

In 2023, guidelines for more responsible consumables were updated and expanded to include checkout bags. Packaging experts were consulted to define worldwide guidelines for preferred, acceptable and banned bag materials for all consumables and checkout bags.

A new worldwide checkout bag policy has been introduced. To reduce the volume of bags distributed, checkout assistants in all countries are instructed to ask customers in advance if they need a bag, and to charge for one if necessary. The bags are made from more responsible materials, as defined in internal guidelines (FSC or PEFC-certified paper, over 80% recycled paper, etc.). In 2023, the division undertook to cease orders for virgin or oxo-biodegradable plastic bags for all of its own banners.

Lagardère Travel Retail checkout bag.

Alternatives to plastic bottles are also being tested with the aim of eventually offering an alternative in all stores. The division is encouraging tests of different types of drink dispensers across its network (Charles de Gaulle airport in France, as well as in Poland and Czech Republic), with further tests planned in the United States from 2024.

ECO-DESIGN

Defined as the systematic integration of environmental aspects into every stage of a product's development process, so that it makes the lowest possible environmental impact throughout its life cycle, eco-design is gradually gaining importance across all the Group's business activities.

Communication materials for the Hachette Livre eco-design week.

In 2023, Lagardère Publishing continued its annual eco-design programme, launched in 2021 with the aim of initiating or accelerating eco-design practices within its teams and involving all business lines in efforts to achieve the targets linked to its plastic footprint reduction pathway. The programme includes an Eco-design Week (series of online sessions open to all to raise awareness of the key issues of climate change and plastic pollution, and to share best practice at every stage of the product lifecycle) and an internal eco-challenge (to highlight eco-designed products and green processes initiated within the teams).

In 2023, this programme won the Victoire d'Or at the Victoires du Capital Humain awards in recognition of the division's strategy.

Meanwhile, Lagardère Travel Retail is making progress on the eco-design of its stores. Three eco-designed stores have been opened: an Aelia Duty Free store in Geneva (2021), a Travel Essentials Discover outlet in Singapore (2022) and the Future is Local store in Prague (2022). This development requires an end-to-end assessment of the store's life cycle, from specifications and choice of materials to the merchandise offering and waste management. In 2023, more than 40 of Lagardère Travel Retail's international designers and architects will be trained in eco-design principles to enable them to bring more circularity into the division's future concepts.

GO GREEN, THE LAGARDÈRE TRAVEL RETAIL FRANCE EMPLOYEE CHALLENGE TO SUPPORT THE CIRCULAR ECONOMY

Launched in 2022, Go Green is an entrepreneurial challenge calling on Lagardère Travel Retail France employees to submit sustainability projects.

The Huggy platform project was selected from among ten initiatives, and became a reality with a first test phase in around 50 stores in the eastern region of France in June 2023. It allows stores to make unused and bulky equipment available to other points of sale.

At the end of 2023, following this conclusive test, the project was rolled out to nearly 900 stores in the network. To date, more than a hundred connections and dozens of exchanges have taken place on various materials.

A.3 OUTCOMES

Indicator	2023	2022	2021
Weight of paper purchased directly (in kilotons)	**101.9**	140.5	135.1
Weight of paper supplied (in kilotons)	**38.1**	37.0	44.4
Total weight of paper purchased and supplied (in kilotons)	**139.9**	177.5	179.5
Percentage of certified paper	**94.7**	95.5	95.0
Percentage of recycled paper	**4.7**	3.9	3.9
Percentage of countries(1) with a Foodservice business that have a waste measurement system and have run at least one food waste reduction initiative(2) (calculated based on revenue; own banners only)	**67**	65	49
Percentage of countries(1) with a Foodservice business that have eliminated single-use plastic consumables(3) (calculated based on revenue; own banners only)	**99**	95	48
Water consumption (cu.m.)	**655,213**	480,625	432,301

(1) Implementation of initiatives at country level does not mean that they are applied in every point of sale.
(2) Inclusion in this indicator is subject to two criteria: the country has implemented a reporting tool to monitor food waste and has initiatives in place to reduce it. If the country meets both criteria, its Foodservice revenue is added to the others and divided by total Foodservice revenue to obtain the percentage.
(3) To meet this criterion, a country must not use materials that are prohibited in the materials guidelines. If the country is in compliance with the materials guidelines, its Foodservice revenue is added to the others and divided by total Foodservice revenue to obtain the percentage.

2.3.3.3 BIODIVERSITY AND ECOSYSTEM PRESERVATION

As a publisher, Lagardère Publishing uses natural forest resources upstream in its value chain. Making paper involves the exploitation of forests, which has an impact on biodiversity and local ecosystems. Depending on the forest from which it is sourced, it is essential to consider the risks associated with the origin of the wood used in the paper and pulp industries. Particular attention must be paid to upstream operations, which are likely to contribute to deforestation, or to monocultures replacing natural forests or other environments of high conservation value.

A.1 STRATEGY

Attention to raw materials has been at the heart of Hachette Livre's sourcing strategy for several years. To mitigate its impact on biodiversity, suppliers in its value chain are selected within the framework set by the Forest Stewardship Council (FSC®) and the Programme for the Endorsement of Forest Certification (PEFC) to guarantee a sustainable and certified supply of paper.

The use of these labels guarantees compliance with responsible forest management principles, including respect for international treaties, support for the rights of indigenous peoples, maintenance of the social and economic well-being of local communities, promotion of efficient use of a forest's ecosystem services to ensure its economic viability, conservation of biological diversity and the ecosystem values and services associated with it (water resources, soil, landscape, heritage species and habitats, etc.).

Buying certified paper also helps preserve biodiversity, since the sustainable approach involves controlling forest resources, and also takes into account criteria such as the productive and protective functions of forests, biological diversity, and forest health and vitality.

A.2 APPLICATION

Since 2022, Hachette Livre has sourced 99% of its paper from recycled or FSC® or PEFC certified suppliers. To mitigate the risk of biodiversity loss through deforestation and forest degradation, programmes have been introduced in Asia to verify the composition of the paper purchased. These include consultation with suppliers and allow for the exclusion of service providers not meeting the requirements laid down in Hachette Livre's supply strategy (traceability, fibres from sustainably managed forests, etc.).

The division is also working on initiatives to develop biodiversity and connect its sites more closely with the surrounding nature. In addition to maintaining the balance of biodiversity and ecosystems upstream in its value chain, Lagardère Publishing is committed to reducing the impact of its direct activities on its immediate environment.

In 2023, Hachette Livre's headquarters in France were awarded the LPO Refuge label by the French League for the Protection of Birds. Specific measures have been taken to encourage the presence and diversity of local bird life.

Similarly, Hachette Livre has set up eco-grazing areas on the Maurepas site. By providing pasture for sheep and goats, the company is contributing to more respectful management of its green spaces, encouraging more abundant biodiversity, in terms of both fauna and flora. This initiative also helps to preserve species that are endangered because they are too small or too scrawny to be used for meat.

2.3.4 ENSURING ETHICAL AND RESPONSIBLE CORPORATE GOVERNANCE

2.3.4.1 FIGHTING CORRUPTION

The broad diversity of the business activities of both the Group and the outside organisations with which it interacts, as well as its international operations and/or expansion, exposes the Group to corruption and other risks.

A.1 STRATEGY

The Group has adopted a zero-tolerance policy in respect of corruption. This policy is embodied in a dedicated compliance programme that has been rolled out across the Group since 2013. In 2023, Arnaud Lagardère issued the Group's updated Code of Conduct, which applies to everyone and sets out the Group's ethical standards.

This document, overseen by the Group Risk, Internal Control and Compliance Department under the authority of the Secretary General, a member of the Executive Committee, is applied through specific procedures that provide a framework for business activities deemed at risk, as well as control processes to ensure that procedures are followed. In addition, an ethics whistleblowing line, available on the Group's website since 2020, can now be used by all Group stakeholders to report possible acts of corruption.

As such, the Group refuses to promise, offer, authorise, grant, solicit or accept illicit payments or other undue benefits with a view to winning or retaining contracts, illegally influencing the decision-making process, abusing any real or supposed influence on a third party to obtain a favourable decision or any other illegitimate advantage.

A.2 APPLICATION

The anti-corruption programme is designed and coordinated centrally by Group Compliance. It is being deployed and applied by the operating entities.

On the ground, Compliance Correspondents communicate anti-corruption principles through training and provide operational staff with assistance and support in analysing risks, carrying out the necessary due diligence on future partners, taking appropriate measures to prevent the occurrence of acts of corruption and answering questions from employees.

Managers and employees are trained in anti-corruption issues. They are required to comply with regulations in force and to apply the anti-corruption policy in their relations with all third parties, including governments, quasi government bodies, and public and private customers and suppliers. When the Group embarks on external growth transactions, specific due diligence is conducted to identify any corruption risks. Furthermore, the Group prohibits political donations.

Issues related to business ethics are also described in the Risk Factors chapter of this document, under the heading "Business ethics" (see section 4.1.3.3).

A.3 OUTCOMES

Anti-corruption performance is monitored at several levels:

- the implementation of the anti-corruption programme is monitored by the Risk Committees, which meet twice a year for each business. The meetings bring together the Group's General Management and that of each division;
- any significant issues are reviewed by the Financial Committee and undergo specific analysis to measure compliance risks, including corruption risk;
- internal control procedures cover compliance aspects;
- internal audit regularly checks the implementation of the anti-corruption programme at the different entities.

2.3.4.2 RESPECT FOR PRIVACY

With the explosion in the amount of data available online and the surge in cyber-attacks in recent years, personal data protection is an issue that requires heightened responsibility and vigilance.

A.1 STRATEGY AND APPLICATION

The Group's information systems contain personal data on Group employees and third parties, in particular, including magazine and partworks subscribers, the travelling public (duty free) and website visitors (media, education).

The Group began actively implementing the General Data Protection Regulation (GDPR) in 2016, with the full support of General Management. After initial awareness-raising initiatives run by the Group in its divisions, a dedicated task force was set up at Group level, comprising the Data Protection Officer (DPO), the Group IT Director and the Chief Compliance Officer.

A Steering Committee has also been set up with the divisions under the responsibility of the DPO, and a network of correspondents created in the divisions. This has made it possible to establish a Group policy and to validate the various applications, tools and policies for compiling information on data processed, ensuring that personal data are duly protected and that breaches are managed. On the latter point, the Group Chief Information Security Officer also proactively monitors the Internet to identify content leaks, particularly leaks of personal data.

The GDPR compliance programme is part of the Group's continuous improvement approach, alongside all other risk management and compliance programmes. In 2023, the Group's cross-functional processes were identified, and the most sensitive were the subject of impact analyses. In addition, internal audits are performed regularly on this programme, which is also monitored by the Group Audit Committee.

Issues related to the protection of personal data are also described in the Risk Factors chapter, under the heading "Risks associated with data security" (see section 4.1.3.2).

2.3.4.3 OTHER ETHICAL INFORMATION

To prevent tax evasion, the Group takes steps to identify and reduce tax risks, which are reviewed specifically as part the Group's risk mapping exercise led by the Risk, Compliance and Internal Control Department. In addition, tax policy, risks and disputes are presented periodically to the Audit Committee.

The Group ensures compliance with the applicable regulations of the countries in which it operates as regards tax reporting, calculation and the payment of taxes, levies and duties of all kinds. It complies with its annual country-by-country reporting (CBCR) obligations as regards tax, and underlines the importance of transparency and cooperation with national and local authorities, particularly during tax audits.

The Group is also committed to complying with the principles set out in European directives and by the OECD as regards the fight against tax evasion and the arm's length principle. In particular, it does not transfer profits to countries with more advantageous tax systems. It refuses artificial arrangements or any that could result in tax evasion or avoidance, and establishment in non-cooperative states or territories with regard to French law and the OECD.

Tax issues are dealt with centrally by a Tax Department under the responsibility of the Group's Chief Financial Officer, a member of the Executive Committee. For complex issues or questions bearing on the interpretation and application of standards, as part of major transactions and during tax audits and litigation, it calls on recognised expert external advisors.

2.4 SUMMARY TABLE OF OTHER MONITORED INDICATORS AFR

	2023	2022
Employee indicators		
Headcount		
Permanent workforce at 31 December(1)	**31,316**	27,383
Lagardère Publishing	**7,601**	7,479
Lagardère Travel Retail	**22,619**	18,803
Other activities	**1,096**	1,101
Women	**19,873**	17,586
Men	**11,443**	9,797
Top executives	**381**	365
Executives and managers	**7,415**	6,567
Other employees	**23,520**	20,451
Employees under 30	**8,315**	8,085
Employees aged 30-39	**8,541**	7,213
Employees aged 40-49	**6,707**	5,816
Employees aged 50 and older	**7,753**	6,269
France	**5,637**	5,532
Europe (excluding France)	**11,406**	8,876
North and South America	**10,576**	10,146
Asia-Pacific	**3,307**	2,502
Africa	**290**	327
Temporary employees(2) as of 31 December	**4,409**	-
Contract employees(3), full-time equivalents(4)	**929**	819
Number of temporary hours worked during the year on a full-time equivalent basis	**1,025**	986
Organisation of working hours		
Full-time employees	**24,173**	22,969
Part-time employees	**7,143**	4,414
Social dialogue		
Number of collective agreements in force at 31 December	**553**	497
Number of collective agreements signed during the year	**205**	115
% of employees covered by a collective gender equality in the workplace agreement	**60**	58
% of employees covered by a collective health, safety and working conditions agreement	**63**	61
% of employees covered by a collective agreement on the inclusion of people with disabilities	**43**	39
% of employees covered by a collective employee benefits agreement	**54**	54
% of employees covered by collective working hours agreement	**70**	68
% of employees covered by a collective training agreement	**46**	47
% of employees covered by a collective compensation agreement	**67**	63
Environmental indicators		
Natural gas consumption (in GWh)	**57**	47
Fuel-oil consumption (in GWh)	**2**	2
Electricity consumption (in GWh)	**234**	207
Steam consumption for heating (in GWh)	**10**	9
Scope 1 carbon emissions from natural gas consumption in buildings (tCO_2eq)	**10,570**	8,595
Scope 1 carbon emissions from oil consumption in buildings (tCO_2eq)	**658**	566
Scope 1 carbon emissions from vehicle fuel consumption (tCO_2eq)	**3,270**	2,294
Scope 2 carbon emissions from electricity consumption (tCO_2eq)	**77,294**	64,327
Scope 2 carbon emissions from district heating network consumption (tCO_2eq)	**1,998**	2,123
Scope 3 carbon emissions from energy consumption not included in Scopes 1 & 2 (tCO_2eq)	**19,147**	16,181
Scope 3 carbon emissions from business travel (tCO_2eq)	**10,183**	5,978
Scope 3 carbon from employee commuting (tCO_2eq)	**24,367**	19,684

(1) Permanent workforce numbers set out here correspond to the number of employees on permanent contracts who were actually in service on the last day of the year concerned. As employee turnover is high, particularly in Travel Retail, a consistent definition cannot be applied over time to determine the number of employees. This figure reflects some degree of uncertainty (just over 1%) despite the controls performed.

(2) Temporary workforce numbers set out here correspond to the number of employees on fixed-term contracts who were actually in service on the last day of the year concerned.

(3) Contract employees alternate between periods worked and not worked to meet the employer's specific requirements.

(4) The FTE figure is obtained by adding together all the employees who worked for the Group over the course of the year, based on their standard working hours and the hours they actually worked over the twelve months concerned. For example, an employee who works half a week for six months of the calendar year is counted as 0.25 FTE (0.50 x 0.50). This measure is more appropriate for analysing the casual workforce, given that a figure at 31 December would not reflect the actual situation over the year as a whole.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

2.5 CSR METHODOLOGY AND SCOPE AFR

2.5.1 SCOPE OF CONSOLIDATION

The reporting system used to collect social, environmental and societal information is deployed in all the consolidated subsidiaries(1) whose operations are managed by the Group, with the exception of:

- entities sold or deconsolidated during the fiscal year;
- certain entities acquired during the year, for which the reporting system is being rolled out gradually;
- entities meeting certain size criteria:
  - for energy data, exclusion of premises hosting fewer than ten employees,
  - for carbon reporting related to employee travel (company cars, employee commuting and business travel), exclusion of entities with fewer than 50 employees (with the exception of four entities with between 64 and 381 employees that have been excluded from the 2023 data collection process due to immateriality or unavailability of data).

Labour, social and environmental data presented in this document are reported using dedicated software covering all consolidated subsidiaries (subject to the previously-mentioned exceptions).

Taking into account the global footprint and with the energy scope exclusions listed above:

- data on Scopes 1 & 2 energy consumption and greenhouse gas emissions from point sources and water consumption cover 99.96% of the Group's permanent workforce as of 31 December 2023;
- data on employee travel and associated greenhouse gas emissions (company vehicle fuel, business travel and commuting) cover 97% of the Group's permanent workforce as of 31 December 2023.

Comparative data from one year to the next are on a like-for-like basis. As such, for 2023, the data for previous years have been recalculated using the scope of consolidation for 2022 as a reference.

2.5.2 REFERENCE LIBRARY FOR INDICATORS AND REPORTING METHODS

Data are entered by a contributor for each Group company included in the reporting scope. This information is then validated/verified by the subsidiary's management (Human Resources Department or Finance Department) before being sent to the Group Sustainable Development and CSR Department, which checks the consistency of the data.

Consistency checks aim to ensure the quality and fair presentation of reported data, including comparisons with prior periods, thereby improving the reliability of the reporting system.

Although the Group seeks to make contributors' work as easy as possible, by defining a clear reporting process and factoring in the international nature of its operations and activities (objectives that are closer to being achieved since the reporting guidelines were put in place), certain difficulties, sources of uncertainty, may arise during the reporting process:

- inaccurate assessments;
- calculation errors;
- poorly understood questions;
- data entry errors;
- problems defining an indicator;
- problems responding because of legal and/or political reasons.

The reporting method for social, environmental and societal data follows the same process.

A.1 SOCIAL REPORTING

Labour reporting follows the Group's Human Resources policy, taking the specific needs of each business line and/or geographic area into account. It is based on a library of more than 150 indicators that have been regularly updated, initially in 2006 and again in 2010.

The library of social indicators was reviewed in detail in 2012 in order to make it easier to understand for contributors and more relevant for the Group's divisions and activities, as well as to take account of the provisions of the implementing order of article 225 of France's Grenelle 2 law.

In 2019, the library of social indicators was once again reviewed to streamline and align it with the changes in the Group's organisation.

Rather than using a Group average approach, frequency and severity rates and lost time due to work accidents are now calculated using the number of theoretical hours worked per year per FTE in each of the Group's entities. This calculation method enables the Group to take account of the business and geographical specificities of each subsidiary and thereby generate more representative results.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

(1) The list is provided in note 38 to the consolidated financial statements in this Universal Registration Document.

A.2 ENVIRONMENTAL AND CARBON REPORTING

Environmental reporting follows the Group's sustainable development policy, also taking the specific needs of each business line and/or geographic area into account.

In 2012, specific work was carried out on the environmental indicator reference library to improve its reliability and especially to make it more relevant in view of the Group's many activities. In 2013, the library was reviewed for the purposes of harmonising the methods used for calculating the proportions of certified and recycled paper contained in paper purchases and supplies.

Data on energy consumption disclosed concern the energy used to produce and supply the goods and services related to the Group's activities as well as that used to heat and light the premises and sites where the Lagardère group's employees work (offices, storage warehouses and retail stores). Data on electricity consumption also include electricity used by the radio broadcasting sites that are directly managed by the Group. Since 2015, data of this nature have been reported building by building.

With regard to Lagardère Travel Retail's store network, a common reporting line is defined at the level of each country to gather data on electricity consumption (as well as oil and gas, where applicable) for all points of sale to be consolidated on a country-by-country basis.

The greenhouse gas emissions reported in section 2.3.3.1.A.3 refer to:

- Scope 1, i.e., direct emissions from point sources (gas and fuel oil consumed in buildings) and mobile combustion sources (fuel consumed by owned vehicles);
- Scope 2, i.e., indirect emissions related to purchases of energy, and notably consumption of electricity and district heating. These emissions are calculated using the location-based approach;
- certain Scope 3 emissions, in particular:
  - indirect emissions from employee business travel,
  - indirect emissions from employee commuting,
  - indirect emissions from energy consumption, not included in Scopes 1 & 2 (upstream portion of emissions).

The emissions factors used by the Group in its calculations of greenhouse gas emissions and conversion into CO_2 equivalents are determined by reference to the Ademe "Base Empreinte", the French public database of emissions factors needed to establish carbon accounting. These factors are reviewed annually and are an integral part of the reporting procedure review process.

As part of the carbon audit carried out in 2021 with the help of consulting firm Carbone 4, the Group has updated all of its Scopes 1 & 2 emission factors, in particular to take into account only the combustion portion of energy emissions (the upstream portion is included in the item "Scope 3 carbon emissions from energy consumption not included in Scopes 1 & 2").

Greenhouse gas emissions are calculated directly by the Group Sustainable Development and CSR Department based on the energy data reported by the entities.

A.3 SOCIETAL INFORMATION

The reporting protocol for societal data, which is mainly based on qualitative questions, has been in place since 2015 and comprises around 15 indicators common to all of the Group's divisions and about 10 indicators specific to certain activities.

2.6 REPORT OF THE INDEPENDENT THIRD PARTY AFR

Report by one of the Statutory Auditors, designated as the independent third party, on the consolidated non-financial statement

To the General Meeting,

In our capacity as Statutory Auditor of Lagardère (hereinafter "the entity"), appointed as an independent third party, and certified by COFRAC under number 3-1886 (whose scope is available at www.cofrac.fr), we carried out our work in view of providing a reasoned opinion expressing a limited assurance conclusion on historical information (whether observed or extrapolated) contained in the consolidated non-financial information statement (hereinafter the "Information" and the "Statement" respectively), prepared in accordance with the entity's procedures (hereinafter the "Guidelines") for the year ended 31 December 2023, included in the management report pursuant to the legal and regulatory provisions of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

CONCLUSION

Based on our work, as described in the section "Nature and scope of our work", and the information collected, nothing has come to our attention that causes us to believe that the Statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly and in accordance with the Guidelines.

COMMENTS

Without modifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments:

- as part of the update of the dual materiality assessment, the risks relating to health and safety and workers in the value chain do not yet cover any policies for the Lagardère Travel Retail division;
- the policies on respecting privacy for Lagardère News and on fighting corruption do not cover any key performance indicators.

PREPARATION OF THE NON-FINANCIAL STATEMENT

The lack of a generally accepted and commonly used reference framework or established practice on which to base the assessment and measurement of the Information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the main elements of which are presented in the Statement and available on request from the entity's head office.

LIMITATIONS INHERENT IN THE PREPARATION OF INFORMATION

As stated in the Statement, the Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information presented in the Statement is sensitive to methodological choices, assumptions or estimates made in its preparation.

ENTITY'S RESPONSIBILITY

It is the responsibility of the Board of Directors:

- to select or establish appropriate criteria for the preparation of information;
- pursuant to legal and regulatory requirements, to prepare the statement, which must include a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented in light of those risks, the outcome of said policies, including key performance indicators, and the information provided for in article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- to prepare the Statement by applying the aforementioned Guidelines of the entity; and
- to put in place such internal controls as it determines necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared in application of the Entity's above-mentioned Guidelines.

RESPONSIBILITY OF THE STATUTORY AUDITOR, APPOINTED AS AN INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks, hereinafter the "Information".

As it is our responsibility to express an independent conclusion on the Information as prepared by management, we are not authorised to be involved in the preparation of the Information as this could compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, particularly the information required by article 8 of Regulation (EU) 2020/852 [Green Taxonomy] the French duty of care law and anti-corruption and tax evasion legislation;
- the fairness of the information required by article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- the compliance of products and services with the applicable regulations.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

APPLICABLE REGULATORY PROVISIONS AND PROFESSIONAL STANDARDS

The work described below was performed in accordance with the provisions of articles A.225-1 *et seq.* of the French Commercial Code, with our audit programme consisting of our audit procedures, and with the professional guidance of the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*, CNCC) applicable to such engagements, in particular, the CNCC technical opinion – Statutory Auditor engagement – Independent third party engagement – Non-financial information statement, and with ISAE 3000 (Revised)(1).

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of article L. 821-28 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements, and the French professional standards for Statutory Auditors applicable to such engagements.

MEANS AND RESOURCES

Our verification work mobilised the skills of five people and took place between December 2023 and March 2024 over a total duration of intervention of around ten weeks. To assist us in our work, we called on our specialists in sustainable development and corporate social responsibility. We conducted around ten interviews with the people responsible for preparing the Statement, representing the Sustainable Development and CSR, Human Resources, Technical and Purchasing, Services and Operations, and Risk, Compliance and Internal Control departments.

NATURE AND SCOPE OF THE WORK

We planned and performed our work taking into account the risks of material misstatement of the Information.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal associated risks;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement covers each category of information required under article R. 225-102-1 III of the French Commercial Code (i.e., social and environmental, respect for human rights, and the fight against corruption and tax evasion), and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks;
- we verified that the Statement presents the business model and the principal risks associated with the activity of all entities included in the scope, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we verified that the Statement includes a clear and reasoned explanation for the absence of a policy regarding one or more of those risks, as required by article R. 225-105;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important(2). Our work was carried out on the consolidating entity and on a selection of entities:
- we verified that the Statement covers the scope of consolidation, i.e., all the consolidated entities in accordance with article L. 233-16, subject to the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;

(1) ISAE 3000 (revised) – Assurance engagements other than audits or reviews of historical financial information.
(2) Selected qualitative information: responsible paper management policy deployed by Lagardère Publishing and actions implemented to trace and monitor the quality of paper purchased; actions implemented by Lagardère Publishing in favour of accessibility, literacy and the promotion of reading and entertainment; actions implemented by Lagardère Publishing and Lagardère Travel Retail to reduce their use of plastic; policy and actions implemented by Lagardère Travel Retail in terms of consumer health and safety; actions implemented by Lagardère Travel Retail, Lagardère Publishing and Lagardère News in terms of health and safety at work; policy and actions implemented in terms of the fight against corruption.

- for the key performance indicators and other quantitative outcomes that we considered to be the most important[1], we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques or other methods of selection, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 11% and 33% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the entities included in the scope of consolidation.

The procedures performed for a limited assurance engagement are less extensive than those required for a reasonable assurance engagement carried out in accordance with professional standards applicable in France; a higher level of assurance would have required us to carry out more extensive procedures.

French language original signed at Paris-La Défense, on 20 March 2024

One of the Statutory Auditors,
Deloitte & Associés

Arianne Bucaille
Partner, Audit

Julie Mary
Director, Sustainable Development

(1) Quantitative social information: permanent workforce at end of period; non-permanent workforce at end of period; average permanent workforce (in FTEs); overall voluntary departure rate and the rate by professional category; average number of training hours per permanent employee; percentage of women top executives, percentage of women in management; work-related accident frequency rate.

Quantitative environmental information: percentage of certified paper; percentage of recycled paper; Scopes 1 & 2 energy consumption; Scopes 1 & 2 carbon emissions; Scope 3 carbon emissions related to business travel and commuting; Scope 1, Scope 2 and employee travel carbon emissions (business travel and commuting) per FTE.

Quantitative social information: percentage of e-books available in ePub 3 format among new textbooks intended for the general public and sold in bookstores (excluding comics and illustrated books) in the Lagardère Publishing catalogue at year-end; percentage of Foodservice revenue in countries with food waste measurement systems and waste reduction initiatives; percentage of Foodservice revenue in countries that have switched to more responsible consumables (in compliance with materials guidelines), in own banners; percentage of expenditure related to suppliers presenting high CSR risks as assessed by EcoVadis.

2.7 APPLICATION OF THE DUTY OF CARE LAW FOR PARENT COMPANIES AFR

2.7.1 MAIN POINTS OF THE DUTY OF CARE PLAN

For more than 20 years, the Lagardère group has striven to carry out its businesses while strictly adhering to a certain number of universal principles. The Group's first Code of Ethics dates from 1994 and was subsequently revised in 2005, 2012, 2016 and 2020. It sets out guidelines on integrity and professional conduct for all employees of the Lagardère group. The issues of human rights and fundamental freedoms, and of the health and safety of people and the environment are integral to the principles covered by the Code.

A cross-disciplinary working group was set up in the second half of 2017 to prepare the Group's compliance with French law 2017-339 of 27 March 2017 on the duty of care for parent companies and their contractors. Under the supervision of the Sustainable Development and CSR Department, this committee drew together representatives from all divisions, as well as representatives from the directly affected corporate departments, namely the Group's Legal Department and the Risk, Compliance and Internal Control Department.

The first step involved mapping out the risks linked to the Group's supply chain. At the end of this stage, seven procurement categories were identified as being most likely to give rise to risks involving Lagardère group subcontractors or suppliers: printing activities and printing-related services, production of paper pulp, wholesale supply of accessories and household items, own-label products sold in stores, disposable items used in restaurants, energy supply (electricity, gas, steam, air-conditioning), and production of plastics.

After the risk mapping process, the operating entities ranked suppliers in order of priority for their supplier assessment plan, which will be implemented over the next several years.

The year under review was the sixth year of the plan's rollout.

2.7.2 MONITORING

All methods used to monitor measures taken in application of the Group's duty of care can be found in the following sections of this Universal Registration Document:

- regarding issues relating to human rights and fundamental freedoms, see section 2.3.2 on the challenges of access to and dissemination of education, knowledge and culture, as well as sections 2.3.1.5 and 2.3.4.2 on workers in the value chain and the right to privacy;
- regarding issues relating to personal health and safety, see section 2.3.1.2 on occupational health and safety, as well as section 2.3.1.4 on consumer health and safety;
- regarding environmental issues, see section 2.3.3 on fighting climate change and on the issues of natural resource management, anti-waste and the circular economy.

A set of indicators is used to assess the effectiveness of measures taken for each of these topics. The whistleblowing tool has been in place within the Group since 2020.

2.8 IMPLEMENTING THE TAXONOMY REGULATION AFR

REGULATORY FRAMEWORK AND COMPLIANCE

In accordance with European Regulation 2020/852 of 18 June 2020 on the establishment of a framework to encourage sustainable investment in the European Union (EU), the Lagardère group is obliged to disclose certain key performance indicators (KPIs) corresponding to the proportion of its revenue, capital expenditure (CapEx) and operating expenditure (OpEx) that is derived from products or services associated with economic activities that qualify as environmentally sustainable under the Regulation. This classification system, known as the European taxonomy for sustainable activities or the "Green Taxonomy," establishes a list of economic activities deemed to be environmentally sustainable based on scientific criteria and aligned with the EU's green deal objectives.

For 2023, the disclosure requirements for these key performance indicators cover eligibility with regard to the six environmental objectives defined in the Regulation (climate change mitigation, climate change adaptation, sustainable use of water and marine resources, circular economy, pollution prevention, protection and restoration of ecosystems) as well as alignment with the two climate objectives (as in 2022).

For each objective, the appendices provide definitions of the eligible activities, along with the corresponding NACE codes, and the technical screening criteria for determining whether they are effectively sustainable (i.e., "aligned" with the Regulation's objectives). To qualify as sustainable, these activities will also have to meet the minimum safeguards set out in the Taxonomy Regulation.

Any activities that are not included in the initial list of defined activities or which do not correspond to the definitions are considered to be undefined in the framework and as such "non-eligible".

As it is obliged to disclose these indicators, which show the proportion associated with potentially sustainable activities while taking into account the Regulation's technical alignment criteria, Lagardère has assessed the eligibility of its activities:

- with regard to Delegated Regulation (EU) 2023/2485 (supplementing the Climate Delegated Act) for climate objectives;
- with regard to Delegated Regulation (EU) 2023/2486 for the other four environmental objectives.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

PRESENTATION OF THE 2023 KEY PERFORMANCE INDICATORS

The financial data used in this analysis correspond to all the consolidated data for the year ended 31 December 2023. They have been prepared jointly by the Group's local and central teams based on the consolidated financial statements prepared under IFRS at 31 December 2023, and in accordance with guidance provided by applicable regulations(1) for the definition of the revenue, CapEx and OpEx components to be disclosed. The results of the analysis are presented in detail below.

ELIGIBLE AND ALIGNED TURNOVER (REVENUE)

Concerning turnover, and with regard to the regulatory framework presented above, Lagardère News and all activities of Lagardère Live Entertainment are eligible for the climate change adaptation objective (identified in Annex II of Commission Delegated Regulation [EU] 2021/2139 published in April 2021) and are considered enabling. An activity qualifies as contributing to the climate adaptation objective and as an enabling activity if it directly enables other activities to reduce the adverse impacts of climate change and to maximise the positive impacts(2).

The Group's other activities (Lagardère Publishing and Lagardère Travel Retail) belong to sectors that are not eligible with regard to any of the Taxonomy's environmental objectives.

The table below shows the correspondence between the eligible activities as described in the Regulation and the related Lagardère group activities.

Activity code	Industry	Activity	Description of the activity	Corresponding Lagardère activity
8.3	Information and communication	Programming and broadcasting activities	Programming and broadcasting include the activities of creating content or acquiring the right to distribute content and subsequently broadcasting that content, such as radio, television and data programmes of entertainment, news, talk, and the like. Also included is data broadcasting, typically integrated with radio or TV broadcasting.	Lagardère Radio (Europe 1, Europe 2, RFM)
13.1	Arts, entertainment and recreation	Creative, arts and entertainment activities	Creative, arts and entertainment activities include the provision of services to meet the cultural and entertainment interests of their customers. This includes the production and promotion of, and participation in, live performances, events or exhibits intended for public viewing and the provision of artistic, creative or technical skills for the production of artistic products and live performances.	All the activities of Lagardère Live Entertainment

In 2023, **activities deemed eligible with regard to the two climate objectives represented 1.36% of the Lagardère group's revenue and activities considered to be aligned accounted for 0.003%**(3).

Analysis of the substantial contribution to climate objectives, designed to calculate the aligned portion of revenue from the programming and broadcasting activities, was based on the climate contract in place since July 2022 at Lagardère News, whose radio activities have now been separated and grouped together in a new limited partnership, Lagardère Radio. Under it, Lagardère News has committed to promoting and reporting editorial content dealing with climate change and other environmental issues. Based on this data, the reporting teams estimated the airtime's monetary value by allocating to it the portion of the radio economic activity spent on "green" content. To do so, they calculated the amount of time spent on "green" content-related topics or discussions by considering only the airtime of certain programmes, excluding music and evening airtime when the absence of guests makes it more complicated to discuss the issues in question.

In the case of the creative, artistic and entertainment activities, the substantial contribution was analysed by identifying, among all the shows and concerts programmed in 2023, the dates whose content could have generated aligned revenue.

Subsequently, to ensure compliance with the substantial contribution criteria, the teams based themselves on the Group's physical climate risk assessments carried out in 2022 and 2023. As the analysis of the physical risk exposure of eligible activities and the climate risk and vulnerability assessment have not brought to light any material risks for the Group's activities to date(4), no physical risk adaptation plans need to be implemented. As a result, the activities concerned are considered to be adapted.

Lastly, the final step was to ensure that the eligible activities are conducted in compliance with certain minimum safeguards. In practice, this means complying with certain standards of behaviour specified in a number of international texts, such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles and rights set out in the eleven fundamental instruments of the International Labour Organisation's Declaration on Fundamental Principles and

(1) Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology for complying with that disclosure obligation.
(2) EU Regulation 2020/852 of 18 June 2020, article 11 and article 16.
(3) See note 5 to the consolidated financial statements in chapter 5 for a detailed presentation of financial information by reporting segment.
(4) See section 2.3.3.1 "Non-financial statement" and chapter 5, note 1 to the consolidated financial statements at 31 December 2023, paragraph 1.4, for further details of this work.

Rights at Work and the International Bill of Human Rights. The Group therefore performed a gap analysis to verify the compliance of its policies with the minimum safeguards. For this, the teams relied in particular on the Platform for Sustainable Finance's draft report on minimum safeguards published in October 2022, which identifies four substantive topics where compliance with minimum safeguards should be verified: human rights (including labour and consumer rights), corruption/bribery, taxation and fair competition. All these issues are covered in the Group's Code of Ethics (available on the corporate website) and are also discussed in section 2.3.4 of this Universal Registration Document and in the Group's duty of care plan.

CAPITAL EXPENDITURE (CAPEX) AND OPERATING EXPENDITURE (OPEX)

In accordance with the Regulation, the CapEx KPI denominator covers the increase in the gross balance sheet value of right-of-use concessions and leases (IFRS 16), property, plant and equipment (IAS 16) and intangible assets (IAS 38), as well as additions to property, plant and equipment and intangible assets resulting from business combinations (IFRS 3).

In 2023, this denominator stood at €1,165 million and mainly corresponds to business combinations during the period for €478 million, notably in the Travel Retail business with the acquisition of Tastes on the Fly, Marché International and Costa Coffee, as well as increases in the right-of-use assets under store leases (concession agreements) in the Travel Retail business. These assets are the counterpart of the present value of future fixed lease payments that the Group agreed to pay upon signature of a property lease or concession agreement enabling it to operate retail premises. Consequently, they do not correspond to the acquisition of property, plant or equipment but instead to the right to use premises that remain the property of the lessor or the concession grantor.

The material CapEx relating to the activities below were analysed:

- the installation, maintenance and repair of energy efficiency equipment (activity 7.3.);
- the installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings (activity 7.5.);
- acquisition and ownership of buildings (activity 7.7).

The analysis shows that **48% of Lagardère's CapEx are Taxonomy-eligible and 22.3% are Taxonomy-aligned** for 2023(1).

For the CapEx alignment analysis, the substantial contribution and the DNSH criteria were applied to calculate the proportion of alignment. The physical risk vulnerability assessment carried out in 2023 shows that, even in the 4°C scenario, the estimated impacts in 2050 remain modest, with the estimated amount of damage to the assets tested less than 1% of their carrying amount.

For the CapEx corresponding to activity 7.7, the analysis consisted of obtaining an Energy Performance Certificate (EPC) of at least class A. When the EPC was not available, buildings forming part of the top 15% of the most energy-efficient buildings expressed as operational primary energy demand (PED) were considered to be aligned.

The CapEx reflected in the numerator corresponding to activity 7.3 was not material in 2023.

Taxonomy-eligible OpEx, as defined in the Regulation and expressed in the denominator, includes direct costs relating to:

- non-capitalised building renovation measures, maintenance and repair;
- short-term leases;
- maintenance and repair of buildings and vehicles;
- day-to-day servicing of assets.

This OpEx denominator for 2023 amounted to €63 million, representing less than 1% of the Group's total operating expenses (external charges, payroll costs, etc.), which is not representative of its business model. The work carried out therefore showed that this indicator is not material for the Group. Consequently, the analysis of eligible and/or aligned OpEx was not carried out and the numerator is considered to be zero.

(1) See notes 17. 18 and 19 to the consolidated financial statements in chapter 5 for a detailed presentation of non-current asset data.

Revenue at 31 December 2023

(in €m)	Denominator at 31 Dec. 2023	Objective: climate change adaptation		
		Total eligible	Total aligned	% alignment
Lagardère Publishing	2,809	-	-	-
Lagardère Travel Retail	5,018	-	-	-
Other Activities	254	110	0.2	0.003%
Total revenue	**8,081**	**110**	**0.2**	**0.003%**

CapEx at 31 December 2023

(in €m)	Denominator at 31 Dec. 2023	Objective: climate change mitigation		
		Total eligible	Total aligned	% alignment
Intangible assets	251	0	-	0.00%
Property, plant and equipment	355	0.3	0.3	0.03%
Right-of-use assets under leases	559	559	259.5	22.27%
Total CapEx	**1,165**	**559.3**	**259.8**	**22.30%**

The breakdown of the increase in CapEx by type of asset is shown below:

(in €m)	31 Dec. 2023	31 Dec. 2022
Increase in intangible assets	**30**	26
Increase in intangible assets due to changes in the scope of consolidation	**221**	86
Total intangible assets	**251**	112
Increase in property, plant and equipment	**238**	149
Increase in property, plant and equipment due to changes in the scope of consolidation	**117**	8
Total property, plant and equipment	**355**	157
Increase in right-of-use assets under leases	**419**	208
Increase in right-of-use assets under leases due to changes in the scope of consolidation	**140**	41
Total right-of-use assets under leases	**559**	249
Total CapEx	**1,165**	518

The main increases result from business combinations during the period, totalling €478 million, particularly in Travel Retail with the acquisition of Tastes on the Fly, Marché International and Costa Coffee.

New right-of-use assets resulting mainly from tenders awarded during the period represent €419 million, compared with €208 million in 2022.

Line	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Financial year	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities[1]	Code(s)[2]	Turnover[3]	Proportion of Turnover[4]	Climate Change Mitigation[5]	Climate Change Adaptation[6]	Water[7]	Circular Economy[8]	Pollution[9]	Biodiversity[10]	Climate Change Mitigation[11]	Climate Change Adaptation[12]	Water[13]	Circular Economy[14]	Pollution[15]	Biodiversity[16]	Minimum Safeguards[17]	Proportion of Taxonomy-aligned (A.1) or eligible (A.2.) OpEx, year N-1[18]	Category enabling activity[19]	Category transitional activity[20]
€m		Currency	%	Y; N; N/EL[*]	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Programming and broadcasting activities	CCA/8.3	0.22	0.003%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	NA	NA	NA	NA	NA	NA	Y	0%		
Turnover of environmentally sustainable activities (A.1.)		**0.22**	**0.003%**	**%**	**%**	**%**	**%**	**%**	**%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**Y**	**0%**		
Of which enabling		0.22	100%	%	%	%	%	%	%	NA	NA	NA	NA	NA	NA	NA		E	
Of which transitional		0	0%							NA	NA	NA	NA	NA	NA	NA			T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Programming and broadcasting activities	CCA/8.3	80	0.99%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								2%		
Creative, arts and entertainment activities	CCA/13.1	30	0.37%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (A.2)		**110**	**1.36%**	**%**	**%**	**%**	**%**	**%**	**%**								2%		
Turnover of Taxonomy-eligible activities (A)		**110**	**1.36%**	**%**	**%**	**%**	**%**	**%**	**%**								2%		
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities		7,971	98.64%																
Total (A+B)		8,081	100%																

(*) Y: Yes/N: No/N/EL: Not eligible.

Financial year	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities[1]	Code(s)[2]	CapEx[3]	Proportion of CapEx[4]	Climate Change Mitigation[5]	Climate Change Adaptation[6]	Water[7]	Circular Economy[8]	Pollution[9]	Biodiversity[10]	Climate Change Mitigation[11]	Climate Change Adaptation[12]	Water[13]	Circular Economy[14]	Pollution[15]	Biodiversity[16]	Minimum Safeguards[17]	Proportion of Taxonomy-aligned (A.1) or eligible (A.2.) CapEx, year N-1[18]	Category enabling activity[19]	Category transitional activity[20]
€m		Currency	%	Y; N; N/EL[*]	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of energy efficiency equipment	CCM/7.3	0.3	0.03%	Y	N/EL	N/EL	N/EL	Y	N/EL	NA	Y	NA	NA	NA	NA	Y	0%	E	
Acquisition and ownership of buildings	CCM/7.7	259.5	22.27%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	NA	Y	NA	NA	NA	NA	Y	3%		
CapEx of environmentally sustainable activities (A.1.)		**259.8**	**22.3%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	NA	Y	NA	NA	NA	NA	Y	3%		
Of which enabling		0.3	0.03%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	%	E	
Of which transitional			%							NA	NA	NA	NA	NA	NA	NA	%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM/7.7	299.5	25.71%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								28%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (A.2.)		**299.5**	**25.71%**	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								28%		
CapEx of Taxonomy-eligible activities (A)		**559.3**	**48.00%**	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								31%		
B. Taxonomy-non-eligible activities																			
CapEx of Taxonomy-non-eligible activities		605.7	52.00%																
Total (A+B)		1,165.0	100%																

(*) Y: Yes/N: No/N/EL: Not eligible.

Financial year	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities[1]	Code(s)[2]	OpEx[3]	Proportion of OpEx[4]	Climate Change Mitigation[5]	Climate Change Adaptation[6]	Water[7]	Circular Economy[8]	Pollution[9]	Biodiversity[10]	Climate Change Mitigation[11]	Climate Change Adaptation[12]	Water[13]	Circular Economy[14]	Pollution[15]	Biodiversity[16]	Minimum Safeguards[17]	Proportion of Taxonomy-aligned (A.1) or eligible (A.2.) OpEx, year N-1[18]	Category enabling activity[19]	Category transitional activity[20]
€m		Currency	%	Y; N; N/EL[*]	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Activity 1			%																
Activity 1			%																
Activity 2			%																
OpEx of environmentally sustainable activities (A.1.)		%	%	%	%	%	%	%	%	N/E	N/E	N/E	N/E	N/E	N/E	N/E	%		
Of which enabling			%	%	%	%	%	%	%	N/E	N/E	N/E	N/E	N/E	N/E	N/E	%	E	
Of which transitional			%							N/E	N/E	N/E	N/E	N/E	N/E	N/E	%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Activity 1																	%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (A.2.)		%	%	%	%	%	%	%	%								%		
OpEx of Taxonomy-eligible activities (A)		%	%	%	%	%	%	%	%										
B. Taxonomy-non-eligible activities																			
OpEx of Taxonomy-non-eligible activities		63	100%																
Total (A+B)		63	100%																

(*) Y: Yes/N: No/N/EL: Not eligible.

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3

CORPORATE GOVERNANCE REPORT

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Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

This report was drawn up in accordance with the final paragraph of article L. 225-37 of the French Commercial Code (*Code de commerce*). It was prepared with the assistance of the Board Committees, the Board Secretary and the Group Secretary General, as well as the Group Governance and Securities Law Department, and was definitively approved by the Board of Directors at its meeting of 19 March 2024.

This report contains all the information required by articles L. 225-37-4 and L. 22-10-09 to L. 22-10-11 of the French Commercial Code.

3.1 GENERAL PRINCIPLES OF LAGARDÈRE SA'S GOVERNANCE AFR

3.1.1 CORPORATE GOVERNANCE CODE

The Board of Directors refers to the recommendations of the Afep-Medef Corporate Governance Code for listed companies (Afep-Medef Code), revised in December 2022 and available in the "Governance" section of the Company's website.

The Board also takes into account the Afep-Medef Code application guide, the recommendations published by the French High Committee for Corporate Governance (*Haut Comité de Gouvernement d'entreprise*) and by the French financial markets authority (*Autorité des marchés financiers*), along with exchanges with shareholders, proxy advisory firms and non-financial rating agencies.

In accordance with article L. 22-10-10 4° of the French Commercial Code, this report includes a summary table setting out the recommendations of the Afep-Medef Code that the Company has decided not to apply or which it has only partly applied to date, along with the reasons for those decisions (see section 3.2.7).

3.1.2 GOVERNANCE STRUCTURE

3.1.2.1 COMBINATION OF THE ROLES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

Arnaud Lagardère was appointed Chairman and Chief Executive Officer for the six-year term of his directorship on 30 June 2021, the date on which the General Meeting of Shareholders decided to convert the Company into a French joint-stock company (*société anonyme*). At this date the newly appointed Board also decided to designate Pierre Leroy as Deputy Chief Executive Officer for the same term. Pierre Leroy stepped down from his position as Deputy Chief Executive Officer with effect from 19 March 2024.

The Board of Directors noted the effectiveness of combining the roles of Chairman and Chief Executive Officer and was very satisfied with the balance of power between the two and the directors. The assessment of the work of the Board of Directors carried out in 2023 shows that all Company directors appreciate the quality of the governance organisation in place, confirming the appropriateness of this structure. Combining the roles of Chairman and Chief Executive Officer helps foster a close trust-based relationship between the Chairman and Chief Executive Officer and the directors, in line with the Company's corporate interests.

The Board of Directors also believes that combining the Chairman and Chief Executive Officer roles means that the Company can address the specific circumstances and challenges of the merger with the Vivendi group, and that it can be more responsive in managing and executing the Group's strategy, in line with its initiatives over the last few years.

Lastly, this type of governance structure makes operational decision-making more effective and will help optimise the Group's economic and financial performance, while creating a direct link between management, shareholders and the Board of Directors.

3.1.2.2 DISTRIBUTION AND BALANCE OF POWERS

The governance arrangements in place within the Company are the result of constructive dialogue between its main shareholders. They meet all legal requirements and are in full compliance with best governance practices, as illustrated by the fact that:

- the proportion of women on the Board exceeds the legal requirements;
- the independence rate is well above the recommendations of the Afep-Medef Code for controlled companies (55.5%);
- the Board has two standing Committees – the Audit Committee and the Appointments, Remuneration and CSR Committee – as well as an *ad hoc* Committee established in December 2021 further to the proposed public tender offer for Lagardère initiated by Vivendi SE and whose mission was extended in September 2022 to include monitoring progress of the reorganisation of the Group's radio unit (see section 3.2.4 for a presentation of the membership structure and main roles and responsibilities of the Board Committees);
- each Board Committee is chaired by a woman independent director;
- two employee directors sit on the Board;
- one employee director sits on two of the three Board Committees (Appointments, Remuneration and CSR Committee and the *ad hoc* Committee);
- the Company's main shareholders are represented on the Board.

Chairman and Chief Executive Officer

In accordance with French law, the Company's Articles of Association and the Board's Rules of Procedure, the Chairman and Chief Executive Officer chairs Board meetings, organises and directs the

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

Board's work and reports thereon at the Annual General Meeting. In this capacity, he also ensures that the Company's administrative and management bodies operate efficiently and that the members of the Board are able to effectively fulfil their duties.

The Chairman and Chief Executive Officer has the broadest powers to act in any circumstances in the name of the Company. The Chief Executive Officer exercises these powers within the limit of the corporate purpose and subject to the powers expressly attributed by law to the General Meeting and to the Board of Directors. He represents the Company in its relations with third parties.

Deputy Chief Executive Officer

The Company's Articles of Association provide that, on the recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more individuals to assist the Chief Executive Officer, who would hold the title of Deputy Chief Executive Officer.

The Deputy Chief Executive Officer has the same powers as the Chief Executive Officer.

Board of Directors

In accordance with the applicable laws, the Company's Articles of Association and the Board's Rules of Procedure, the Board of Directors determines the Company's overall business strategy and ensures that it is implemented in the best interests of the Company, taking into consideration the social, environmental and cultural aspects of the Company's operations. Subject to those powers expressly attributed to the General Meeting, and within the limits of the corporate purpose, the Board addresses all matters concerning the smooth running of the Company and, through its deliberations, controls all matters concerning it.

The Board of Directors proceeds with such controls and verifications as it deems appropriate.

In particular, in accordance with applicable laws and regulations and under any terms and conditions set out in the Rules of Procedure, the Board of Directors, *inter alia*:

- convenes General Shareholders' Meetings and draws up the agenda;
- reviews and approves the annual and interim financial statements of the Company, and prepares the annual and interim management report;
- authorises the agreements referred to in articles L. 225-38 *et seq.* of the French Commercial Code;
- authorises the Chairman and Chief Executive Officer to grant deposits, endorsements and sureties, to guarantee commitments undertaken by third parties and referred to in article L. 225-35 of the French Commercial Code;
- chooses the method of General Management organisation, in accordance with articles 15.1 and 15.2 of the Articles of Association;
- appoints, replaces or removes from office the Chairman of the Board of Directors, the Chief Executive Officer and, on the recommendation of the Chief Executive Officer, the Deputy Chief Executive Officer(s);
- appoints, where applicable, the assistant managing director(s) on the recommendation of the Chief Executive Officer;
- approves any major transactions falling outside of the Company's strategy;
- determines the powers of the Chief Executive Officer and, where applicable, and in agreement with the latter, those of the Deputy Chief Executive Officer(s) and the assistant managing director(s);
- appoints members of the Board subject to the shareholders subsequently ratifying the appointment;
- draws up the remuneration policy for corporate officers and sets the components of their remuneration packages in compliance with the policy concerned;
- appoints the members of the Board Committees set up pursuant to the applicable laws, the Company's Articles of Association and the Board's Rules of Procedure.

3.1.2.3 RESTRICTIONS ON THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S POWERS

The Board's Rules of Procedure provide for certain restrictions on the powers of the Chairman and Chief Executive Officer, setting or enabling the Board of Directors to set thresholds above which the Board's prior authorisation is required. These restrictions concern:

- sureties, endorsements and guarantees in excess of an aggregate €10 million;
- any disposal of a subsidiary or business asset that individually or collectively represents, over any 12-month period, sales in excess of (i) €50 million for subsidiaries or business assets operating in the publishing business, (ii) €100 million for subsidiaries or business assets operating in the travel retail business or (iii) €10 million for subsidiaries or business assets operating in the media business (radio and written press).

3.2 GOVERNANCE BODIES AFR

3.2.1 BOARD OF DIRECTORS

3.2.1.1 MEMBERS

A) OVERVIEW OF THE BOARD OF DIRECTORS

In accordance with the Company's Articles of Association, the Board of Directors comprises a minimum of eight and a maximum of nine members, plus the employee director(s), and a Board Advisor who may be designated on the proposal of the Board of Directors.

Each director has a four-year term of office, apart from Arnaud Lagardère, who was appointed for a term of six years, as permitted in the Company's Articles of Association.

At 31 December 2023, the Board comprised eleven members, including two employee directors and one Board Advisor.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

MEMBERSHIP OF THE BOARD OF DIRECTORS AT 19 MARCH 2024

Audit Committee members | Appointments, Remuneration and CSR Committee members | *Ad hoc* Committee members | Committee Chair

(*) Pierre Leroy resigned from his position as Deputy Chief Executive Officer and Board Advisor with effect from 19 March 2024.

KEY INDICATORS FOR THE BOARD

56	55.5%	11	99%	55.5%
Average age(1)	Women Board members(2)	Number of meetings	Attendance rate(1)	Independence rate(2)

BOARD EXPERTISE(1)

73%	64%	73%	64%
Business expertise	International	Finance	CSR

82%	73%	36%
Governance, ethics and compliance	Executive management	Digital and innovation

(1) Excluding Board Advisor.
(2) Excluding Board Advisor and employee directors.

List of members of the Board of Directors at 31 December 2023

At 31 December 2023	Personal information				Experience	Position on the Board				Member of a Board Committee		
	Age	Gender	Nationality	Number of shares	Number of directorships held in listed companies	Independence[1]	First appointed	End of term of office (GM)	Board seniority	Audit Committee	Appointments, Remuneration and CSR Committee	*Ad hoc* Committee
Arnaud Lagardère *Chairman and Chief Executive Officer*	62	M	French	15,675,447	-	N/A	30 June 2021	2027	Less than 3 yrs			
Virginie Banet	57	F	French	150	1	✓	30 June 2021	2025	Less than 3 yrs	✓	Chair	
Valérie Bernis	65	F	French	150	2	✓	30 June 2021	2025	Less than 3 yrs	✓		✓
Yannick Bolloré	43	M	French	150	3	✗	8 Dec. 2023[2]	2025[3]	Less than 1 yr			
Laura Carrere	46	F	French	150	-	✓	30 June 2021	2025	Less than 3 yrs		✓	
Fatima Fikree	31	F	Qatari	150	-	✗	30 June 2021	2025	Less than 3 yrs	✓		
Marie Flavion *Employee director*	61	F	French	-	-	N/A	23 Sept. 2022	2025	Less than 2 yrs			
Pascal Jouen. *Employee director*	61	M	French	47	-	N/A	19 May 2021	2025	Less than 3 yrs		✓	✓
Véronique Morali	65	F	French	150	-	✓	30 June 2021	2025	Less than 3 yrs	Chair	✓	Chair
Arnaud de Puyfontaine[4]	59	M	French	150	2	✗	30 June 2021	2025	Less than 3 yrs			
Nicolas Sarkozy	68	M	French	1,301	1	✓	30 June 2021	2025	Less than 3 yrs		✓	✓
Pierre Leroy *Board Advisor*[5]	75	M	French	127,535	-	N/A	30 June 2021	2025	Less than 3 yrs			✓(*)

(*) Pierre Leroy attends meetings of the *ad hoc* Committee in a non-voting capacity.
(1) Under the Afep-Medef Code corporate governance independence criteria as applied by the Board of Directors.
(2) The date Yannick Bolloré was co-opted by the Company's Board of Directors following the resignation of René Ricol.
(3) Subject to ratification by the General Meeting of 25 April 2024.
(4) Arnaud de Puyfontaine was appointed member of the Appointments, Remuneration and CSR Committee at the Board meeting of 27 February 2024.
(5) Pierre Leroy stepped down from his position as Board Advisor with effect from 19 March 2024.

B) LIST OF DIRECTORSHIPS AND OTHER POSITIONS HELD BY MEMBERS OF THE BOARD OF DIRECTORS

Nationality: French

Date of birth:
18 March 1961

Address: 4 rue de Presbourg, 75116 Paris, France

Total number of Company shares held:
504,937 directly and 15,170,510 through Lagardère SAS, Lagardère Capital and Arjil Commanditée-Arco[1], controlled by Arnaud Lagardère.

Arnaud Lagardère

Chairman and Chief Executive Officer

Arnaud Lagardère holds a DEA post-graduate degree in economics from the University of Paris Dauphine. He was appointed Director and Chief Executive Officer of MMB (which became Lagardère SCA then Lagardère SA) in 1987. He was Chairman of the US company Grolier Inc. from 1994 to 1998. Arnaud Lagardère was appointed Managing Partner of the Company by way of a decision by Arjil Commanditée-Arco approved by the Supervisory Board on 26 March 2003 and his term of office was subsequently renewed in 2009, 2015 and 2020. On 30 June 2021, he was appointed Chairman and Chief Executive Officer of Lagardère SA. Arnaud Lagardère was appointed Chairman and Chief Executive Officer of Hachette Livre on 8 November 2023.

Directorships and other positions held in other companies

In France:

- Chairman and Chief Executive Officer of Hachette Livre
- Chairman and Chief Executive Officer, Arjil Commanditée-Arco
- Chairman and Chairman of the Board of Directors, Lagardère Media
- Chairman of the Supervisory Board, Lagardère Travel Retail
- Chairman of the Supervisory Board, Lagardère Active
- Director, Lagardère Ressources
- Chairman, Fondation Jean-Luc Lagardère
- Chairman, Association des Amis de la Croix-Catelan (formerly Lagardère Paris Racing Ressources sports association) (non-profit organisation)
- Chairman, Lagardère Paris Racing sports association (non-profit organisation)
- Chairman, Lagardère SAS
- Chairman, Lagardère Capital (formerly Lagardère Capital & Management)
- Chairman, Lagardère Management
- Chairman, LM Holding
- Member of the Board of Directors, Extime Duty Free Paris (formerly Société de Distribution Aéroportuaire [SDA])
- Member of the Board of Directors, Extime Travel Essentials Paris (formerly Relay@ADP)
- Managing Partner, Lagardère Radio SCA
- Chairman, Lagardère Commandité

Outside France:

- Member of the Board of Directors, Lagardère North America

Directorships and other positions expired during the last five years

- Chairman of the Executive Committee, Lagardère Sports and Entertainment
- Co-Managing Partner, Europe 1 Digital (formerly Lagardère News)
- General Manager, Europe News
- Chairman, Europe 1 Télécompagnie
- Chairman, Lagardère Médias News
- Chairman, Lagardère Sports, LLC (formerly Lagardère Sports Inc.)
- Deputy Chairman, Lagardère Active Broadcast
- Chairman, Lagardère Sports US, LLC, formerly Sports Investment Company LLC
- Member of the Board of Directors, Lagardère Sports Asia Investments Ltd
- Member of the Board of Directors, Lagardère Sports Asia Holdings Ltd

(1) Arjil Commanditée-Arco is majority-owned by Lagardère Capital, which is wholly-owned by Arnaud Lagardère (directly and indirectly, through the companies Lagardère SAS and LM Holding).

Nationality: French

Date of birth:
18 January 1966

Address: 68 avenue d'Iéna, 75116 Paris, France

Total number of Company shares held: 150

Virginie Banet

Independent director

Chair of the Appointments, Remuneration and CSR Committee

Member of the Audit Committee

A graduate of the Institut d'Études Politiques de Paris, with a degree in Economic Science and a diploma from the SFAF (French Society of Financial Analysts), Virginie Banet began her career as a financial analyst at SBS, Warburg and then Deutsche Bank specialising in capital goods and aerospace and defence for Europe (1989-2003) before becoming an investment banker and Head of M&A Aerospace & Defence at Deutsche Bank and then at Airbus (2003-2008). From 2008 to 2010, she was a member of the Executive Committee of Lagardère Média, head of investor relations and financial market communications policy. From 2011 to 2014, she was a member of the Executive Committee of Natixis, Director of customer relations and advisory services, head of banking teams in France and abroad as well as traditional financing. In 2014, Virginie Banet joined Ondra as a Partner, and then joined Nomura as an investment banker in 2015. In September 2019, she founded her own financial consulting company Iolite Financial Consulting and became Senior Advisor at AlixPartners and Brunswick. Virginie Banet was appointed to the Supervisory Board of Vallourec in February 2020, where she sat on the Finance and Audit Committee, until Vallourec's governance structure was combined into a single Board of Directors in July 2021. She is currently a member of the Board of Directors of Mediobanca SpA and of the Supervisory Board of Fondation pour la Recherche Médicale. Virginie Banet is also co-Chair of the French Institute of Directors' (IFA) ESG Club and is therefore deeply engaged on CSR matters. In October 2022, she participated in the ESG Club's Matinale event on corporate social responsibility and jointly edited a report on dealing with the challenge for boards of managing human capital and the meaning of social responsibility, as well as a report published in November 2023 discussing sustainability as a new board commitment.

Directorships and other positions held in other companies

In France:

- Chair, Iolite Financial Consulting
- Member of the Supervisory Board, Fondation pour la Recherche Médicale

Outside France:

- Member of the Board of Directors, of the Remuneration Committee and of the CSR committee, Mediobanca SpA (listed company)

Directorships and other positions expired during the last five years

- Member of the Supervisory Board and the Finance and Audit Committee, Vallourec (listed company)
- Member of the Audit Committee, Netgem (listed company)
- Member of the Board of Directors, Netgem (listed company)

Nationality: French

Date of birth:
9 December 1958

Address: 86 avenue de Breteuil, 75015 Paris, France

Total number of Company shares held: 150

Valérie Bernis

Independent director

Member of the Audit Committee

Member of the ad hoc Committee

Valérie Bernis is a graduate of the Institut Supérieur de Gestion and the Université de Sciences Économiques in Limoges. Having spent two years as Press and Communications Officer for the French Prime Minister's Office, in 1996 she joined Compagnie de Suez as Executive Vice-President – Communications, and then in 1999 was appointed Deputy CEO in charge of Corporate Communications and Sustainable Development. During that time, she also served for five years as Chair and Chief Executive Officer of Paris Première, a French TV channel. Appointed Deputy Chief Executive Officer and member of the Executive Committee of Engie in 2001 until 2016, Valérie Bernis was also Executive Vice-President — Financial and Corporate Communications and Sustainable Development, as well as being Vice President of the Engie Foundation. Until end-December 2022, she was a member of the Board of Directors, Nomination Committee and Audit Committee of L'Occitane International SA.

Directorships and other positions held in other companies

In France:

- Member of the Board of Directors, Chair of the CSR Committee and member of the Strategy Committee and the Commitments Committee, France Télévisions
- General Secretary of the Board of Directors, AROP (Opéra de Paris)
- Member of the Supervisory Board, Fondation pour l'Innovation Politique

Outside France:

- None.

Directorships and other positions expired during the last five years

- Member of the Supervisory Board, Euro Disney SCA (listed company)
- Member of the Board of Directors, Suez SA (listed company)
- Member of the Board of Directors, Chair of the CSR Committee and member of the Remuneration Committee and Special Committee, Atos (listed company)
- Member of the Board of the French Alzheimer's Research Foundation
- Member of the Board of Directors and member of the Appointments Committee, the CSR Committee and the Audit Committee of L'Occitane International SA (listed company)

Nationality: French

Date of birth:
1 February 1980

Address: 42 avenue de Friedland, 75008 Paris, France

Total number of Company shares held: 150

Yannick Bolloré

Director

Yannick Bolloré is a graduate of the University of Paris Dauphine. He is Chairman and Chief Executive Officer of the Havas group, one of the world's largest communications groups, with revenue of €2.6 billion and more than 22,000 employees in 100 countries.

Yannick Bolloré co-founded the production company WY Productions in 2002 *(Hell, Yves Saint Laurent*). In 2006, he joined his family group, the Bolloré group, to launch and develop its media division. Within five years, Bolloré Média (D8, D17) became France's leading independent French TV group and was subsequently sold to Canal+, making the Bolloré group a shareholder in Vivendi.

He joined the Havas group in 2011 and became Chairman and Chief Executive Officer in 2013. He initiated a major restructuring of the group to make it the most integrated and forward-thinking in its industry. In 2017, Vivendi obtained control of the Havas group. Yannick Bolloré was appointed Chairman of the Supervisory Board of Vivendi SE in April 2018.

He was named a Young Global Leader by the World Economic Forum in 2008 and has received numerous honours and awards from international associations and the business press. He is also a Chevalier de l'Ordre des Arts et des Lettres.

Directorships and other positions held in other companies

In France:

- Chairman of the Supervisory Board, Vivendi SE (listed company)
- Chairman and Chief Executive Officer, Havas
- Vice-Chairman and director, Bolloré SE (listed company)
- Director, Compagnie de l'Odet (listed company)
- Director, Bolloré Participations SE
- Director, Financière V
- Director, Omnium Bolloré
- Member of the Supervisory Board, Sofibol
- Director, Musée Rodin
- Director, Fonds de dotation de la Fédération Française de Tennis
- Director, L'Expansion Scientifique Française (SA)

Outside France:

- Chairman, Havas North America, Inc. (United States)
- Chairman and Executive Vice-President, Havas Worldwide LLC (United States)
- Director, Havas Worldwide Middle East FZ, LLC (United Arab Emirates)

Directorships and other positions expired during the last five years

- Director, Havas Media France
- Permanent representative of Havas on the Board of Directors, W & CIE

Nationality: French

Date of birth:
22 March 1977

Address: 22 rue de la Folie-Méricourt, 75011 Paris, France

Total number of Company shares held:
150

Laura Carrere

Independent director

Member of the Appointments, Remuneration and CSR Committee

A graduate of the École Polytechnique and the École Nationale des Ponts et Chaussées, Laura Carrere is Assistant Managing Director, Development and Investor Relations, Eiffel Investment Group. Laura Carrere has over 16 years of experience in investment banking at Société Générale, where she was Vice President in structured finance for technology, media & telecoms (from 2003 to 2007), then Managing Director of equity transactions for large companies (from 2008 to 2016), before being promoted to Managing Director, responsible for coverage for Family offices & Holdings at the Investment Bank (from 2017 to 2019). From 2018 to 2019, Laura Carrere was also a member of the Board of Directors of ALD, the European leader in car leasing solutions. She also served as Commercial Director Southern Europe at EcoAct from 2020 to 2021.

Directorships and other positions held in other companies

In France:

- Assistant Managing Director, Development and Investor Relations, Eiffel Investment Group
- Director, X-Environnement (non-profit organisation)

Outside France:

- None.

Directorships and other positions expired during the last five years

Member of the Board of Directors, ALD

Member of the Board of Directors, Blue Solutions

Nationality: Qatari

Date of birth:
13 April 1992

Address: 29 Bahri North Drive, Doha, Qatari

Total number of Company shares held:
150

Fatima Fikree

Director

Member of the Audit Committee

Fatima Fikree is a Director at the Qatar Investment Authority. She is a graduate of Carnegie Mellon University, the Tepper School of Business. Fatima Fikree began her career in the financial industry at Barclays plc and joined the Qatar Investment Authority in 2017. She holds a Bachelor of Science degree in Business Administration and is a Chartered Financial Analyst.

Directorships and other positions held in other companies

In France:

- None.

Outside France:

- Chair and Director, Q West Holding LLC
- Chair and Director, Qure Holding LLC
- Director, F3 Holding LLC

Directorships and other positions expired during the last five years

- Chair of the Supervisory Board, Northern Capital Gateway
- Director, Thalita Trading Limited

Nationality: French

Date of birth:
9 June 1962

Address: 10 avenue Anatole France, 94220 Charenton-le-Pont, France

Total number of Company shares held: 0

Marie Flavion

Employee director

Marie Flavion is currently Operational Marketing Product Manager at the Hatier group's Diffusion Department, in charge of relations between diffusion and publishers and event communication, a position she has held since 2014. She joined the Hatier group's Diffusion Department in 1990, first as a project manager, before taking up the position of Promotion and Communication Manager from 2000 to 2014.

She began her career at Éditions Larousse in 1985 as an archivist and editor.

Marie Flavion holds a master's degree in philosophy from the University of Paris Sorbonne and a DEUG in modern literature.

Directorships and other positions held in other companies

In France:

- None.

Outside France:

- None.

Directorships and other positions expired during the last five years

- Secretary of Éditions Hatier's Economic and Social Committee (2022)
- Deputy Secretary of Éditions Hatier's Economic and Social Committee (2017-2021)

Nationality: French

Date of birth:
28 October 1962

Address: 243 rue du Parc, 24300 Saint-Martial-de-Valette, France

Total number of Company shares held: 47

Pascal Jouen

Employee director

Member of the Appointments, Remuneration and CSR Committee

Member of the* ad hoc *Committee

Pascal Jouen is a graduate of the École des Beaux-Arts in Angoulême and has been a sales executive with Larousse since 1991. He has held a number of different positions within the employee representative bodies of Larousse and the Lagardère group.

Directorships and other positions held in other companies

In France:

- Deputy Mayor of Saint-Martial de Valette
- Representative of the Périgord Vert group of municipalities

Outside France:

- None.

Directorships and other positions expired during the last five years

- CFDT union representative
- CFDT union representative on the Group Employees' Committee
- Deputy Secretary of Larousse's Economic and Social Committee
- Deputy CFDT union representative on the International Works Committee

Nationality: French

Date of birth:
12 September 1958

Address: 11 *bis* rue Casimir Périer, 75007 Paris, France

Total number of Company shares held: 150

Véronique Morali

Independent director

Chair of the Audit Committee

Chair of the* ad hoc *Committee

Member of the Appointments, Remuneration and CSR Committee

Véronique Morali holds a master's degree in business law and is a graduate of the Institut d'Études Politiques de Paris and the ESCP business school. She joined the ENA and the Inspection Générale des Finances (French Inspectorate of General Finances), which she left in 1990 to join Marc Ladreit de Lacharrière when he founded Fimalac. As a Board member and the General Manager of Fimalac from 1990 to 2007, she played a major role in defining the strategy and international expansion of this listed group with its founder. Véronique Morali is currently Vice-Chair of the Executive Committee of Fimalac and Director of Development.

Since 2013, she has been Chair of the Board of Directors of Webedia, Fimalac's digital division and a key player in the French media and digital landscape, building a unique global network of media, talent, events and services on the strongest themes in entertainment and leisure.

Alongside her activities at Fimalac, in 2005 she co-founded Force Femmes, a non-profit association, which she chairs, with the aim of accompanying and supporting women over 45 in their efforts to return to work and create their own business. From 2011 to 2014, Véronique Morali was Chair of the Women's Forum for the Economy and Society. She is also a co-founder of Women Corporate Directors Paris (a network of women board members) and a member of Siècle.

Directorships and other positions held in other companies

In France:

- Chair of the Board of Directors, Webedia
- Member of the Board of Directors, Vice-Chair of the Executive Committee and Director of Development, Fimalac
- Member of the Supervisory Board, the Audit Committee, the Risk Committee and the Remuneration Committee, Edmond de Rothschild SA (France)
- Director, Interparfums
- Chair, Force Femmes
- Member, Le Siècle (non-profit)
- Member of the Board of Directors, Fondation Nationale des Sciences Politiques

Outside France:

- Member of the Board of Directors, Fimalac Développement (Luxembourg)
- Member of the Board of Directors, Edmond de Rothschild SA (Switzerland)
- Member of the Board of Directors, The Brandtech Group LLC (United States)

Directorships and other positions expired during the last five years

- Chair of the Board of Directors, Fimalac Développement (Luxembourg)
- Chair, Jellyfish Digital Group Limited (United Kingdom)
- Chair of the Management Board, Webedia
- Director and Chair of the Board of Directors, Quill France
- Chief Executive Officer, Webco
- Member of the Strategic Committee, Pour de Bon
- Permanent representative of Fimalac Développement on the Board of Directors, Groupe Lucien Barrière SAS
- Member of the Board of Directors and Chair of the Compensation Committee, Edmond de Rothschild SA (Switzerland)
- Member of the Board of Directors, Edmond de Rothschild SA (France)
- Member of the Supervisory Board, the Audit Committee, and the Compensation Committee, Publicis Groupe (listed company)
- Member of the Board of Directors, the Human Resources and Remuneration Committee, CCEP (formerly Coca-Cola Entreprises Inc.) (listed company)
- Vice-Chair of the Board, Directors, Fitch Group, Inc.
- Member of the Board of Directors, SNCF Mobilités (state-controlled corporation)
- Representative of Multi Market Services France Holding on the shareholders' committee, Wefcos

Nationality: French

Date of birth:
26 April 1964

Address: 42 avenue de Friedland, 75008 Paris, France

Total number of Company shares held: 150

Arnaud de Puyfontaine

Director

Member of the Appointments, Remuneration and CSR Committee

Arnaud de Puyfontaine is a graduate of ESCP Business School (1988), Institut Multimédias (1992) and Harvard Business School (2000). He started his career as a consultant at Arthur Andersen and then in 1989 worked as a project manager at Rhône-Poulenc Pharma in Indonesia. In 1990, he joined *Le Figaro* as Executive Director. In 1995, as a member of the founding team of the Emap Group in France, he headed *Télé Poche* and *Studio Magazine*, managed the acquisition of *Télé Star* and *Télé Star Jeux*, and launched the Emap Star Division, before becoming Chief Executive Officer of Emap France in 1998. In 1999, he was appointed Chairman and Chief Executive Officer of Emap France, and, in 2000, joined the Executive Board of Emap PLC. He led several M&A deals, and concomitantly, from 2000 to 2005, served as Chairman of EMW, the Emap/Wanadoo digital subsidiary. In August 2006, he was appointed Chairman and Chief Executive Officer of Editions Mondadori France. In June 2007, he became General Manager of all digital business for the Mondadori group.

In April 2009, Arnaud de Puyfontaine joined US media group Hearst as Chief Executive Officer of its UK subsidiary, Hearst UK. In 2011, on behalf of the Hearst group, he led the acquisition from the Lagardère group of 102 international magazine titles, and in June 2011, was appointed Executive Vice President of Hearst Magazines International. In August 2013, he was appointed Managing Director for Western Europe. He has also been Chairman of ESCP Europe Alumni. From January to June 2014, Arnaud de Puyfontaine was a member of the Vivendi Management Board and Senior Executive Vice President in charge of its media and content operations. Since 24 June 2014, he has been Chairman of the Management Board of Vivendi.

Directorships and other positions held in other companies

In France:

- Chairman of the Management Board, Vivendi (listed company)
- Vice-Chairman of the Supervisory Board, Canal+ group
- Director, Havas
- Chairman of the Board of Directors, Prisma Media
- Chairman of the Board of Directors, Gameloft SE
- Member of the Board of Directors, Dailymotion
- Member of the Advisory Committee, Innit
- Honorary Chairman, French-American Foundation

Outside France:

- None.

Directorships and other positions expired during the last five years

- Chairman and Chief Executive Officer, Gameloft
- Chairman of the Supervisory Board, Universal Music France
- Director, Universal Music Group, Inc.
- Chairman of the Board of Directors, Antinea 6
- Executive Chairman and Director, Telecom Italia SpA (Italy) (listed company)
- Chairman of the Board of Directors, Editis Holding

Nationality: French

Date of birth:
28 January 1955

Address: 77 rue de Miromesnil, 75008 Paris, France

Total number of Company shares held:
1,301

Nicolas Sarkozy

Independent director

Member of the Appointments, Remuneration and CSR Committee

Member of the ad hoc Committee

Nicolas Sarkozy is the 6th President of France's Fifth Republic (2007-2012).

Mayor of Neuilly-sur-Seine (1983-2002), National Assembly Representative for Hauts-de-Seine (1988-2002), President of the General Council for Hauts-de-Seine (2004-2007), Minister for the Budget (1993-1995), Minister for Communications (1994-1995), Government spokesman (1993-1995), Minister of the Interior, Internal Security and Local Freedoms (2002-2004), Minister of State, Minister for the Economy, Finance and Industry (2004), Minister of State, Minister of the Interior and Town and Country Planning (2005-2007). He was also the elected leader of French political parties UMP (2004-2007) and Les Républicains (2014-2016).

A trained lawyer, Nicolas Sarkozy is married and has four children. He is the author of several books, including *Libre*, *Témoignage*, *La France pour la vie*, *Tout pour la France*, *Passions*, *Le Temps des tempêtes* and *Promenades*.

Nicolas Sarkozy also provides consulting services to several international groups, including chairing the Advisory Board of Corsair, and acting as a consultant to the Management Committee of the Marietton group. He sits on the Advisory Board of Chargeurs (listed company) as well as being a consultant to Axian and SC Varsano.

Directorships and other positions held in other companies

In France:

- Director and Chairman of the International Strategy Committee, Accor (listed company)
- Director and member of the Strategy Committee, Lucien Barrière group SAS
- Member of the Supervisory Board, LGI – Lov Group Invest
- Member of the International Advisory Network, Natixis
- Chief Executive Officer, CSC SELAS

Outside France:

- None.

Directorships and other positions expired during the last five years

- Member of the International Advisory Network, Natixis

Nationality: French

Date of birth:
8 October 1948

Address: 4 rue de Presbourg, 75116 Paris, France

Total number of Company shares held:
127,535

Pierre Leroy

Deputy Chief Executive Officer and Board Advisor (until 19 March 2024)

Pierre Leroy is a graduate of the École Supérieure de Commerce de Reims business school and holds a degree in law. He has spent his entire career with the Lagardère group.

He was appointed Director and Chief Executive Officer of MMB (which became Lagardère SCA and then Lagardère SA) in 1987, then Chairman and Chief Executive Officer of Lagardère Sociétés in 1988 and Secretary General of the Lagardère group in 1993.

He was appointed Co-Managing Partner of Lagardère SCA in March 2004, and then Deputy Chief Executive Officer of Lagardère SA on 30 June 2021. He stepped down from his positions as Deputy Chief Executive Officer and Board Advisor with effect from 19 March 2024.

Directorships and other positions held in other companies

In France:

- Director, Hachette Livre
- Permanent representative of Hachette Livre on the Board of Directors, Librairie Arthème Fayard
- Permanent representative of Hachette Livre on the Board of Directors, Calmann Levy
- Permanent representative of Education Management on the Board of Directors, Librairie Générale Française
- Permanent representative of Hachette Livre on the Board of Directors, Audiolib
- Director, Société des Éditions Grasset & Fasquelle
- Director, Deputy Chairman and Chief Operating Officer, Lagardère Média

Directorships and other positions expired during the last five years

- Chairman and Chief Executive Officer, Hachette Livre (resigned on 8 November 2023)
- Chairman, Holpa

	▸ Chairman and Chairman of the Board of Directors, Lagardère Ressources ▸ Member of the Supervisory Board, Lagardère Travel Retail ▸ Member of the Supervisory Board, Lagardère Active ▸ Chairman of the Supervisory Board, Société d'Exploitation des Folies Bergère ▸ Chairman of the Supervisory Board, Lagardère Radio SCA ▸ Chairman, Lagardère Participations ▸ Chairman, Lagardère Expression ▸ Chairman, Dariade ▸ Chairman, Sofrimo ▸ Chairman, Lagardère Live Entertainment ▸ Chairman, Fondation Hachette Livre pour la lecture ▸ Deputy Director, Fondation Jean-Luc Lagardère ▸ Chairman and Chairman of the Board of Directors, Lagardère Paris Racing Ressources ▸ Director, Secretary General and Treasurer, Association des Amis de la Croix-Catelan (non-profit organisation) (formerly Lagardère Paris Racing Ressources sports association) ▸ Secretary General and member of the steering committee, Lagardère Paris Racing sports association (non-profit organisation) ▸ Chief Operating Officer, Lagardère Capital SAS (formerly Lagardère Capital & Management) ▸ Executive Vice President and Director, Arjil Commanditée-Arco ▸ Chief Executive Officer, Lagardère Management ▸ Chairman, Equajal ▸ Chairman, IMEC (Institut Mémoires de l'Édition Contemporaine) ▸ Chairman, Mémoire de la Création Contemporaine Endowment Fund ▸ Chairman of the jury for the Prix de la littérature arabe literary awards ▸ Director, Bibliothèque nationale de France Endowment Fund ▸ Member of the Board of Syndicat national de l'édition, the French publishing union *Outside France:* ▸ Director, Lagardère Active Broadcast ▸ Director, Hachette UK (holdings) Limited (UK) ▸ Chairman and Chief Executive Officer, Hachette Livre España (Spain) ▸ Chairman of the Board and Director, Hachette Livre USA (USA)	

C) CHANGES IN MEMBERSHIP IN 2023

Changes in the membership of the Board of Directors and the Board Committees in 2023

At 31 December 2023:

	Departures	Appointments	Re-appointments
Board of Directors	René Ricol, independent director (06/12/2023)	Yannick Bolloré (08/12/2023)	_
Audit Committee	_	_	_
Appointments, Remuneration and CSR Committee	_	_	_
***Ad hoc* Committee**	René Ricol, independent member (06/12/2023)	_	_

René Ricol resigned from his position as independent director and member of the *ad hoc* Committee on 6 December 2023 following the completion of the merger between the Lagardère and Vivendi groups. To replace him, at its meeting of 8 December 2023 the Board of Directors decided, on the recommendation of the Appointments, Remuneration and CSR Committee, to co-opt Yannick Bolloré for the remainder of his predecessor's term of office, i.e., until the close of the 2025 General Meeting to be called to approve the 2024 financial statements. Yannick Bolloré's co-optation will be submitted to shareholders for ratification at the General Meeting of 25 April 2024.

Arnaud de Puyfontaine was appointed member of the Appointments, Remuneration and CSR Committee at the Board meeting of 27 February 2024.

Pierre Leroy stepped down from his positions as Deputy Chief Executive Officer and Board Advisor with effect from 19 March 2024.

There have been no other changes in the membership of the Group's General Management, Board of Directors or its committees, and none are planned as of the date of this document.

D) DIVERSITY OF DIRECTORS' PROFILES

The Board of Directors ensures that the diversity of directors' profiles enables it to discharge its duties to the best of its ability. It is attentive to the balance, complementarity and relevance of the directors' skills with regard to the Lagardère group's strategy, in particular to ensure that their areas of expertise adequately cover knowledge of the Group's business sectors and challenges.

This diversity policy is also designed to ensure that all skills and expertise in management, finance and CSR essential to the work of the Board of Directors are represented.

More specifically, the Board of Directors has made social and environmental responsibility and sustainable development a major part of the Group's strategy, and takes particular care to ensure that its members develop their skills through regular presentations on these matters by experts from both within and outside the Group.

The Board's diversity policy also aims to promote international experience and a broad variety of gender, expertise, age and seniority, cultural backgrounds and perspectives, which help enhance Board discussions.

The membership of the Board of Directors also reflects the Company's ownership structure. Following the completion of the merger between the Lagardère and Vivendi groups authorised by the European Commission on 21 November 2023, Yannick Bolloré was co-opted as a director at the Board meeting of 8 December 2023. Yannick brings to the Board undisputed expertise in strategy – particularly in the media sector, in-depth knowledge of the Group's businesses, an international vision and extensive expertise in CSR and digital/innovation.

The result is the current eleven-member Board of Directors (including two employee directors) whose gender balance and independence rate exceed best governance practices.

At 31 December 2023, 55.5% of the Board's members were women and 55.5% were independent (excluding employee directors, in accordance with statutory calculation methods). All three Board Committees are chaired by women who are independent directors.

Pursuant to article L. 22-10-10 of the French Commercial Code, details of this diversity policy and how it was implemented in 2023 are documented below:

Criteria	Objectives	Basis for implementation and 2023 results
Size of the Board	Maintain a reduced number of Board members, including appointments required by law (employee director) to ensure efficient operations in line with the Company's shareholding structure.	The Articles of Association require the Board to have at least eight members and no more than nine members appointed by the shareholders, plus the employee directors appointed by the Group Employees' Committee. At 31 December 2023, the Board was at its maximum of nine members appointed by the shareholders and two employee directors appointed by the Group Employees' Committee, i.e., a total of 11 directors, slightly below the average number of directors in the panel of companies listed on the SBF 120 index.
Age limit	Pursuant to article 11 3. of the Articles of Association, no more than one-third of the members of the Board of Directors in office may be over 75 years old.	At 31 December 2023, no director in office was aged over 75. The average age of Board members was 56, below the average age observed for the SBF 120 panel (59 years of age).
Gender balance	At least 40% of members are women.	At 31 December 2023, the proportion of women on the Board of Directors was 55.5%(1), comfortably exceeding the legal requirements and the average observed for the SBF 120 panel (46.6%).
Availability	The availability of members of the Board of Directors must be sufficient to allow the Board and its Committees to operate effectively.	In 2023, the average attendance rate of members at meetings of the Board of Directors was 99%(2) (96% for the Audit Committee, 100%(2) for the Appointments, Remuneration and CSR Committee and 100%(2) for the *ad hoc* Committee), i.e., rates equal to or slightly higher than the average attendance rates observed for the SBF 120 panel.
Qualifications and professional experience **Nationality, international experience**	The Board must comprise diverse skills and profiles with in-depth knowledge of the Group's businesses, an international approach, but also significant expertise and experience in finance, management, governance, ethics and compliance, digital and innovation, and detailed knowledge of social, societal and environmental issues, including climate change.	See the chart below which reflects the diversity of skills within the Board.
Independence	At least one-third of Board members in a controlled company must be independent pursuant to the Afep-Medef Corporate Governance Code.	At 31 December 2023, 55.5%(1) of Board members were independent.
Employee representation on the Board	In compliance with article L. 225-27-1 of the French Commercial Code (further to the French "Pacte law"), two employee representative members must be appointed to the Board as Directors when the number of the other Board members (appointed by the shareholders) exceeds eight, and one employee director must be appointed as Director when the number of the other Board members is equal to or less than eight.	At 31 December 2023, the Board had two employee directors appointed by the Group Employees' Committee. In addition to his directorship, Pascal Jouen is a member of the Appointments, Remuneration and CSR Committee and the *ad hoc* Committee.

(1) Excluding the Board Advisor and employee directors.
(2) Excluding the Board Advisor.

In view of the above, the Board of Directors has a combination of expertise, experience and valuable skills that enable it to fully carry out its roles and responsibilities wholly independently. At its meeting of 27 February 2024, the Board of Directors approved the skills matrix set out below on the recommendation of the Appointments, Remuneration and CSR Committee. This matrix is consistent with the recommendations of the Afep-Medef Code, and sets out the different categories of skills represented on the Board, particularly in terms of CSR, and the overall level of representation for each one.

	Business expertise	International	Finance	CSR	Governance, ethics and compliance	Executive management	Digital and innovation
A. Lagardère	●	●	●	–	●	●	●
V. Banet	●	●	●	●	●	●	–
V. Bernis	●	–	●	●	●	●	–
Y. Bolloré	●	●	●	●	●	●	●
L. Carrere	–	●	●	●	●	●	–
F. Fikree	●	●	●	–	●	–	–
M. Flavion	●	–	–	●	–	–	–
P. Jouen	●	–	–	●	–	–	–
V. Morali	–	–	●	–	●	●	●
A. de Puyfontaine	●	●	–	●	●	●	●
N. Sarkozy	–	●	●	–	●	●	–
Total	**8/11 73%**	**7/11 64%**	**8/11 73%**	**7/11 64%**	**9/11 82%**	**8/11 73%**	**4/11 36%**

Business expertise: experience or in-depth knowledge of the Company's business activities (Publishing, Travel Retail and Media).
International: significant work carried out in France or abroad with a transnational dimension; positions held abroad; persons of foreign nationality or with significant knowledge of geopolitics and international economics.
Finance: significant experience in the financial sector (banking, accounting, financial markets), capital management or risk management.
CSR: significant experience in sustainable development or in-depth knowledge of social, societal and environmental issues (including climate change).
Governance, ethics and compliance: persons holding non-executive offices on boards or committees of other companies, or with expertise or in-depth knowledge of the ethics and compliance policy to be implemented by the Company.
Executive management: significant experience in general management (chief executive, deputy chief executive, vice-chair, etc.) or as a senior executive or member of an executive body (executive or management committee, etc.).
Digital and innovation: significant experience or expertise in developing and implementing digital innovation strategies and IT system security.

E) DIRECTOR INDEPENDENCE

Each year, the Appointments, Remuneration and CSR Committee assesses the independence status of each Board member, based on an analysis matrix containing the independence criteria set out in the Afep-Medef Code. An independence review is also conducted when any new director is appointed or serving director re-appointed.

As set out in the Afep-Medef Corporate Governance Code, a director is independent when he or she has no relationship of any kind with the Company, the Group or its management that could compromise the exercise of their freedom of judgement or that could place him/her in a situation of conflict of interest.

According to the Afep-Medef Code, an independent director must meet the following criteria:

- not to be or not to have been in the previous five years:
  - an employee or executive corporate officer[1] of the Company,
  - an employee, director or executive corporate officer of an entity that the Company controls,
  - an employee, director or executive corporate officer of the Company's parent company, or of a company consolidated by that parent company;
- not to be an executive corporate officer of an entity in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive corporate officer of the Company (currently in office or having held such office within the last five years) holds a directorship;
- not to be a customer, supplier, investment banker, commercial banker or consultant[2]:
  - that is significant to the Company or the Group,
  - or for which the Company or the Group represents a significant proportion of its activities.

(For this criterion, the Afep-Medef Corporate Governance Code states that the question of whether or not the relationship a director may have with the Company or the Group is material is reviewed by the Appointments, Remuneration and CSR Committee and then debated by the Board);

- not to be related by close family ties to a corporate officer;
- not to have been a Statutory Auditor of the Company within the previous five years;
- not to have been a director of the Company for more than 12 years;
- not to be a non-executive corporate officer receiving variable remuneration in cash or in the form of securities or any remuneration linked to the performance of the Company or the Group;
- not to be or represent a shareholder holding more than 10% of the Company's share capital or voting rights, alone or in concert.

(1) In accordance with the Afep-Medef Code, for joint stock companies with a Board of Directors, the term "executive corporate officer" refers to the Chairman and Chief Executive Officer, the Chief Executive Officer and the Deputy Chief Executive Officer(s).
(2) Or to have direct or indirect links to such persons or entities.

The Afep-Medef Code recommends that the Board of Directors assess the independence of its members by examining each of the criteria set out above. However, the Code provides that the Board may consider a director who does not meet all of these criteria as independent and justify its assessment.

The Appointments, Remuneration and CSR Committee reviewed the independence status of the various members of the Board of Directors at its meeting of 9 February 2024, based on the information available to it and the statements made by the directors themselves.

This review included an assessment of whether or not any business relationships that may exist between the Company and certain directors are material. For this purpose, the Committee examined the nature of the relationships concerned (type of services, exclusivity, etc.) as well as the amounts of the transactions carried out with the groups in which the directors held management positions during the year, which it compared to the revenue of the entities concerned.

The Committee considered the advisory relationship between Lagardère Ressources, a subsidiary of the Company, and the Realyze law firm – of which Nicolas Sarkozy is a founding partner (it being specified that the contract was entered into well before Nicolas Sarkozy's appointment to the Board of Directors and that he himself does not, directly or indirectly, provide any legal advisory services to the Group). In light of the volume of business assigned to Realyze and the attendant fees paid to that firm, the Committee considered that the business relationship is not material either for the Group or for Realyze and that accordingly, Nicolas Sarkozy meets the independence criteria.

In addition, the Committee noted the classification as non-independent members of Fatima Fikree representing Qatar Holding LLC and of Arnaud de Puyfontaine and Yannick Bolloré representing Vivendi SE, both major shareholders of the Company, respectively holding 11.52% and 59.80% of the share capital, and of Arnaud Lagardère, executive corporate officer of the Company.

In conclusion, based on the analysis carried out by the Appointments, Remuneration and CSR Committee on the individual situation of each director, the Board of Directors, at its meeting of 27 February 2024, determined that five of its nine members (excluding employee directors) – Véronique Morali, Laura Carrere, Valérie Bernis and Virginie Banet, as well as Nicolas Sarkozy – can be considered as independent members, representing an overall Board independence rate of 55.5%.

Summary table of Board of Director members' compliance with the independence criteria set out in the Afep-Medef Code

Independence criteria set out in the Afep-Medef Corporate Governance Code	A. Lagardère	V. Banet	V. Bernis	Y. Bolloré	L. Carrere	F. Fikree	M. Flavion*	P. Jouen*	V. Morali	A. de Puyfontaine	N. Sarkozy
Not to be and not to have been in the previous five years, an employee or executive corporate officer of the Company	N/A	✓	✓	✗	✓	✓	N/A	N/A	✓	✗	✓
Not to hold and not to have held in the previous five years, cross-directorships	N/A	✓	✓	✓	✓	✓	N/A	N/A	✓	✓	✓
Not to be a customer, supplier, banker or major consultant	N/A	✓	✓	✓	✓	✓	N/A	N/A	✓	✓	✓
Not to be related by close family ties	N/A	✓	✓	✓	✓	✓	N/A	N/A	✓	✓	✓
Not to have been a Statutory Auditor within the previous five years	N/A	✓	✓	✓	✓	✓	N/A	N/A	✓	✓	✓
Not to have been a member of the Board of Directors for more than 12 years	N/A	✓	✓	✓	✓	✓	N/A	N/A	✓	✓	✓
Status of non-executive corporate officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Status of major shareholder	N/A	✓	✓	✗	✓	✗	N/A	N/A	✓	✗	✓
Conclusion	N/A	Independent	Independent	Not independent	Independent	Not independent	N/A	N/A	Independent	Not independent	Independent

(*) Employee director.

3.2.2 BOARD OF DIRECTORS' RULES OF PROCEDURE AND OPERATION

The terms and conditions that apply to the organisation and operation of the Board of Directors and its Committees are set out in the Board's Rules of Procedure, which also define and specify the duties incumbent on each member, as well as the code of conduct that each individual member is required to respect. These Rules of Procedure, adopted by the Board of Directors on 30 June 2021 and amended by the Board of Directors at its meeting of 8 December 2023, are set out in full in Appendix A2 to this chapter.

They are also available in the Governance section of Lagardère's website.

In addition, pursuant to article L. 22-10-12 of the French Commercial Code, a new internal charter will soon be submitted for approval by the Board of Directors, designed to set out the methodology for (i) identifying and qualifying agreements subject to the procedure for related-party agreements at the level of the Company prior to entering into force, renewal or termination, and (ii) regularly assessing whether agreements relating to ordinary operations and entered into on arm's length terms meet these conditions.

3.2.3 WORK OF THE BOARD OF DIRECTORS IN 2023

The Board of Directors' work is prepared and organised within the legal and regulatory framework applicable to French joint-stock companies, the Company's Articles of Association, and the Board of Directors' Rules of Procedure.

In 2023, the Board of Directors met eleven times with an average attendance rate of 99%. Board meetings lasted three hours on average. The notices of meetings, together with the agenda, were sent by e-mail several days before each meeting. The documents were also made available to the directors via a secure electronic platform before each meeting.

The Board meets regularly to review the financial position and operations of the Company and its subsidiaries, the parent company, consolidated and interim financial statements, the outlook for each business taking into account CSR goals and imperatives, and the Group's overall business strategy.

Between meetings, the Board members were regularly kept updated and informed of events that were significant for the Company. They also received press releases published by the Company and analysts' reports.

In 2023, the Board's work mainly focused on:

Group business, strategy and finance:

- regularly monitoring business performance and current events;
- reviewing and approving the 2022 parent company and consolidated financial statements and the 2023 interim financial statements, as well as the annual and interim financial reports and related press releases;
- reviewing the 2023 quarterly financial information and related press releases;
- reviewing the Group's strategic plan;
- approving the Group's business plan (updating the 2023-2025 business plan) and approving the business plan for 2024);
- approving the Company's 2022 Universal Registration Document and its 2023 Interim Financial Report;
- implementing the share buyback programme approved by the General Meeting;
- renewing the annual authorisation for the Chairman and Chief Executive Officer to grant sureties, warranties or undertakings on behalf of the Company;
- monitoring the situation with the editorial team at *Le Journal du Dimanche* (strike notice);
- reviewing Hachette Livre France's infrastructure transformation plan;
- analysing acquisition projects, leading in particular to the authorisation of the acquisition of US Foodservice operator Tastes on the Fly by Lagardère Travel Retail.

Governance, appointments and remuneration:

- reviewing the membership of the Board and the independence of directors;
- adopting a new skills matrix in line with the recommendations of the Afep-Medef Code;
- validating the components of the remuneration of the Chairman and Chief Executive Officer and Deputy Chief Executive Officer for 2022, in accordance with the policies approved by the General Meeting of 22 April 2022;
- approving the remuneration policies for 2023 applicable to the Company's corporate officers submitted for approval to the General Meeting of 18 April 2023;
- setting the components of remuneration for the corporate officers for 2023 in accordance with the policies approved by the General Meeting on 18 April 2023;
- preparing for the General Meeting of Shareholders on 18 April 2023 and approving all related legal documentation;
- delivering the free shares and performance shares for the 8 April 2019 plan that have vested;
- setting up a free share plan and a performance share plan in accordance with the authorisations granted by the General Meeting of 22 April 2022;
- setting up an extended free share plan, We Share Lagardère, in accordance with the authorisation granted by the General Meeting of 22 April 2022;
- co-opting Yannick Bolloré as director to replace René Ricol.

Corporate social responsibility:

- reviewing changes in the Board's role in terms of CSR and carrying out work to prepare for the CSR Directive (CSRD).

Notices, authorisations and other duties:

- regularly monitoring progress on the proposed link-up between the Company and Vivendi SE;
- implementing and regularly monitoring the plan to make the Group's radio unit autonomous;

- authorising, pursuant to article L. 225-38 of the French Commercial Code, the signing of a Memorandum of Understanding dated 26 October 2023 governing efforts to make the Group's radio unit autonomous;
- conducting an annual review of 2023 related-party agreements and ordinary agreements.

The Board of Directors also regularly examined the Committees' reports on their work.

Members' attendance at Board of Directors' and Committee meetings in 2023

Board Member	Board of Directors	Audit Committee	Appointments, Remuneration and CSR Committee	*Ad hoc* Committee
Virginie Banet	100%	100%	100%	-
Valérie Bernis	100%	100%	-	100%
Yannick Bolloré	100%(*)	-	-	-
Laura Carrere	100%	-	100%	-
Arnaud de Puyfontaine	91%(1)	-	-	-
Fatima Fikree	100%	83%	-	-
Marie Flavion	100%	-	-	-
Pascal Jouen	100%	-	-	100%
Arnaud Lagardère	100%	-	-	-
Pierre Leroy *(Board Advisor)*	91%	-	-	100%
Véronique Morali	100%	100%	100%	100%
René Ricol	100%(**)	-	-	100%
Nicolas Sarkozy	100%	-	100%	100%
Total	**99%**	**96%**	**100%**	**100%**

(1) It should be noted that the meeting held on 30 May 2023, which Arnaud de Puyfontaine did not attend and which dealt with sensitive information as defined by the ring-fencing rules set out in the Board of Directors' Rules of Procedure, was not included in the above table.
(*) Based on attendance at one meeting of the Board of Directors in the year ended 31 December 2023.
(**) Based on attendance at ten meetings of the Board of Directors in the year ended 31 December 2023.

3.2.4 BOARD COMMITTEES

Some domains of the Board's work are prepared by specialised Committees, whose members are directors appointed to the Committee by the Board for the duration of their directorship. These specialised Committees examine the matters falling within their remit or any issues referred to them by the Board and submit their observations, opinions, proposals and recommendations to the Board by reporting to the Board regularly on their work. The Board relies on the work of its Committees throughout the course of the year.

The Board of Directors has set up three committees: the Audit Committee, the Appointments, Remuneration and CSR Committee and an *ad hoc* committee, set up in December 2021 in the context of the proposed tender offer initiated by Vivendi SE, and whose duties were subsequently extended to include monitoring the progress on the proposed reorganisation of the Group's radio unit.

In accordance with the recommendations set out by the French High Committee for Corporate Governance and the French financial markets authority in their respective reports of November and December 2023, in light of the transposition of the European Corporate Sustainability Reporting Directive (CSRD), whose provisions are applicable from 2024, it was decided to strengthen the role of the Audit Committee in analysing social and environmental risks and in certifying non-financial data. In 2023, the Company therefore organised plenary sessions for the members of its Audit Committee and its Appointments, Remuneration and CSR Committee, in order to debate collectively on these issues.

The Audit Committee and the Appointments, Remuneration and CSR Committee held a plenary session on 22 September 2023 to discuss the main developments relating to CSRD and Lagardère's compliance with its provisions. The Audit Committee is particularly focused on monitoring the non-financial reporting indicators introduced under the European Directive.

Virginie Banet and Véronique Morali both sit on these committees, chairing the Appointments, Remuneration and CSR Committee and the Audit Committee, respectively, in order to facilitate discussions and ensure a cross-cutting view.

The main organisational and operational procedures of the two Board Committees are set out in the Board of Directors' Rules of Procedure (Appendix A2). These were amended at the Board meetings of (i) 8 December 2023 to remove the ring-fencing rules applicable in the context of Vivendi's public tender offer and (ii) 27 February 2024 in order to increase the maximum number of Appointments, Remuneration and CSR Committee members to six.

A) AUDIT COMMITTEE

Members	▸ **Véronique Morali (Chair)** ▸ **Valérie Bernis** ▸ **Virginie Banet** ▸ **Fatima Fikree** Audit Committee members are appointed for their financial and/or accounting skills, assessed with particular regard to their past career (positions held in general or financial management or in an audit firm), academic background or specific knowledge of the Company's business. At 31 December 2023, three-quarters of the Audit Committee members were independent. In 2023, the Appointments, Remuneration and CSR Committee met six times with a 96% attendance rate.
Main tasks	The duties of the Audit Committee are described in the Board of Directors' Rules of Procedure provided in Appendix A2.
Main work in 2023	▸ reviewing the 2022 parent company and consolidated financial statements and the 2023 interim financial statements, as well as the financial information for the first and third quarters of 2023; ▸ reviewing the 2022 annual financial report and the 2023 interim financial report; ▸ reviewing the 2023-2024 financial communication calendar; ▸ reviewing the financial reporting processes; ▸ reviewing the cash flow reporting policy and the cash forecasts within the divisions; ▸ reviewing the fees paid to the Statutory Auditors; ▸ reviewing the organised oversight of risk and internal control within the Group, the Group's risk map and internal control systems, the results of the internal control self-assessment and the progress of the compliance programs; ▸ reviewing the chapter on risk factors and internal controls in the 2022 Universal Registration Document; ▸ reviewing the work of the Internal Audit Department and the 2023 audit plan; ▸ reviewing the Group's tax policy; ▸ reviewing information systems security: the 2023 status report, the programme recommendations and progress report; ▸ reviewing the summary of financial commitments analysis approved by the Finance Committee for Lagardère Publishing and Lagardère Travel Retail; ▸ reviewing the Group's litigation/disputes; ▸ reviewing the update of the 2023-2025 budget; ▸ reviewing the business plan for 2024; ▸ in a plenary session with the Appointments, Remuneration and CSR Committee: reviewing and monitoring CSRD and European Taxonomy compliance work; ▸ reviewing the performance of the Service Agreement in 2022; ▸ reviewing Hachette Livre France's infrastructure transformation plan. In addition, at each of its meetings, the Audit Committee followed up on the key performance indicators of the Group and its operating divisions, financing matters, cost savings plans, analyst consensus and pre-approved non-audit services. The Audit Committee meetings were attended by the Group Secretary General and Committee Secretary, the Chief Financial Officer, the Head of Risk Management, Compliance and Internal Control, the Internal Audit Director, the Accounting Director, the Group Management Control Director and the Statutory Auditors. Depending on the issues discussed, other contributors were invited to provide input on an as-needed basis, including the Group IT Director, the Head of the Legal Department, the Head of Financing and Investor Relations, and the operating divisions' management, as well as certain members of their teams. Members of the Group's CSR and Finance Departments attend the plenary sessions of the Appointments, Remuneration and CSR Committee.

B) APPOINTMENTS, REMUNERATION AND CSR COMMITTEE

Members	▸ **Virginie Banet (Chair)** ▸ **Laura Carrere** ▸ **Véronique Morali** ▸ **Nicolas Sarkozy** ▸ **Pascal Jouen** ▸ **Arnaud de Puyfontaine** (appointed at the Board of Directors' meeting of 27 February 2024) At 31 December 2023, all of the members of the Appointments, Remuneration and CSR Committee were independent directors. An employee director also sat on this Committee during the year. In 2023, the Appointments, Remuneration and CSR Committee met six times with a 100% attendance rate.
Main tasks	The duties of the Appointments, Remuneration and CSR Committee are described in the Board of Directors' Rules of Procedure set out in Appendix A2.
Main work in 2023	Regarding sustainable development (CSR): ▸ presenting the latest developments in terms of CSR; ▸ reviewing and implementing the Group's CSR policy, the main CSR risks and opportunities and the key lines of CSR communication; ▸ presenting the 2022 non-financial statement; ▸ in a plenary session with the Audit Committee: reviewing and monitoring CSRD and European Taxonomy compliance work; ▸ analysing CSR priorities for 2024. Regarding remuneration: ▸ reviewing and making recommendations with regard to the 2023 remuneration policy for executive corporate officers and corporate officers; ▸ making recommendations to the Board of Directors on the components of remuneration due to the corporate officers for 2022 pursuant to the approved 2022 remuneration policies; ▸ preparing the 2023-2025 free share and performance share plans; ▸ analysing a possible revision of the performance conditions applicable to the free performance share plan of 24 September 2021; ▸ setting targets for the performance criteria applicable to corporate officer remuneration; ▸ monitoring work on the grant of an extended free share plan as part of the expansion of employee share ownership. Regarding governance: ▸ reviewing the membership of the Board of Directors and its standing Committees with regard to diversity, experience and independence; ▸ recommending a new skills matrix for members of the Board of Directors, in accordance with the recommendations of the Afep-Medef Code; ▸ launching the annual self-assessment process looking at the operating procedures of the Board and its Committees; ▸ reviewing the voting recommendations of proxy advisors and institutional shareholders; ▸ reviewing supporting documentation for the General Meeting held on 18 April 2023; ▸ preparing the 2023-2024 governance calendar; ▸ issuing recommendations as regards the co-optation of Yannick Bolloré as director to replace René Ricol who resigned. These meetings took place in the presence of the Group Secretary General and Committee Secretary and, when discussions fell within their areas of expertise, the Head of Sustainable Development and CSR and the Deputy Head, as well as the CSR and HR correspondents of the operating divisions and Lagardère News, based on the topics covered during the different meetings. Members of the Group's CSR and Finance Departments along with the Company's Statutory Auditors, attend plenary sessions with members of the Audit Committee.

C) *AD HOC* COMMITTEE

Members	▸ **Véronique Morali (Chair)** ▸ **Valérie Bernis** ▸ **Nicolas Sarkozy** ▸ **Pascal Jouen** ▸ **Pierre Leroy** Pierre Leroy, Board Advisor, also sits on the *ad hoc* Committee in a non-voting capacity. At 31 December 2023, all of the members of the *ad hoc* Committee were independent directors. An employee director also sat on this Committee during the year. In 2023, the *ad hoc* Committee met twice, with a 100% attendance rate.
Main tasks	In connection with Vivendi SE's proposed public tender offer: ▸ monitoring the proposed offer, reviewing the statement of objections sent to Vivendi SE by the European Commission as regards the breach of competition rules that would result from the takeover of the Lagardère group. In connection with monitoring the reorganisation project for the Group's radio unit: ▸ generally monitoring the project to give the Group's radio unit autonomy, making proposals on any important decision of the Company in relation to this project with the French financial markets authority (*Autorité des marchés financiers* – AMF) and/or the competition authorities or the French audiovisual regulator; ▸ following up on the financial and legal experts' work; ▸ making recommendations to the Board of Directors.
Main work in 2023	▸ generally monitoring Vivendi SE's proposed takeover of the Company, including procedures with the European Commission; ▸ monitoring the progress of the project to give the Group's radio unit autonomy, in particular with regard to French industry regulator Arcom; ▸ engaging in discussions and providing follow-up with legal and financial experts; ▸ issuing recommendations regarding the conversion of Lagardère Radio SAS into a French partnership limited by shares (*société en commandite par actions*), in order to give the radio unit autonomy and place it under Arnaud Lagardère's sole control.

3.2.5 ASSESSMENT OF THE MEMBERSHIP STRUCTURE AND OPERATING PROCEDURES OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

In accordance with its Rules of Procedure, the Board of Directors, under the aegis of the Appointments, Remuneration and CSR Committee, conducts an assessment of its operating procedures and work each year. It considers the way in which it operates, its governance, the quality of information provided, and whether there is an appropriate balance of members between the Board and the Board Committees, in order to evaluate the preparation and quality of their respective work.

The Board of Directors carried out an annual self-assessment of its operations in 2023. To this end, a questionnaire was prepared, based on an adaptation of the questionnaire drawn up by the Afep employers' association, and sent to each director. A summary of the results of this self-assessment was prepared and presented by the Chair of the Appointments, Remuneration and CSR Committee at its meeting of 9 February 2024 and the Board meeting of 27 February 2024.

Based on the Board of Directors' self-assessment:

- meetings were deemed to encourage directors to speak their mind and discussions were deemed lively as a result, underpinned by the relationship of trust with General Management;
- the membership of the Board and its Committees was deemed appropriate in view of Lagardère's shareholder structure, the diverse expertise of Board members and the Group's international presence. The membership structure is well-balanced in accordance with the rules of good governance;
- the organization of Board and Board Committee meetings was seen to be suited to the different challenges facing the Company;
- high-quality information and presentations enable Directors to debate effectively.

On the basis of the very positive findings of this report and the recommendations put forward by its Appointments, Remuneration and CSR Committee, the Board of Directors will look closely at two main avenues for improvement: firstly, strengthening its strategic vision, in particular by analysing competitive positioning, benchmarks and digital developments with regard to the Group's various business sectors; and secondly, a possible change in the remit of the *ad hoc* Committee, following the completion of Vivendi SE's acquisition of the Company.

3.2.6 COMPLIANCE WITH THE AFEP-MEDEF CODE

The Company applies the corporate governance principles laid down in the Afep-Medef Code. The only recommendation not followed by the Company as at 31 December 2023 was:

Provision of the Afep-Medef Corporate Governance Code set aside or partially applied	Explanation
Directors' terms of office: **"The duration of directors' terms of office [...] should not exceed four years"**	Arnaud Lagardère has been appointed as Chairman and Chief Executive Officer for a six-year term in order to maintain a stable and sustainable management framework within the Company.

3.3 ADDITIONAL INFORMATION ON MEMBERS OF THE BOARD OF DIRECTORS AFR

3.3.1 DECLARATION OF NON-CONVICTION AND COMPETENCE

To the best of Lagardère SA's knowledge:

- no member of the Board of Directors has been convicted of fraud in the last five years;
- no member of the Board of Directors has been associated with any bankruptcy, receivership or liquidation proceedings in the last five years;
- in two legal proceedings, Nicolas Sarkozy was sentenced by a court ruling dated 1 March 2021, confirmed by an appeal decision dated 17 May 2023, to three years' imprisonment, two of them suspended, for corruption and influence-peddling and by a court ruling dated 30 September 2021, which was confirmed on appeal on 14 February 2024, to a prison sentence for illegal campaign financing. The presumption of innocence continues to apply to Nicolas Sarkozy, who has lodged an appeal with the French Supreme Court in connection with these two proceedings. These proceedings, wholly unrelated to the Company or the Group, in no way affect Nicolas Sarkozy's capacity to fulfil his duties as member of the Board of Directors. No other member of the Board of Directors has been subject to charges or official public sanction by statutory or regulatory authorities (including designated professional bodies);
- no member of the Board of Directors has been barred by a court from acting as a member of a governing, management or supervisory body or participating in a company's business management or governance in the last five years.

3.3.2 SERVICE AGREEMENTS BETWEEN A MEMBER OF THE BOARD OF DIRECTORS AND LAGARDÈRE SA OR ANY OF ITS SUBSIDIARIES

To the best of Lagardère SA's knowledge, no member of the Board of Directors has entered into a service agreement with Lagardère SA or any of its subsidiaries, with the exception of (i) the legal advisory services contract between the Realyze law firm, of which Nicolas Sarkozy is a founding partner, and the Group, and (ii) the service agreement signed between Lagardère Management (a company entirely owned by Arnaud Lagardère and managed by Arnaud Lagardère, Chairman and Pierre Leroy, Chief Executive Officer) and Lagardère Ressources, a subsidiary of Lagardère SA. For more details on the agreement, see section 3.7 of the Universal Registration Document.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

3.3.3 CONFLICTS OF INTEREST

To the best of Lagardère SA's knowledge, no potential conflict of interest exists with respect to Lagardère SA between the duties of the members of the Board of Directors and their personal interests, or between those duties and any other responsibilities they may hold.

It should be recalled that Yannick Bolloré is Chairman of the Supervisory Board and Arnaud de Puyfontaine Chairman of the Management Board of Vivendi SE, the holding company of the Vivendi group.

The relationships that may exist between certain subsidiaries of the Vivendi and Lagardère groups relate to dealings entered into under ordinary business conditions and do not give rise to conflicts of interest between Lagardère and Arnaud de Puyfontaine and/or Yannick Bolloré.

In 2023, as the Vivendi and Lagardère groups were competitors, particularly in the publishing sector, Arnaud de Puyfontaine was subject to the ring-fencing mechanism provided for in the Lagardère SA Board of Directors' Rules of Procedure, which is designed to prevent the disclosure of sensitive information and, more generally, any unlawful agreements between competitor companies within Lagardère SA's Board of Directors and Board Committees.

Following the completion of the link-up between the two groups on 21 November 2023, on 8 December 2023 the Board of Directors decided to abolish the ring-fencing mechanism.

The relationships that may exist between certain subsidiaries of the Vivendi and Lagardère groups relate to dealings entered into under ordinary business conditions and do not give rise to conflicts of interest between Lagardère and Arnaud de Puyfontaine and/or Yannick Bolloré.

3.3.4 RESTRICTIONS ON THE SALE BY MEMBERS OF THE BOARD OF DIRECTORS OR SENIOR EXECUTIVES OF THEIR INTEREST IN LAGARDÈRE SA

- To the knowledge of Lagardère SA, no restriction has been accepted by the Board of Directors concerning the sale of their shares in the Company's capital after a certain period of time, except for:
  - the rules for holding shares provided for in the provisions of Lagardère SA's Articles of Association and the Board's Rules of Procedure (holding of 150 shares during the term of office), which are nevertheless not applicable to employee directors;
  - the rules for trading in Lagardère SA shares defined in the laws and regulations in force (black-out periods of 30 calendar days preceding the publication dates of the annual and interim results press releases and any period in relation to the possession of inside information).
- To the knowledge of Lagardère SA, no restriction has been accepted by the executive corporate officers concerning the sale of their shares in the Company's capital after a certain period of time, except for:
  - the rules for trading in Lagardère SA shares defined in the laws and regulations in force or in the Confidentiality and Market Ethics Charter Applicable to Lagardère group Associates;
  - in the case of Pierre Leroy, the mandatory holding period for performance share awards, pursuant to the rules set by the General Meeting and the Board of Directors in accordance with the French Commercial Code and the recommendations of the Afep-Medef Code.

3.3.5 TRANSACTIONS IN LAGARDÈRE SA SHARES BY THE CORPORATE OFFICERS DURING 2023

The following transactions in the Company's shares were disclosed in 2023 by the persons falling within the scope of article L. 621-18-2 of the French Monetary and Financial Code (information disclosed pursuant to article 223-26 of the AMF's General Regulations):

Person involved	Office	Type of transaction	Type of securities	Date of transaction	Volume	Price per share	Total amount
Vivendi SE	Legal entity related to Arnaud de Puyfontaine and Yannick Bolloré, directors	Acquisition	Shares	06/01/2023	20,703	24.10	498,942.3
		Acquisition	Shares	20/01/2023	20,060	24.10	483,446
		Acquisition	Shares	03/02/2023	20,477	24.10	493,495.7
		Acquisition	Shares	17/02/2023	42,000	24.10	1,012,200
		Acquisition	Shares	03/03/2023	20,000	24.10	482,000
		Acquisition	Shares	17/03/2023	20,073	24.10	483,759.3
		Acquisition	Shares	31/03/2023	20,423	24.10	492,194.3
		Acquisition	Shares	14/04/2023	110	24.10	2,651
		Acquisition	Shares	28/04/2023	31,200	24.10	751,920
		Acquisition	Shares	12/05/2023	22,252	24.10	536,273.2
		Acquisition	Shares	26/05/2023	654	24.10	15,761.4
		Acquisition	Shares	09/06/2023	29,400	24.10	679,140
		Acquisition	Shares	23/06/2023	16,200	24.10	390,420
		Acquisition	Shares	07/07/2023	31,518	24.10	759,583.8
		Acquisition	Shares	21/07/2023	21,135	24.10	509,353.5
		Acquisition	Shares	04/08/2023	22,550	24.10	543,455
		Acquisition	Shares	18/08/2023	20,115	24.10	484,771.5
		Acquisition	Shares	01/09/2023	18,251	24.10	439,849.1
		Acquisition	Shares	15/09/2023	15,028	24.10	362,174.8
		Acquisition	Shares	29/09/2023	7,905	24.10	190,510.5
		Acquisition	Shares	13/10/2023	341,320	24.10	8,225,812
		Acquisition	Shares	27/10/2023	2,155,392	24.10	51,937,717.2
		Acquisition	Shares	10/11/2023	37,582	24.10	905,726.2
		Acquisition	Shares	24/11/2023	11,683	24.10	281,560.3
		Acquisition	Shares	08/12/2023	57,051	24.10	1,374,929.1
		Acquisition	Shares	22/12/2023	15,502	24.10	373,598.2

3.4 OTHER GOVERNING BODIES AFR

3.4.1 EXECUTIVE COMMITTEE

The Executive Committee is chaired by Arnaud Lagardère in his capacity as Chairman and Chief Executive Officer of Lagardère SA and Hachette Livre, and includes Pierre Leroy, Deputy Chief Executive Officer (until 19 March 2024) of Lagardère SA, the senior executives of Lagardère Travel Retail and Lagardère News, as well as the Secretary General and the Group Chief Financial Officer, who head up the Group's major central management functions.

Following the completion of the link-up between the Lagardère and Vivendi groups, Maxime Saada, member of the Management Board of Vivendi SE and Chairman of the Management Board of Groupe Canal+, was appointed Vice-President of the Lagardère group on 29 November 2023, and as such became a member of the Executive Committee.

(*) Pierre Leroy resigned from his position as Deputy Chief Executive Officer with effect from 19 March 2024, and stepped down from the Executive Committee at that same date.

The role of the Executive Committee is to assist the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer in performing their duties.

It enlists the help of any of the Group's senior executives whom it considers to be of use in the accomplishment of its duties.

3.4.2 EXECUTIVE BODY GENDER BALANCE POLICY

With women making up 63% of its workforce at 31 December 2023, the Lagardère group has strong female representation and having a balanced representation of men and women in senior management positions is one of its priority commitments.

In this context, the Group has signed up to the UN's Women Empowerment Principles and to the StOpE initiative which aims to combat casual sexism in the workplace.

In line with this commitment and with the recommendations of the Afep-Medef Code to which the Company adheres, General Management has adopted a diversity policy for the Group's executive bodies, which is regularly reviewed by the Board of Directors and its Appointments, Remuneration and CSR Committee.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

Since the proportion of women executives of the Group reached 51% in 2020, General Management had decided in early 2021 to focus its efforts going forward on a smaller scope that is more representative of the Group's top executives. The scope chosen takes into account the Group's specific characteristics, notably its significant decentralised structure and international exposure and corresponds to: (i) members of the Group's Executive Committee and their direct reports, (ii) members of the enlarged executive and management committees of Lagardère Publishing, Lagardère Travel Retail and Lagardère News, (iii) the management teams of independent entities for Lagardère Travel Retail and (iv) senior executives in France for Lagardère Publishing.

Within this new scope of just over 350 people (42% women representation at end-2020), in early 2021, General Management had set **a target of women making up 45% of the population by the end of 2024**. This will be achieved through several action plans, including:

- actively seeking appropriate gender balance when recruiting for managerial positions, up to the short-list phase;
- preparing succession plans as part of talent reviews with a greater emphasis on gender balance;
- promoting work-life balance, including parenting;
- focusing on equal opportunity in remuneration, training and career development policies;
- providing training and awareness-raising on diversity issues and on unconscious bias for all those involved in the recruitment process;
- raising the awareness of all employees to casual sexism in the workplace through self-assessment and training campaigns;
- incorporating gender balance targets within the CSR criteria used to determine components of short- and long-term variable remuneration for the members of the Executive Committee and senior executives of the Group;
- rolling out measures *via* the LL Network, in particular the internal mentoring program.

Each year steering committees comprising the Human Resources and CSR Directors of the operating divisions and the Corporate division review the implementation of these action plans along with the changes brought about. The Human Resources Committee is responsible for supervising action plans for the full Lagardère group scope, under the authority of the Secretary General of the Lagardère group, who is also a member of the Executive Committee.

These action plans proved a success in 2023, since although the proportion of women as a percentage of the Group's overall workforce fell slightly in the year (63% versus 64% in 2022), it nevertheless remained at 60% for the manager population (7,415 people) and continued to rise significantly in top executive roles (381 people), up to 46% in 2023, thereby exceeding the objective set.

The proportion of women in the Group's executive bodies also further increased in 2023, since:

- **following the appointment of Maxime Saada on 29 November 2023, the Group's Executive Committee now comprises three women and four men, a ratio of 43% representation of women;**
- the proportion of women on Lagardère Travel Retail's Management Committee continued to increase, up to 33% in 2023 (compared to 31% in 2022 and 18% in 2020);
- women account for the majority of Hachette Livre's International Executive Committee members (77%, i.e., seven women for two men in 2023) and the French Executive Committee is also predominantly female (58% in 2023);
- the proportion of women on Lagardère News' Executive Committee was 40% in 2023, after falling to 33% in 2022.

3.4.3 HUMAN CAPITAL POLICY AND SKILLS MANAGEMENT – PREPARING SUCCESSION PLANS

The Lagardère group's performance depends directly on the skills of its employees and the suitability of its resources. The Group's divisions manage their human resources independently, under shared principles and commitments (including the Group talent management policy) defined and formally established at Group level jointly with the operating divisions' Human Resources Directors.

This point is discussed in more detail in chapter 2 – Non-financial statement and duty of care plan of this Universal Registration Document.

Succession planning for the Group's main executives is essential to the Group's future success, as it guarantees continuity of leadership in case of a planned or unforeseen change in a key position, and, more generally, builds an internal team of managers capable of steering the Group through its long-term growth strategy.

In accordance with best corporate governance practices, succession planning and review processes have been implemented to better address these needs.

Succession plans are designed to cover different time frames:

- unforeseen situations (resignations, incapacity, death);
- planned medium-term situations (retirement, expiry of term of office);
- longer-term plans focused on identifying, partnering and training high-potential employees within the Group.

In accordance with the Board of Directors' Rules of Procedure, it is the responsibility of the Appointments, Remuneration and CSR Committee to ensure that a succession plan is drawn up for the Company's executive corporate officers.

The succession plans of the Executive Committee members proposed by the General Management are thus reviewed by the Appointments, Remuneration and CSR Committee.

In the context of this review, the Committee ensures that the plans are consistent with market practices, assesses the relevance of the proposals made and the appropriateness of the preparatory measures put in place and reports its findings to the Board of Directors.

Similar processes are put in place in the divisions to prepare succession plans for members of the Executive Committees and other key positions. These processes are also presented to the Appointments, Remuneration and CSR Committee, which carefully reviews them and reports its findings to the Company's Board of Directors.

As Vivendi SE took over the Company on 21 November 2023, succession plans will next be reviewed in 2024.

3.5 REMUNERATION AND BENEFITS OF EXECUTIVE CORPORATE OFFICERS AFR

The purpose of this section is to present (i) **the remuneration policies for the Company's executive corporate officers for 2024** and (ii) **the components of the total remuneration and benefits paid during or allocated in respect of 2023 to these corporate officers.**

These remuneration policies and components will be submitted for shareholder approval at the Annual General Meeting to be held on 25 April 2024.

3.5.1 REMUNERATION POLICIES FOR THE EXECUTIVE CORPORATE OFFICERS

3.5.1.1 UNDERLYING PRINCIPLES OF THE REMUNERATION POLICIES FOR EXECUTIVE CORPORATE OFFICERS

In accordance with the legal framework set out in articles L. 22-10-8 *et seq.* of the French Commercial Code, the remuneration policies for the executive corporate officers for 2024 were approved by the Board of Directors on the recommendation of the Appointments, Remuneration and CSR Committee at the Board's meeting on 27 February 2024.

The same procedure will be followed for any subsequent revision of the remuneration policies.

The role of the Appointments, Remuneration and CSR Committee, comprising only independent members and an employee director, is to ensure that there are no conflicts of interest when preparing, reviewing and implementing the remuneration policies.

The aim of these remuneration policies for executive corporate officers is to achieve – through their various components – a fair balance, commensurate with the work performed and the level of responsibility, between a lump-sum, recurring portion **(annual fixed remuneration)**, and a portion directly related to the operating environment, strategy and performance of the Group **(annual variable remuneration and performance shares)**.

Within the variable portion, a balance is also sought between the portion based on short-term objectives (**annual variable remuneration** contingent on performance for the year concerned) and the portion based on long-term objectives (**free shares** subject to performance conditions assessed over a minimum period of three consecutive years, with the vesting period followed by a holding period of no less than two years). The aim of these performance share awards is to closely align the executive corporate officers' interests with those of the Company's shareholders in terms of long-term value creation.

The underlying performance criteria applicable to both the annual variable remuneration and the performance shares are mainly **quantitative financial criteria**, which are key indicators of the Group's overall health. These criteria are a way of assessing the Group's intrinsic performance, i.e., its year-on-year progress, based on internal indicators that are directly correlated with the Group's strategy.

The variable remuneration of the executive corporate officers is also contingent on **quantitative non-financial criteria** related to the Group's key commitments under its **corporate social responsibility policy**, including the recognition of **climate issues**, which apply both to the short-term portion (**annual variable remuneration**) and the long-term portion (**performance shares**). The inclusion of these non-financial criteria is also designed to encourage a **model of steady, sustainable growth** that mirrors the Group's corporate values and **respects the environment** in which it operates.

The annual variable remuneration of the executive corporate officers also includes a portion contingent on **qualitative criteria**, based on a set of specific priority targets assigned each year.

In addition, executive corporate officers have a conditional right to receive **a supplementary pension** in addition to benefits under the basic state pension system. This benefit is taken into account when calculating their overall remuneration.

Lastly, **on a very exceptional basis, bonuses** may be awarded, under terms and conditions that always comply with best corporate governance principles and practices.

In light of all these elements, the executive corporate officers do not receive:

- **multi-annual variable remuneration in cash**;
- **benefits linked to taking up or terminating office**;
- **benefits linked to non-competition agreements**.

Furthermore, Arnaud Lagardère, who is a significant shareholder of Lagardère SA, does not receive any free share awards or other share options, as his stake in the Company automatically guarantees that his actions over the long term will be closely aligned with the interests of shareholders, of which he is one.

Beyond the application of market practices, the remuneration policy for executive corporate officers takes account of the remuneration and employment conditions of Company and Group personnel. Accordingly, 45% of Group employees have a variable component in their overall annual remuneration. Similarly, in accordance with best corporate governance practices, the Lagardère SA free share

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

plans are not just restricted to executive corporate officers and senior managers. They also cover some 400 Group employees, notably young high-potential managers identified during the talent management process (see section 3.8.9 below). For a portion of the beneficiaries of these plans, free shares are allocated subject to the achievement of the same performance conditions as those applicable to the Deputy Chief Executive Officer. In 2023, Lagardère even extended free share plans to all of the Group's employees, by awarding 50 rights to free shares under the We Share Lagardère plan to all employees with at least two years' seniority who work a minimum of 50% of their working hours for the Group.

The overall policy implemented is designed to ensure **reasonable, fair and balanced remuneration**, and to create a **strong correlation between the interests of the executive corporate officers and the interests of the Company, its shareholders and all stakeholders**, tailored to the Group's strategy and its **performance objectives**.

The Appointments, Remuneration and CSR Committee reviewed these remuneration policies in order to assess their alignment with the rules of good governance, the French financial markets authority (AMF) and French corporate governance council (HCGE) recommendations on governance, and proxy advisory firm policies and discussions. This led the Committee to recommend to the Board changes to remuneration policies. The main changes proposed are described in the table below:

	Summary of proposed changes to remuneration policies for executive corporate officers
Remuneration structures for the executive corporate officers	**Alignment of the structure of the executive corporate officers' remuneration with market practices** ▸ Elimination of the method for calculating executive corporate officers' variable remuneration based on a benchmark amount unrelated to fixed remuneration (as a reminder: €1,426,000 for the Chairman and Chief Executive Officer and €600,000 for the Deputy Chief Executive Officer). ▸ Increase in the Chairman and Chief Executive Officer's fixed remuneration (unchanged since 2009), from €1,140,729 to €1,700,000. **Changes to the structure of annual variable remuneration** ▸ Setting a minimum, target and maximum level of variable remuneration for each of the performance criteria, thereby avoiding (i) any payment in the event of underperformance and (ii) any offsetting effect between the criteria. ▸ Reduction in the maximum percentage the qualitative portion of variable remuneration can represent of fixed remuneration from 30% to 22.5% for the Chairman and Chief Executive Officer and from 25% to 11.25% for the Deputy Chief Executive Officer. ▸ Reduction in the maximum percentage the annual variable remuneration of the Chairman and Chief Executive Officer can represent of his fixed remuneration from 200% to 150%.
Long-term remuneration for the Deputy Chief Executive Officer	**Alignment of performance criteria with the Company's strategy** ▸ Replacement of the non-financial criterion based on the proportion of women on executive bodies by a criterion based on employee anti-corruption training. ▸ Replacement of the financial criterion based on ROCE (Return on Capital Employed) with a criterion based on recurring operating profit of fully consolidated companies (recurring EBIT). ▸ Change in the weighting of the three non-financial criteria to give them equal weighting of 10% each.

The Board of Directors may decide to make exceptions as to the application of the remuneration policies by adjusting, on the advice of the Appointments, Remuneration and CSR Committee, the objectives set and/or certain criteria applicable to the executive corporate officers' annual variable remuneration or long-term incentive instruments, provided that any such adjustment is justified by exceptional circumstances, such as a change in accounting standards, a material change in scope, the completion of a transformational transaction, a substantial change in market conditions, or an unexpected development in the competitive landscape. Any such modification of the objectives and/or criteria with the aim of ensuring that the actual performance of the Group and of the executive corporate officer continues to be reflected, would be made public and justified, notably with regard to the Group's corporate interests. In all circumstances, the payment of variable remuneration remains subject to the approval of the shareholders.

3.5.1.2 COMPONENTS OF REMUNERATION FOR EXECUTIVE CORPORATE OFFICERS

3.5.1.2.A SHORT-TERM REMUNERATION COMPONENTS

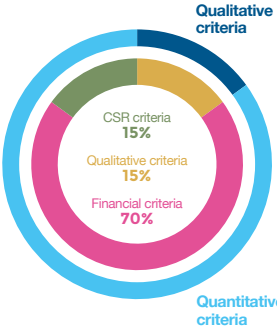
A) Annual fixed remuneration

Annual fixed remuneration is paid in 12 equal monthly instalments over the year.

The amount of this fixed remuneration reflects the responsibilities, skills and experience of the executive corporate officer, and is reviewed at relatively long intervals in accordance with the recommendations of the Afep-Medef Code.

B) Annual variable remuneration

Structure of 2024 annual variable remuneration for the executive corporate officers



Annual variable remuneration is calculated by reference to **a combination of specific criteria – both financial and non-financial – directly correlated with the Group's strategy**. Annual variable remuneration is also subject to a **cap expressed as a maximum percentage of fixed remuneration** for the same fiscal year.

In accordance with article L. 22-10-34 II of the French Commercial Code, the variable remuneration of the Chairman and Chief Executive Officer and Deputy Chief Executive Officer may only be paid following the approval of the General Meeting of shareholders.

Weighting of criteria and assessment of achievement levels

The structure of executive corporate officers' annual variable remuneration is based on the following three categories of criteria:

- **quantitative financial criteria (70% of annual variable remuneration);**
- **quantitative non-financial CSR criteria (15% of annual variable remuneration);** and
- **qualitative criteria (15% of annual variable remuneration)**.

In full compliance with the recommendations of the Afep-Medef Code and the rules of good governance, **both financial criteria and quantitative criteria** – accounting for 85% of annual variable compensation – **are clearly predominant.**

The performance criteria are set by the Board of Directors, on the advice of the Appointments, Remuneration and CSR Committee, so as to be demanding and consistent in terms of both the Group's historical performance and changes in its operating environment.

To avoid any offsetting effect between performance criteria, a maximum level is set for each criterion, beyond which outperformance is no longer remunerated.

Quantitative financial criteria

Based on the recommendation of the Appointments, Remuneration and CSR Committee, at its meeting of 27 February 2024 the Board of Directors decided to maintain the same criteria as those of the previous year in order to assess the officers' performance over the long term and to adopt financial performance criteria corresponding to the key indicators of the Group's financial health, i.e.:

- **free cash flow (30% of the variable portion)**;
- **recurring operating profit of fully consolidated companies (recurring EBIT) (25% of the variable portion)**;
- **operating margin (15% of the variable portion)**.

For each of these criteria, the Board of Directors approves a precise "trigger level", "target level" and "maximum level" for the objectives, in line with the provisional consolidated budget adopted by the Board. Due to the confidential nature of these objectives, which relate to the budget and/or to the Group's internal goals (themselves not public knowledge), this information is not disclosed in advance. However, these trigger, target and maximum levels for objectives, as well as the levels actually achieved for each of the financial criteria, will be disclosed in the Corporate Governance Report to be published in 2025 for the 2024 financial year.

For each of these three criteria:

- no remuneration is paid below the trigger level;
- remuneration is calculated on a linear basis between the trigger and target levels and between the target and maximum levels;
- no outperformance beyond the maximum level is remunerated.

Quantitative non-financial CSR criteria

Based on the recommendation of the Appointments, Remuneration and CSR Committee, at its meeting of 27 February 2024, the Board of Directors decided to maintain the same criteria as those of the previous year in order to assess their performance over the long term.

Three quantitative non-financial CSR criteria underlie the executive corporate officers' annual variable remuneration. The criteria are related to the Group's priority commitments under its corporate social responsibility policy, in particular climate issues.

For each of these three criteria, the Board of Directors validates, on the advice issued by the Appointments, Remuneration and CSR Committee, the "trigger level", "target level" and "maximum level" for the objectives, in line with the Group's priority commitments. Each of the three criteria selected must be **relevant** to the Group's CSR roadmap, be **measurable and monitored over time** using reliable tools, **be subject to specific due diligence by the Company's sustainability auditors**, and be disclosed in the annual financial report.

Accordingly, for 2024, the three criteria adopted along with the associated weightings are:

- **environmental (6% of the variable portion): the reduction in Lagardère's carbon footprint, as measured by the rate of carbon emissions from Scopes 1 & 2 and, partially, Scope 3 as a ratio of the workforce** (indirect emissions corresponding to business travel and commuting);

- **ethical (6% of the variable portion): promoting ethical and responsible governance, as measured by the Group's regular assessment of the environmental, social and ethical performance of its suppliers and subcontractors;**
- **social (3% of the variable portion): improved gender balance in executive bodies and in senior positions of responsibility, as measured by the proportion of women top executives.**

For each of these three criteria:

- no remuneration is paid below the trigger level;
- remuneration is calculated on a linear basis between the trigger and target levels and between the target and maximum levels;
- no outperformance beyond the maximum level is remunerated.

Qualitative criteria

Based on the recommendation of the Appointments, Remuneration and CSR Committee, the Board of Directors decided to maintain the qualitative criteria based on the following two areas, each with equal weighting:

- **rollout of the Group's strategic plan (7.5% of the variable portion)**;
- **quality of governance and management (7.5% of the variable portion)**, covering (i) actions to motivate and retain talent and (ii) the effective engagement of General Management in the deployment of compliance, risk management and corruption prevention programmes.

The performance levels achieved in these two areas are assessed by the Board of Directors, based on the recommendations of the Appointments, Remuneration and CSR Committee.

The **qualitative portion** of annual variable remuneration is also subject to a **cap expressed as a maximum percentage of fixed remuneration** for the same fiscal year.

Clawback clause

The remuneration policy for corporate officers includes a clawback clause. This clause allows some or all of the annual variable remuneration paid to the officers to be "clawed back" under exceptional and serious circumstances.

The clawback clause is designed as an effective means of aligning the interests of management with those of shareholders. It can be activated in the exceptional event that, in the two years following payment of the annual variable remuneration, the financial data on which it was based are found to have been demonstrably and intentionally distorted. The amount clawed back in this case would represent the sums impacted by the fraud.

C) Remuneration for duties on the Board of Directors

Like the other members of the Board of Directors, the executive corporate officers may be remunerated for their duties on the Board and on its committees, in accordance with the rules set out in the remuneration policy for members of the Board of Directors described in section 3.6 below.

3.5.1.2.B LONG-TERM REMUNERATION COMPONENTS – PERFORMANCE SHARE AWARDS

The executive corporate officers may be awarded performance shares on a yearly basis.

These awards are decided after publication of the Group's results for the previous year. Their terms and conditions are set by the Board of Directors and the Appointments, Remuneration and CSR Committee. The terms and conditions in force are described below.

Holding period for vested performance shares:

- 100% of the vested shares must be held in a registered account (*nominatif pur*) for a period of two years, although there is no legal obligation to do so. At the end of this two-year period;
- 25% of the vested shares must be held in a registered account (*nominatif pur*) until the beneficiary ceases their duties as an executive corporate officer;
- 25% of the vested shares must be held in a registered account (*nominatif pur*) until the value of the Lagardère SA shares held equals at least one year's worth of the executive corporate officer's gross variable remuneration. This value is assessed each year based on (i) the average Lagardère SA share price for the month of December of the previous year and (ii) the fixed and variable remuneration due in respect of the past year, with the theoretical maximum level being used for the variable portion;
- each executive corporate officer eligible to receive performance shares formally agrees not to enter into transactions to hedge risks associated with their performance shares during the holding period;
- at the close of the mandatory holding periods, the corresponding shares become transferable and can be traded under the terms and conditions established by law and regulations and in accordance with the black-out periods established by Lagardère SA in its Confidentiality and Market Ethics Charter.

Vesting conditions:

Performance conditions

The performance conditions are based on criteria representing **key indicators used for the Group's strategy**, which ensure that the beneficiaries' interests are closely aligned with those of the Company and its stakeholders.

The criteria are all quantitative criteria and are assessed over a minimum period of three consecutive fiscal years, including the fiscal year during which the performance shares are awarded (the "reference period").

Both the criteria themselves and the target and trigger levels set for each criterion are approved by the Board of Directors on the basis of recommendations put forward by the Appointments, Remuneration and CSR Committee. The criteria used must be relevant to the Group's strategy, measurable and monitored over time using reliable systems, and subject to independent verification.

The performance criteria applicable under the 2024-2026 performance share plan will be as follows:

- **For 25% of the performance shares awarded**: the achievement during the reference period of a pre-defined **cumulative amount of recurring operating profit of fully consolidated companies (recurring EBIT)**.
- **For 25% of the performance shares awarded**: the achievement during the reference period of a pre-defined **cumulative amount of free cash flow**.

This criterion, also unchanged, which reflects the Group's capacity to finance its investments and pay dividends, is also a key indicator of the Group's financial health.

- **For 20% of the performance shares awarded**: the achievement during the reference period of a pre-defined **operating margin rate**.

  This indicator is calculated by dividing recurring operating profit of fully consolidated companies (Group recurring EBIT) by revenue, reflecting the profitability of the business, and is also a key indicator used to direct the Group's performance.

For each of these three financial objectives, the Board of Directors, on the advice of the Appointments, Remuneration and CSR Committee and in line with the provisional consolidated budget it adopted, approves the following:

- the "target level" to be reached for 100% of the shares allocated to the objective to vest; and
- the "trigger level", corresponding to the level (i) above which 0% to 100% of the shares allocated to the objective will vest (determined on a straight-line basis) and (ii) below which no shares will vest. The trigger level cannot be lower than 66% of the target level.
- **For 30% of the performance shares awarded:** the achievement of precise objectives based on three quantitative criteria related to the Group's priority commitments under its **corporate social responsibility** policy based on the following weightings:
  - **environmental (10%):**
    - **the reduction in Lagardère's carbon footprint, as measured by the rate of carbon emissions from Scopes 1 & 2 and, partially, Scope 3 as a ratio of the workforce,**
  - **ethical (20%):**
    - **promoting ethical and responsible governance, as measured by the Group's regular assessment of the environmental, social and ethical performance of its suppliers and subcontractors (10%),**
    - **providing anti-corruption training for employees (10%).**

For each of these three non-financial objectives, the Board of Directors, further to the approval of the Appointments, Remuneration and CSR Committee, validates the following:

- the "target level" to be reached for 100% of the shares allocated to the objective to vest; and
- the "trigger level", corresponding to the level (i) above which 0% to 100% of the shares allocated to the objective will vest (determined on a straight-line basis) and (ii) below which no shares will vest. The trigger level cannot be lower than 66% of the target level.

The target and trigger levels are set so as to be demanding and consistent in terms of both the Group's historical performance and changes in its operating environment.

Presence condition

In order for the performance shares to vest, the Deputy Chief Executive Officer must **still be an executive corporate officer of Lagardère SA** three years after the award date.

In respect of this presence condition, rights to performance shares are:

- forfeited if the executive corporate officer resigns, is dismissed or removed from office due to misconduct before the end of this three-year period;
- retained in full in the event his office is terminated ahead of term due to death or incapacity before the end of this three-year period;
- retained in part on a pro rata basis if the executive corporate officer retires or is dismissed or removed from office for reasons other than misconduct before the end of this three-year period.

Note that the performance conditions continue to apply in any event.

The rights to free shares are partly retained on a pro rata basis in the specific cases of retirement or forced departure for reasons other than misconduct, because they are an essential component of the executive corporate officer's annual remuneration and are awarded in consideration for duties performed in the year that the rights are awarded. The partial retention of these rights, which continue to be subject to achieving demanding long-term performance conditions, encourages the executive corporate officer to act in the long-term interests of the Group.

Consequently, all of the terms and conditions of the Company's performance share awards fully comply with the recommendations in the Afep-Medef Code. This is the case for (i) the applicable **performance conditions, which are solely based on quantitative criteria and combine financial and non-financial criteria, all corresponding to key indicators for the Company's strategy**, and (ii) the other terms and conditions (number of shares, vesting period, holding period etc.). All of these terms and conditions combined ensure that the performance share awards are a way of retaining the beneficiaries concerned and closely aligning their interests with those of the Company and its stakeholders.

3.5.1.2.C OTHER BENEFITS

A) Benefits in kind – business expenses

The executive corporate officers are provided with a company car, the potential personal use of which corresponds to a benefit in kind.

Other benefits in kind may be provided in specific situations.

The executive corporate officers are also entitled to the reimbursement of business travel and business entertainment expenses incurred in connection with their executive duties.

B) Supplementary pension plan

The executive corporate officers are eligible for a supplementary pension plan operated by Lagardère Management. This is a defined supplementary benefit plan as provided for in article 39 of the French Tax Code (*Code général des impôts*) and article L. 137-11 of the French Social Security Code (*Code de la sécurité sociale*).

In accordance with French Government Order no. 2019-697 dated 3 July 2019, which reformed the statutory supplementary pension plan regime in France, **this plan was closed to new entrants as from 4 July 2019, and benefits accrued under the plan were frozen as at 31 December 2019**. No further benefits will be accrued under the plan as from that date.

The plan is a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the company at retirement age, except in the event of (i) termination (other than for serious misconduct) after the age of 55 providing the beneficiary does not take up another post, (ii) long-term disability, or (iii) early retirement. In addition, beneficiaries are required to have been members of the Executive Committee for at least five years at the date that they retire.

In the event of the beneficiary's death, 60% of the pension is transferable to a surviving spouse.

Before the plan was frozen at 31 December 2019, its beneficiaries accrued supplementary pension entitlements at a rate equal to 1.75% of the benchmark remuneration per year of membership of the plan.

The benchmark remuneration corresponded to the average gross annual remuneration over the last five years (fixed + variable up to a maximum of 100% of the fixed portion). In addition, each annual remuneration could not exceed 50 times the annual limit defined by the French social security system i.e., a maximum amount of

€2,026,200 in 2019. Each beneficiary's benchmark remuneration was frozen at 31 December 2019.

As the number of years of plan membership used to calculate the benefit entitlements was capped at 20, the supplementary pension could not exceed 35% of the benchmark remuneration.

The pension entitlements were fully borne by the Company and this benefit was taken into account in determining the overall remuneration of the Chairman and Chief Executive Officer.

Under current social security laws (article L. 137-11 of the French Commercial Code), the Company is required to pay a contribution equal to 32% of the amount of the benefits, at the time that such benefits are paid.

In addition to the tax and social security contributions applicable to pensions (levied at a rate of 10.1%, of which 5.9% is tax-deductible), under current tax and social security laws, the annuities that will be paid to the beneficiaries will also be subject to the specific contribution provided for in article L. 137-11-1 of the French Social Security Code, before income tax withheld at source and any surtaxes on high incomes.

At its meeting on 27 February 2024, on the recommendation of the Appointments, Remuneration and CSR Committee, the Board of Directors decided to continue with the "vested benefits" supplementary pension plan which was set up for the last three previous fiscal years, in accordance with the legal framework introduced by article L. 137-11-2 of the French Social Security Code. The main features of this pension plan, as set out in the remuneration policy approved by the General Meeting of 22 April 2022, are described below.

This is an individual rather than collective plan and is "portable", in that the benefits will be attached to the employee and will be carried over even in case of a change of employer.

The characteristics of this supplementary pension plan fully comply with applicable legislation and with the recommendations of the Afep-Medef Corporate Governance Code.

Under this plan, the supplementary pension benefits will vest to the executive corporate officers at a rate of 1.25% of the benchmark remuneration each year.

The benchmark remuneration corresponds to the gross annual remuneration (fixed + variable) paid during the year, and cannot exceed 50 times the annual ceiling used to calculate social security contributions.

Since the maximum vesting period is 20 years, the accumulated rights are capped at 25%.

In the event of the beneficiary's death, 60% of the pension is transferable to a surviving spouse.

In accordance with applicable legislation, vesting is subject to performance conditions that require an achievement rate of at least 75% for the annual financial and non-financial targets used to determine the executive corporate officers' annual variable remuneration.

C) Termination benefit

Corporate officers are entitled to termination benefits.

D) Extraordinary remuneration

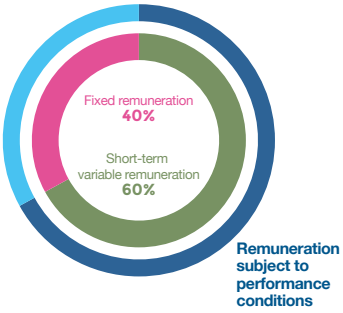
Bonuses may be granted to the executive corporate officers in very specific and exceptional circumstances, notably in connection with one-off transactions requiring extensive involvement of the executive corporate officers, particularly when the impacts of such transactions, despite being extremely significant for the Group, cannot be taken into account in determining the variable portion of their remuneration.

The conditions of any extraordinary remuneration awards and payments are determined in accordance with best corporate governance practices.

Any extraordinary remuneration award, which must be disclosed and justified in detail, may not in any case exceed 150% of the annual fixed remuneration of the executive corporate officers.

3.5.1.3 SPECIFIC APPLICATION OF THE 2024 REMUNERATION POLICY TO ARNAUD LAGARDÈRE, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Summary of 2024 maximum remuneration for the Chairman and Chief Executive Officer



Fixed remuneration

On 27 February 2024, the Board of Directors, on the recommendation of the Appointments, Remuneration and CSR Committee, decided to increase **Arnaud Lagardère's** fixed remuneration, unchanged since 2009, to **€1,700,000** from €1,140,729.

This increase is part of changes to the structure of the executive corporate officers' remuneration, and in particular in the method used to calculate variable remuneration, with elimination of the benchmark amount of €1,426,000, unrelated to the amount of fixed remuneration.

At its meeting of 27 February 2024, the Board of Directors, on the recommendation of the Appointments, Remuneration and CSR Committee, considered that the changes to the Chairman and Chief Executive Officer's remuneration structure are (i) aligned with the practices observed in a panel of French and international companies operating in the same business sectors, but also that they take into account (ii) Arnaud Lagardère's work during the strategic changes to the Company following Vivendi SE's takeover, as well as (iii) the fact that Arnaud Lagardère does not receive any long-term remuneration through free share grants.

Annual variable remuneration

At its meeting of 27 February 2024, the Board of Directors, on the recommendation of the Appointments, Remuneration and CSR Committee, decided that the variable portion of Arnaud Lagardère's remuneration would represent 120% of his gross fixed remuneration if the target level of the performance criteria was met, and that it could not exceed 150% of his annual fixed remuneration if the targets were exceeded.

Payment of variable remuneration is contingent on the approval of the General Meeting to be called to approve the financial statements for the year ending 31 December 2024.

Arnaud Lagardère's annual fixed and variable remuneration as approved for 2024 will also be reduced, where applicable, by the respective gross amounts of the fixed and variable remuneration received for 2024 in his capacity as Managing Partner of Lagardère Radio SCA.

SUMMARY OF THE ANNUAL VARIABLE REMUNERATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

	Trigger level (% of fixed remuneration)	Target level (% of fixed remuneration)	Maximum level (% of fixed remuneration)	Weighting (% of annual variable remuneration)
Quantitative financial criteria	**0%**	**84%**	**105%**	
Free cash flow	0%	36%	45%	**70%**
Recurring operating profit of fully consolidated companies	0%	30%	37.5%	
Operating margin	0%	18%	22.5%	
Quantitative CSR criteria	**0%**	**18%**	**22.5%**	
Carbon emissions	0%	7.2%	9%	**15%**
EcoVadis assessment	0%	7.2%	9%	
Proportion of women top executives	0%	3.6%	4.5%	
Qualitative criteria	**0%**	**18%**	**22.5%**	
Rollout of strategic plan	0%	9%	11.25%	**15%**
Quality of governance and management	0%	9%	11.25%	
Total	**0%**	**120%**	**150%**	**100%**

Long-term remuneration – performance share awards

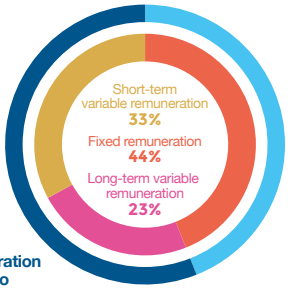
Arnaud Lagardère, who is a significant shareholder of the Company, does not receive any free share awards or other share options, as his stake in the Company automatically guarantees that his actions over the long term will be closely aligned with the interests of shareholders, of which he is one.

Remuneration awarded for duties as a director

The Chairman and Chief Executive Officer is remunerated for his role as director and Chairman of the Board of Directors of Lagardère SA. The terms and conditions of this remuneration are described in section 3.6 below.

3.5.1.4 SPECIFIC APPLICATION OF THE 2024 REMUNERATION POLICY TO PIERRE LEROY, DEPUTY CHIEF EXECUTIVE OFFICER

Summary of 2024 maximum remuneration for the Deputy Chief Executive Officer



Remuneration subject to performance conditions

Fixed remuneration

Pierre Leroy, as Deputy Chief Executive Officer, receives **€1,474,000** in annual fixed remuneration, unchanged since 2011.

Variable remuneration

At its meeting of 27 February 2024, the Board of Directors, on the recommendation of the Appointments, Remuneration and CSR Committee, decided that the variable portion of Pierre Leroy's remuneration would represent 60% of his gross fixed remuneration if the target level of the performance criteria was met, and that it could not exceed 75% of his annual fixed remuneration if the targets were exceeded.

Payment of variable remuneration is contingent on the approval of the General Meeting to be called to approve the financial statements for the year ending 31 December 2024.

SUMMARY OF THE ANNUAL VARIABLE REMUNERATION OF THE DEPUTY CHIEF EXECUTIVE OFFICER

	Trigger level (% of fixed remuneration)	Target level (% of fixed remuneration)	Maximum level (% of fixed remuneration)	Weighting (% of annual variable portion)
Quantitative financial criteria	**0%**	**42%**	**52.5%**	
Free cash flow	0%	18%	22.5%	**70%**
Recurring operating profit of fully consolidated companies	0%	15%	18.75%	
Operating margin	0%	9%	11.25%	
Quantitative CSR criteria	**0%**	**9%**	**11.25%**	
Carbon emissions	0%	3.6%	4.5%	**15%**
EcoVadis assessment	0%	3.6%	4.5%	
Proportion of women top executives	0%	1.8%	2.25%	
Qualitative criteria	**0%**	**9%**	**11.25%**	
Rollout of strategic plan	0%	4.5%	5.625%	**15%**
Quality of governance and management	0%	4.5%	5.625%	
Total	**0%**	**60%**	**75%**	**100%**

Long-term remuneration – performance share awards

Pierre Leroy is awarded performance shares on a yearly basis:

- the value of the performance share rights awarded each year to the Deputy Chief Executive Officer may not exceed one-third of their total remuneration for the previous year;
- furthermore, pursuant to the authorisation given by the Company's shareholders, the performance shares awarded yearly to the Deputy Chief Executive Officer may not exceed 0.025% of the number of shares comprising the Company's share capital. This cap has not been revised since 2009.

Remuneration awarded for duties as a Board Advisor (censeur)

Pierre Leroy may receive remuneration for his duties as an Advisor to the Board of Directors. The terms and conditions of this remuneration are set out in section 3.6 below.

Termination benefits

- As Pierre Leroy is an employee, he may be eligible for benefits in certain cases of contract termination, pursuant to the applicable laws, regulations and collective bargaining agreements. In all circumstances, any benefits paid to the executive corporate officers may not exceed the cap of two years' worth of fixed and variable remuneration recommended in the Afep-Medef Corporate Governance Code.

3.5.2 TOTAL REMUNERATION AND BENEFITS PAID DURING OR ALLOCATED IN RESPECT OF 2023 TO THE COMPANY'S EXECUTIVE CORPORATE OFFICERS

This section notably includes, with regard to the Company's executive corporate officers, the information referred to in article L. 22-10-9 of the French Commercial Code.

In application of the Afep-Medef Corporate Governance Code, the Company's executive corporate officers are:

- **Arnaud Lagardère, Chairman and Chief Executive Officer**; and
- **Pierre Leroy, Deputy Chief Executive Officer**.

At its meeting of 15 February 2023, on the recommendation of the Appointments, Remuneration and CSR Committee, the Board of Directors decided on the remuneration policies for the Company's executive corporate officers for 2023, all of which were approved by the General Meeting of 18 April 2023, by **99.28%** of votes cast.

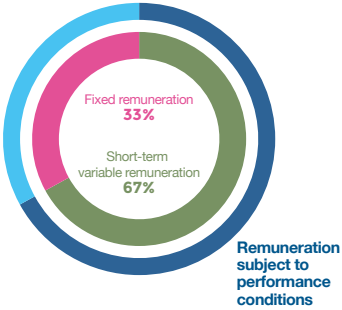
It should be recalled that the Company's Board of Directors, on the recommendation of the Appointments, Remuneration and CSR Committee, had decided, in the light of market practices and the rules of good governance, to make the following changes to the 2023 remuneration policies for executive corporate officers in terms of the structure of their variable remuneration:

- **an additional financial criterion**, i.e., **operating margin**, was introduced into the structure of annual variable remuneration in order to bring the total number of financial criteria to three, in line with common market practice;
- the **weighting** of each of these three financial criteria was **adjusted accordingly**, in order to maintain an overall weighting of 70% for financial criteria;
- **the weighting of non-financial criteria** in short- and long-term variable remuneration was adjusted in order to align the Group's goals with its CSR challenges, particularly climate.

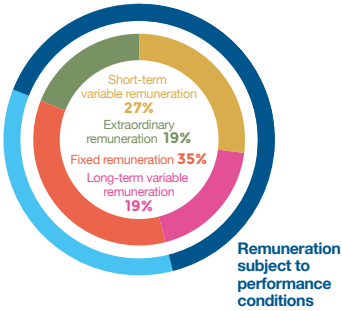
For more information on the 2023 remuneration policy for Arnaud Lagardère and Pierre Leroy, please refer to section 3.5 of the 2022 Universal Registration Document.

3.5.2.1 COMPONENTS OF REMUNERATION PAID OR ALLOCATED

Arnaud Lagardère - Chairman and Chief Executive Officer
Structure of 2023 remuneration
(based on the remuneration policy approved by the General Meeting of 18 April 2023)



Pierre Leroy - Deputy Chief Executive Officer
Structure of 2023 remuneration
(based on the remuneration policy approved by the General Meeting of 18 April 2023)



A) ANNUAL FIXED REMUNERATION

The remuneration policies approved for 2023 did not modify the fixed remuneration amounts for the two executive corporate officers, which have therefore remained unchanged for more than a decade.

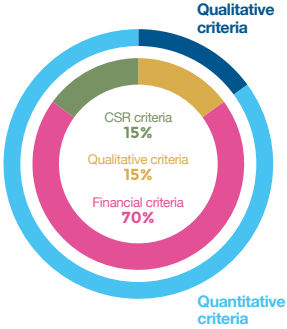
Consequently:

Arnaud Lagardère, Chairman and Chief Executive Officer, received **€1,140,729** in **annual fixed remuneration**;

Pierre Leroy, Deputy Chief Executive Officer, received **€1,474,000** in **annual fixed remuneration**.

B) ANNUAL VARIABLE REMUNERATION

Structure of 2024 annual variable remuneration for the executive corporate officers



Annual variable remuneration paid during 2023

As annual variable remuneration for a given year can only be calculated after the end of that year and is submitted for shareholders' approval as part of the ex-post "say on pay" vote (article L. 22-10-34, II of the French Commercial Code), it is only paid during the following year.

Consequently, the variable remuneration due to executive corporate officers in respect of 2022 was only paid in 2023, following approval of the shareholders at the General Meeting of 18 April 2023 (under the seventh and eighth resolutions, each approved by more than 99% of votes cast).

The maximum amounts of variable remuneration were awarded in respect of 2022 and paid in 2023, i.e.:

- **For Arnaud Lagardère:** €2,281,458 *(200% of fixed remuneration)*;
- **For Pierre Leroy:** €1,105,500 *(75% of fixed remuneration)*.

Annual variable remuneration allocated in respect of 2023

At its meeting on 27 February 2024, and on the advice of the Appointments, Remuneration and CSR Committee meeting of 9 February 2024, the Board of Directors analysed the levels of performance attained versus the various criteria underlying the annual variable remuneration of two of the executive corporate officers for 2023.

Quantitative portion of annual variable remuneration

Financial criteria (free cash flow, recurring operating profit of fully consolidated companies [recurring EBIT] and operating margin):

It should be recalled that the 2023 remuneration policy for executive corporate officers provided for three quantitative financial criteria representing, for the two officers, 70% of the benchmark amount, broken down as: **free cash flow** (30%), **recurring operating profit of fully consolidated companies** (recurring EBIT) (25%) and **operating margin** (15%).

For each of these three criteria:

- if the target level is achieved, 100% of the benchmark amount allocated to the criterion is awarded;
- if the level achieved is between the trigger and target levels, 0% to 100% of the benchmark amount allocated to the criterion is awarded, as calculated on a straight line basis;
- if the target level is exceeded, the award is proportionate to the outperformance, but cannot exceed the specified aggregate annual variable remuneration cap;
- if the trigger level was not achieved, 0% of the benchmark amount allocated to the criterion was awarded.

At its meeting of 27 February 2024, the Board of Directors noted that free cash flow for 2023 was €261 million, and set the performance level for this criterion at **102%** based on the minimum threshold of €208 million and the target threshold of €260 million.

It also noted a sharp rise in recurring operating profit of fully consolidated companies (recurring EBIT), which stood at €520 million for 2023. In this respect, the Board set the performance level for the recurring operating profit of fully consolidated companies criterion at **140%**, weighted at 25%, versus a minimum threshold of €450 million and the target of €500 million.

Finally, the Board noted that the operating margin, weighted at 15%, was consistent with the target level set of 6.4%, i.e., a performance assessed at **100%**.

Applied to the benchmark amounts for the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer, the performance levels result in a variable financial component equal to:

- **for Arnaud Lagardère**: €1,149,357;
- **for Pierre Leroy**: €483,600.

Non-financial CSR criteria

The structure of annual variable remuneration for executive corporate officers also includes three quantitative non-financial CSR criteria, representing 15% of the benchmark amount of annual variable remuneration for the two officers and relating to the Group's priority commitments under its corporate social responsibility policy, namely: i) **reducing Lagardère's carbon footprint as measured by the rate of CO_2 emissions from Scopes 1 and 2 and part of Scope 3 in relation to the workforce** (6%), ii) **promoting ethical and responsible governance as measured by the Group's regular assessment of the environmental, social and ethical performance of its suppliers and subcontractors** (6%) and iii) **strengthening the proportion of women on executive bodies and in senior positions of responsibility, as measured by the proportion of women top executives** (3%).

The portion of the benchmark amounts applicable to these three non-financial criteria corresponded to **€213,900 for Arnaud Lagardère** and **€90,000 for Pierre Leroy**.

For each of the three criteria, trigger level and target level objectives were approved by the Board of Directors, on the recommendation of the Appointments, Remuneration and Governance Committee, at its meeting on 18 April 2023.

The objectives were designed to be demanding and consistent in terms of both the Group's historic performance and changes in its operating environment, notably in connection with its strategic refocusing.

For each of these three criteria:

- if the target level is achieved, 100% of the benchmark amount allocated to the criterion is awarded;
- if the level achieved was between the trigger and target levels, 0% to 100% of the benchmark amount allocated to the criterion was awarded, as calculated on a straight line basis;
- if the target level was exceeded, the award was proportionate to the outperformance, but could not exceed the specified aggregate annual variable remuneration cap;
- if the trigger level was not achieved, 0% of the benchmark amount allocated to the criterion was awarded.

The first criterion, carbon emissions reduction, is a benchmark indicator for controlling the environmental impacts of operations, which represents an essential global objective for any company with a consistent CSR strategy. The criterion used covers Scopes 1 & 2 greenhouse gas emissions, i.e., direct emissions from owned or controlled sources (from stationary combustion sources using gas and fuel oil for example) and indirect emissions from the generation of purchased energy (such as electricity and district heating), for all of the Group's offices, points of sale, warehouses, live performance venues and other sites out of which it operates. Greenhouse gas emissions covered partially by Scope 3 are other indirect emissions related to business travel and commuting of Group employees). These emissions correspond to elements over which the Group has operational leverage on Scopes 1 & 2 and objectives to be achieved regarding Scope 3, and on which it therefore focuses as part of its CSR strategy. **At its meeting of 27 February 2024, the Board of Directors noted that this objective had not been achieved, as the level was 4.52, i.e., above the trigger level set at 4.23.**

The second criterion – concerning the proportion of women top executives – is a key indicator for the Group's performance in implementing its strategy of promoting diversity. It is a growth and creativity driver and has been one of the priority objectives of the Group's CSR roadmap for many years. The ambitious target of 45% by the end of 2024 was set in 2021 under the executive body gender balance policy approved by the Board. **At its meeting of 27 February 2024, the Board of Directors noted that the proportion of women in executive management was 46%, i.e., above the target level of 45%, which had therefore been achieved by 150%.**

The third criterion, the proportion of expenditure with suppliers presenting high CSR risks as assessed by EcoVadis, is also a key indicator for the Group's performance, specifically relating to the Group's governance and ethics within the CSR strategy.

This criterion, created in 2021, resulted from the CSR risk mapping of suppliers, implemented in 2017, as part of the duty of care. "Expenditure with suppliers presenting high CSR risks" means a supplier with a risk rating higher than or equal to 4.5 on a scale of 6 based on the analysis and conclusions of the CSR risk mapping of suppliers established by each Group subsidiary. Based on this indicator, the Group analyses the proportion of spending on suppliers presenting a high CSR risk, which is subject to non-financial reporting that is audited by an independent third-party as part of the preparation of the non-financial statement. **At its meeting of 27 February 2024, the Board of Directors noted that the achievement level for this criterion was 54%, i.e., between the trigger level of 50% and the target level of 58%. The achievement rate for the criterion was therefore 75%.**

In conclusion, by applying the performance levels to the benchmark amounts for the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer, the non-financial CSR variable component was as follows:

- **for Arnaud Lagardère**: €128,340;
- **for Pierre Leroy**: €54,000.

Qualitative portion of annual variable remuneration

Lastly, the variable remuneration of the two executive corporate officers includes a qualitative portion, representing a 15% weighting of the annual variable remuneration, based on two specific priority targets, each with equal weighting:

- **rollout of the Group's strategic plan** (7.5%);
- **quality of governance and management** (7.5%).

The portion of the benchmark amounts applicable to these two criteria corresponds to **€213,900 for Arnaud Lagardère, capped at 30% of his fixed remuneration,** and **€90,000 for Pierre Leroy**, capped at 25% of his fixed remuneration.

At its meeting on 27 February 2024, and on the recommendation of the Appointments, Remuneration and CSR Committee, the Board of Directors considered, in light of the achievement levels set out below, that the objectives set had been very satisfactorily met in 2023, with very strong personal input from the executive corporate officers.

Rollout of the Group's strategic plan

In 2023, in an environment characterised by economic uncertainties, with strong inflationary pressures and geopolitical tensions with the Russia-Ukraine and Israel-Palestine conflicts, as well as the health crisis with China maintaining its zero-Covid policy, General Management continued its efforts to control costs across the Group, revenue optimisation and cash management. General Management monitored and adapted its strategic roadmap based on the development of the Group's operations and the external events mentioned above, resulting in the continued (i) implementation of an ambitious operating performance plan for Lagardère Travel Retail with a focus on development opportunities and (ii) strengthening of the market positions of Lagardère Publishing, the Group's power engine and pillar of resilience.

On the investment front, Hachette Livre acquired Mama Éditions, a leading publisher in the French esoteric book market. This operation allows Hachette Livre to boost its footprint on the esoteric and spiritual development market, currently enjoying strong growth in France. Lagardère Travel Retail acquired Tastes on the Fly, a well-known North American Foodservice operator. Tastes on the Fly, which joins Paradies Lagadère, Lagardère Travel Retail's North American division, operates restaurants and Food & Beverage concepts in the United States and Canada covering 25 locations across five major airports. Lastly, Lagardère Live Entertainment acquired Euterpe Promotion, a reference in hosting and promoting cultural events in South-West France.

Lagardère Travel Retail continued its international expansion by opening 18 Duty Free and Food & Beverage outlets at Abu Dhabi airport, enabling it to strengthen its foothold in the Middle East. Lagardère Travel Retail signed a joint venture agreement with the ADP group to operate their Extime Duty Free joint venture (formerly SDA), prolonging the business collaboration between the two groups, with Lagardère Travel Retail responsible for operating nearly 150 Duty Free & Fashion stores at Paris airports over the next ten years.

Having added 1.6 million new listeners over the year, Europe 1 achieved the second-best growth in the radio market in 2023.

Lastly, continuing in line with Lagardère SA's active and prudent financing policy, all of its partner banks agreed to extend the maturity of its credit facility from 30 April 2024 to 30 April 2025.

Quality of governance and management

In view of the growing importance of CSR issues, in 2023 General Management also had extensive input in preparing for the implementation of the Corporate Sustainability Reporting Directive, applicable to the Company as from 1 January 2024. The transposition of this Directive into French law required Lagardère to prepare a double materiality assessment and gap analysis to define the impacts applicable to the group, and thereby identify the risks and opportunities, adjust its CSR strategy and devise the policies and initiatives needed in order to prepare the sustainability report.

In the area of Compliance, the active involvement of General Management predominantly focused on the fight against corruption, and namely on the group-wide diffusion of an anti-corruption Code of Conduct in various languages by Arnaud Lagardère. General Management also ensured that the Group's programme is continuously improved, with the development in 2023 of a counterparty analysis tool and a training module, both of which are due to be rolled out in 2024 with its support. Lastly, General Management ensured the continuation of the work initiated in previous years with the implementation of anti-corruption accounting controls in the Group's most sensitive entities.

In view of this assessment, at its meeting of 27 February 2024 the Board of Directors, on the recommendation of the Appointments, Remuneration and CSR Committee, decided to pay the maximum qualitative portions of the variable remuneration applicable to the two corporate officers, resulting in the following amounts:

- **for Arnaud Lagardère**: €342,218;
- **for Pierre Leroy**: €368,500.

SUMMARY OF VARIABLE REMUNERATION ALLOCATED TO THE EXECUTIVE CORPORATE OFFICERS IN RESPECT OF 2023

The application of the quantitative and qualitative criteria described above led to the allocation in respect of 2023 of the following variable remuneration, which will be paid in 2024 subject to the approval of the Annual General Meeting to be held on 25 April 2024.

Arnaud Lagardère

	Weighting (% of benchmark amount)	Benchmark amount (in €)	Cap	Trigger level	Target performance level	Level attained	Achievement rate applied to the benchmark amount	Amount of variable remuneration to be paid (in euros)	% of fixed remuneration
Quantitative financial criteria									
Free cash flow	30%	427,800		€208m	€260m	€261m	102%	436,357	
Recurring operating profit (recurring EBIT)	25%	356,500		€450m	€500m	€520m	140%	499,100	
Operating margin	15%	213,900		4.80%	6.40%	6.40%	100%	213,900	
Total financial criteria	**70.00%**	**998,200**	**200% of fixed remuneration**					**1,149,357**	
Quantitative non-financial CSR criteria									
Carbon emissions	6%	85,560	128,340	4.23	4.15	4.52	0%	0	
EcoVadis assessment	6%	85,560	128,340	50%	58%	54%	75%	64,170	
Proportion of women top executives	3%	42,780	64,170	44%	45%	46%	150%	64,170	
Total non-financial criteria	**15.00%**	**213,900**	**150% of benchmark amount**					**128,340**	
Qualitative criteria									
Rollout of the strategic plan	7.50%	106,950					Maximum	171,109	
Quality of governance and management	7.50%	106,950					Maximum	171,109	
Total qualitative criteria	**15.00%**	**213,900**	**30% of fixed remuneration**					**342,218**	
Total	**100%**	**1,426,000**	**200% of fixed remuneration**					**1,619,915**	**142%**

Pierre Leroy

	Weighting (% of benchmark amount)	Benchmark amount (in €)	Cap	Trigger level	Target performance level	Level attained	Achievement rate applied to the benchmark amount	Amount of variable remuneration to be paid (in euros)	% of fixed remuneration
Quantitative financial criteria									
Free cash flow	30%	180,000		€208m	€260m	€261m	102%	183,600	
Recurring operating profit (recurring EBIT)	25%	150,000		€450m	€500m	€520m	140%	210,000	
Operating margin	15%	90,000		4.80%	6.40%	6.40%	100%	90,000	
Total financial criteria	**70%**	**420,000**	**75% of fixed remuneration**					**483,600**	
Quantitative non-financial CSR criteria									
Carbon emissions	6%	36,000	54,000	4.23	4.15	4.52	0%	0	
EcoVadis assessment	6%	36,000	54,000	50%	58%	54%	75%	27,000	
Proportion of women top executives	3%	18,000	27,000	44%	45%	46%	150%	27,000	
Total non-financial criteria	**15%**	**90,000**	**150% of benchmark amount**					**54,000**	
Qualitative criteria									
Rollout of the strategic plan	7.50%	45,000					Maximum	184,250	
Quality of governance and management	7.50%	45,000					Maximum	184,250	
Total qualitative criteria	**15%**	**90,000**	**25% of fixed remuneration**					**368,500**	
Total	**100%**	**600,000**	**75% of fixed remuneration**					**906,100**	**61%**

C) REMUNERATION IN RESPECT OF OFFICES HELD

Like the other members of the Board of Directors, Arnaud Lagardère, Chairman and Chief Executive Officer, was awarded remuneration of €47,500 for 2023, in accordance with the allocation rules described in section 3.6 below.

Pierre Leroy, Board Advisor, was not awarded any remuneration for his attendance at Board of Directors' and *ad hoc* Committee meetings in 2023.

D) PERFORMANCE SHARE AWARDS

On 18 April 2023, under the authorisation granted by the Company's shareholders in the seventeenth resolution of the 22 April 2022 Annual General Meeting, Pierre Leroy was awarded 35,000 rights to free shares, representing 0.025% of the total number of shares making up the Company's share capital and a carrying amount of €703,850 under IFRS (corresponding to 27.29% of his fixed and variable remuneration for the previous year).

This award was made under the terms and conditions set out below, in accordance with the framework described above.

Vesting period: the shares will vest on 20 April 2026, provided that Pierre Leroy is still an executive corporate officer of Lagardère SA at midnight on 18 April 2026 (the "presence condition").

Holding period: shares vested by the Company's Deputy Chief Executive Officer must be held in a registered account for a period of two years until 20 April 2028 inclusive.

Performance conditions to be met for the period from 2023 through 2025:

Weighting (% of shares allocated to the objective)		Criteria	Trigger level	Target performance level	Vesting proportions
70%		**Internal financial criteria**			Vesting on a straight-line proportionate basis of 0% to 100% of the shares between the trigger level and the target level
	25%	ROCE (Return on capital employed) = operating profit/(equity + debt) in 2025	Confidential	Confidential	
	25%	Cumulative amount of free cash flow for the period 2023 to 2025			
	20%	Operating margin rate in 2025			
30%		**Non-financial CSR criteria**			
	12%	Ratio of greenhouse gas emissions relative to the workforce	3.97	3.81	
	12%	Rate of expenditure with suppliers presenting high CSR risks as assessed by EcoVadis (or equivalent)	67%	80%	
	6%	Percentage of women top executives	45%	47%	

In line with the remuneration policy, the specific trigger and target levels for the three internal financial criteria were set by the Board of Directors on the recommendation of the Appointments, Remuneration and CSR Committee to be both demanding and consistent. However, as this information relates to budget goals (themselves not public knowledge), it is not disclosed. The level of achievement of all financial and non-financial criteria will be reported in the 2025 annual report, the year in which the shares will vest.

E) BENEFITS IN KIND – BUSINESS EXPENSES

In accordance with the remuneration policy, the executive corporate officers each had the use of a company car in 2023.

The value of this benefit-in-kind is based on the executive corporate officers' potential personal use of their car, and corresponds to the following amounts:

- **for Arnaud Lagardère**: €24,451;
- **for Pierre Leroy**: €16,219.

F) SUPPLEMENTARY PENSION PLAN

In accordance with French Government Order no. 2019-697 dated 3 July 2019, which reformed the statutory supplementary conditional benefit pension plan in France governed by article L. 137-11 of the French Social Security Code, the plan available to the executive corporate officers was closed to new entrants as from 4 July 2019, and benefits accrued under the plan along with the officers' benchmark remuneration were frozen as at 31 December 2019.

No payments were made to Arnaud Lagardère or Pierre Leroy under this plan in 2023. At 31 December 2023, the estimated amounts of the future pension annuities were €686,490 for both Arnaud Lagardère and Pierre Leroy.

At its meeting on 17 December 2021, the Board of Directors decided to set up a new defined benefit plan with retroactive effect at 1 January 2020, in accordance with the new legal framework introduced by article L. 137-11-2 of the French Social Security Code. The main features of this plan for Arnaud Lagardère and Pierre Leroy are described in section 3.5 of this Universal Registration Document.

Vesting under this plan requires an achievement rate of at least **75%** for the annual financial and non-financial criteria used to determine the beneficiary's annual variable remuneration. Exceptionally, and in compliance with the regulations, vesting under this plan in 2020 was not subject to any performance conditions.

As the performance conditions were met, the benefits vested by Arnaud Lagardère and Pierre Leroy represented 1.25% of their respective benchmark remuneration for 2023 and for each of the three previous years.

Contributions are paid in respect of the vested benefits to the insurer managing the plan. The amount of contributions paid in this respect is determined by an independent actuary. The contributions are excluded from the tax base for social security contributions, in return for the payment of an employer's contribution of 29.7%.

At 31 December 2023, the estimated amounts of the future pension annuities were **€98,103 for Arnaud Lagardère** and **€101,865 for Pierre Leroy**.

G) TERMINATION BENEFIT

The Company has not given any commitments to the Chairman and Chief Executive Officer in relation to granting him any termination benefits.

However, as he is an employee of Lagardère Management, Pierre Leroy may be eligible for benefits in certain cases of contract termination, pursuant to the applicable laws, regulations and collective bargaining agreements.

In all circumstances, any benefits paid to the executive corporate officers may not exceed the cap of two years' worth of fixed and variable remuneration recommended in the Afep-Medef Corporate Governance Code.

H) EXTRAORDINARY REMUNERATION

Arnaud Lagardère did not receive any extraordinary remuneration for 2023.

In line with the remuneration policy and in accordance with the provisions of the Afep-Medef Code authorising the Board of Directors to grant a corporate officer extraordinary remuneration on a split basis in the event of a transformational transaction, at its meeting of 27 February 2024 the Board of Directors, on the recommendation of the Appointments, Remuneration and CSR Committee, decided to pay the final fraction of the extraordinary remuneration accruing to Pierre Leroy, Deputy Chief Executive Officer, representing a gross amount of **€545,000**.

The Board of Directors noted the successful completion of two structurally significant transactions for the Group in 2023, in which Pierre Leroy had significant input.

Completion of the link-up between the Lagardère and Vivendi groups, resulting in Vivendi SE's takeover by Vivendi on 21 November 2023. In this capacity, Pierre Leroy was especially involved in monitoring the procedure with regard to the European Commission, in particular through his active involvement in Lagardère SA's governance bodies, and in the work of the Board of Directors and the *ad hoc* Committee. He also made sure that employee representative bodies, staff and the Group's senior managers were regularly updated with the utmost transparency at every stage of the process, while at the same time overseeing dealings with the relevant authorities (competition authorities, AMF, etc.). In preparation for the takeover, Pierre Leroy worked actively to put in place a new organisation within the Group's corporate teams, to ensure fast, smooth post-link-up integration and in particular to introduce new operating and financial reporting processes.

Completion of the operation to make the radio unit (Europe 1, Europe 2 and RFM) autonomous on **26 October 2023, following approval from Arcom**. Pierre Leroy played a key role in managing this project, overseeing the internal preparations for the conversion of Lagardère Radio into a partnership limited by shares (*société en commandite*) and leading discussions with Arcom on behalf of the Group. Pierre Leroy's role in this project was all the more significant considering Arnaud Lagardère's limited involvement on behalf of Lagardère SA due to the potential conflict of interest arising from his possible status as General and Managing Partner of the radio unit.

This extraordinary remuneration, which will be paid provided it is approved by shareholders at the General Meeting of 25 April 2024, will represent 37% of Pierre Leroy's fixed remuneration.

3.5.2.2 SUMMARY TABLES

The information and tables provided in this section show the remuneration of the Company's executive corporate officers based on the presentation format recommended in the Afep-Medef Code and AMF recommendation no. 2021-02.

Arnaud Lagardère

Summary of gross remuneration and benefits (before deducting social security contributions)				
	Fiscal year 2022		**Fiscal year 2023**	
	Amounts allocated	Amounts paid	**Amounts allocated**	**Amounts paid**
Fixed remuneration	1,140,729	1,140,729	**1,140,729**	**1,140,729**
Variable remuneration	2,281,458(1)	1,711,094(1)	**1,619,915(1)**	**2,281,458(1)**
Extraordinary remuneration	-	_	**-**	**-**
Remuneration allocated for offices held	85,413	22,319	**47,500**	**85,413**
Benefits in kind	17,364	17,364	**24,451**	**17,364**
Total	3,524,964	2,891,506	**2,832,595**	**3,524,964**

(1) As the variable portion of annual remuneration for a given year can only be calculated after the end of that year, it is paid during the following year.

Arnaud Lagardère, who is a significant shareholder of the Company, has not been awarded any share options or free shares since 2003.

- **Share options granted during the year**: none.
- **Share options exercised during the year**: none.
- **Performance share rights granted during the year**: none.
- **Performance shares that became available during the year**: none.

Total remuneration and benefits, share options and performance shares allocated		
	Fiscal year 2022	**Fiscal year 2023**
Remuneration allocated for the year (details in previous table)	3,524,964	**2,832,591**
Value of multi-annual variable remuneration allocated during the year	None	**None**
Value of share options allocated during the year	None	**None**
Value of performance share rights allocated during the year	None	**None**
Total	**3,524,964**	**2,832,591**

Pierre Leroy

Summary of gross remuneration and benefits (before deducting social security contributions)				
	Fiscal year 2022		**Fiscal year 2023**	
	Amounts allocated	Amounts paid	**Amounts allocated**	**Amounts paid**
Fixed remuneration	1,474,000	1,474,000	**1,474,000**	**1,474,000**
Variable remuneration	1,105,500(1)	1,105,500(1)	**906,100(1)**	**1,105,500(1)**
Extraordinary remuneration	800,000	800,000	**545,000**	**800,000**
Remuneration allocated for offices held	-	-	**-**	**-**
Benefits in kind	16,219	16,219	**16,219**	**16,219**
Total	3,395,719	3,395,719	**2,941,319**	**3,395,719**

(1) As the variable portion of annual remuneration for a given year can only be calculated after the end of that year, it is paid during the following year.

- **Share options allocated during the year**: none.
- **Share options exercised during the year**: none.
- **Performance share rights allocated during the year**: 35,000.

Performance share rights allocated in 2023						
Authorisation of GM	**Date of the plan**	**No. of share rights awarded**	**Carrying amount under IFRS**	**Vesting date**	**Date of availability**	**Performance conditions**
22/04/2022	18/04/2023	35,000	€703,850	20/04/2026	20/04/2028(1)	(2)

(1) Applicable to 50% of the vested shares. The shares corresponding to the remaining 50% are subject to additional holding requirements.
(2) For further details, see section 3.8.9 above.

- **Performance shares that became available during the year**: none.
- **Performance shares that vested during the year**: none.

Total remuneration and benefits, share options and performance shares allocated		
	Fiscal year 2022	**Fiscal year 2023**
Remuneration allocated for the year (details in previous table)	3,395,719	**2,941,319**
Value of multi-annual variable remuneration allocated during the year	None	**None**
Value of share options allocated during the year	None	**None**
Value of performance share rights allocated during the year	779,800	**703,850**
Total	**4,175,519**	**3,645,169**

Share options

Lagardère SA has not allocated any stock options since 2008, when it granted stock purchase options only. The most recent plan was implemented on 14 December 2008 and expired in 2016.

The main characteristics of the free performance share plans in effect at 31 December 2023, and grants to the executive corporate officers, are presented below:

	Plan 2018	Plan 2019	Plan 2021	Plan 2022	Plan 2023
Date of AGM	3 May 2016	10 May 2019	30 June 2021	30 June 2021	22 April 2022
Date of grant(*)	16 April 2018	14 May 2019	24 Sept. 2021	14 March 2022	18 April 2023
Total number of free shares allocated(**)	64,000	64,000	34,000	35,000	35,000
Of which allocated to:					
Arnaud Lagardère(***)	-	-	-	-	-
Pierre Leroy	32,000	32,000	34,000	35,000	35,000
Thierry Funck-Brentano	32,000	32,000	-	-	
Vesting date	17 April 2021	15 May 2022	25 Sept. 2024	15 March 2025	20 April 2026
End of holding period(****)	17 April 2023	15 May 2024	25 Sept. 2026	15 March 2027	20 April 2028
Performance conditions	Yes	Yes	Yes	Yes	Yes
Number of shares vested at 28 February 2024	0	44,800	Not yet vested	Not yet vested	Not yet vested
Total number of shares cancelled or forfeited	64,000	19,200	-	-	-
Arnaud Lagardère	-	-	-	-	-
Pierre Leroy	32,000	9,600	-		-
Thierry Funck-Brentano	32,000	9,600	-	-	-
Performance shares outstanding at end 2023(**)	0	0	34,000	35,000	35,000
Arnaud Lagardère	-	-	-	-	-
Pierre Leroy	0	0	34,000	35,000	35,000
Thierry Funck-Brentano	0	0	-	-	-

(*) Up until the 14 May 2019 plan, the Company was a French partnership limited by shares (*société en commandite par actions*), and performance share awards were the responsibility of the Managing Partners and were only supervised by the Supervisory Board. Performance share awards under the 24 September 2021 plan and subsequent plans are the responsibility of the Company's Board of Directors.
(**) After adjustment on 20 June 2014.
(***) Arnaud Lagardère, Chairman and Chief Executive Officer, is not eligible for any performance shares, nor was he eligible when he was Managing Partner.
(****) Applicable to 50% of the vested shares. The shares corresponding to the remaining 50% are subject to additional holding conditions (see section 3.5.1.3.B above).

Other

Executive corporate officers	Employment contract[1]		Supplementary pension plan		Indemnities or benefits receivable or likely to be receivable due to a termination or change of function		Indemnities receivable under a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Arnaud Lagardère Position: Chairman and Chief Executive Officer Date of appointment: 30 June 2021 End of term of office: AGM to be held in 2027 to approve the financial statements for the year ending 31 December 2026		X	X[2]			X		X
Pierre Leroy Position: Deputy Chief Executive Officer Date of appointment: 30 June 2021 End of term of office: AGM to be held in 2027 to approve the financial statements for the year ending 31 December 2026	X[1]		X[2]			X[3]		X

(1) The Afep-Medef Corporate Governance Code recommendations that company officers should not hold employment contracts with the company only apply to the following persons: Chairman of the Board of Directors, Chairman and Chief Executive Officer, Chief Executive Officer of companies with a Board of Directors, Chairman of the Executive Board, Chief Executive Officer of companies with an Executive Board and Supervisory Board, and Managing Partners of French partnerships limited by shares (*société en commandite par actions*). Accordingly, such recommendations do not apply to Pierre Leroy in his capacity as Deputy Chief Executive Officer of the Company.
(2) See sections 3.5.1.2.C B)/3.5.2.1 F).
(3) See sections 3.5.1.3.C B)/3.5.2.1 S).

PAY RATIOS

In accordance with article L. 22-10-9 of the French Commercial Code, the following are presented:

- the ratios between (i) the remuneration of the officer and (ii) the average and median remuneration, on a full-time equivalent basis, of the Company's non-executive employees;
- year-on-year changes in remuneration, the Company's performance, the average remuneration, on a full-time equivalent basis, of the Company's employees, and the above ratios, covering at least the past five years.

In addition to this legal requirement, the Afep-Medef Code recommends that listed companies with a low number of employees publish this information based on a scope that is more representative of their overall payroll or workforce in France. The Afep-Medef Code states that 80% of a company's workforce in France can be considered as a representative scope.

Lagardère SA has fewer than ten employees, not including the Company's executive corporate officers, who are employed by a third company.

Consequently, the tables below set out the required disclosures concerning (i) the scope corresponding to Lagardère SA, in compliance with the compulsory provisions of article L. 22-10-9 of the French Commercial Code, and (ii) the scope corresponding to **all of the French companies exclusively controlled by Lagardère SA within the meaning of article L. 233-16, II of said Code**, in accordance with recommendation 27.2 of the Afep-Medef Code. **Accordingly, the scope covers 100% of the workforce in France.**

The tables below show the **remuneration paid during each year from 2019 to 2023** (i.e., including variable remuneration allocated in respect of the preceding year).

The remuneration amounts presented include – for the executive corporate officers as well as employees – the fixed portions, variable portions, and extraordinary remuneration paid during the year stated, on a gross basis.

In accordance with Afep-Medef guidelines, they also include **free shares awarded during the year**, valued in accordance with IFRS. The value stated corresponds to their grant-date valuation and therefore does not actually represent the value of the shares that will effectively be delivered at the end of the vesting period, which will depend on (i) the Company's share price on the delivery date and (ii) the achievement rate of the applicable performance conditions. For the Company's free share plan awarded in 2019, the average delivery rate of shares to the Deputy Chief Executive Officer was 35%. In addition, the value of the shares at their delivery date still does not reflect an amount paid to executive corporate officers since the shares cannot in any case be sold before the end of a minimum period of two years, and one half of the shares remain subject to further holding periods. It should also be noted that no free share plans were awarded in 2020.

The amounts shown below do not, however, include the valuation of benefits-in-kind or, for employees, the components of employee savings plans (statutory and discretionary profit-shares, etc.), as details of these components cannot be provided for all of the employees included in the French scope.

The performance criteria presented are the financial criteria applied for calculating the executive corporate officers' annual variable remuneration, i.e.:

(i) For 2019 to 2020:

- the growth rate for recurring operating profit of fully consolidated companies (recurring EBIT), determined based on the rules defined in the Group's market guidance; and
- net cash from operating activities of fully consolidated companies, which represents the cash generated by the Group's operations.

(ii) For 2021 and 2022:

- recurring operating profit of fully consolidated companies (recurring EBIT); and
- free cash flow.

(iii) For 2023:

- recurring operating profit of fully consolidated companies (recurring EBIT);
- free cash flow; and
- operating margin.

As the remuneration amounts shown for each year are the amounts actually paid, these performance indicators are given each time for the previous year, i.e., the year in respect of which they were assessed for the purpose of calculating the executive corporate officers' variable remuneration for the current year.

For 2023, the Company's average remuneration was unchanged from the previous year. Average remuneration had been lower in 2022 due to the departure of employees from the Company who had not been replaced.

However, the Company's median remuneration in 2023 was much lower than in the previous four years, due to the recruitment of new employees at Lagardère SA, resulting in greater salary gaps. As a result, the Company's median ratio rose sharply for Arnaud Lagardère and Pierre Leroy in 2023.

For 2023, the ratios between Arnaud Lagardère's remuneration and the Group's average and median remuneration are significantly higher than in the prior year. This is chiefly attributable to the fact that the maximum level of annual variable remuneration awarded in 2022 and paid in 2023 was reached, owing to the outperformance as regards the financial criteria due to the exceptional performance of the two divisions, especially Lagardère Travel Retail, which was lifted by the much faster-than-expected recovery in air traffic.

The ratio between Pierre Leroy's remuneration and the Group's average remuneration is lower owing to an increase in the average employee salary attributable to salary increases, while the remuneration paid to Pierre Leroy in 2023 remained fairly stable.

Arnaud Lagardère

	2019	2020	2021	2022	**2023**
Remuneration paid or allocated during the year (in €)	2,768,929	2,672,455	1,534,479	2,851,823	**3,422,187**
Average remuneration paid or allocated during the year to Company employees (in €)	352,018	277,431	299,002	245,902	**245,545**
Ratio versus the average remuneration of Company employees	8	10	5	12	**14**
Median remuneration paid or allocated during the year to Company employees (in €)	260,472	212,681	221,728	250,954	**153,562**
Ratio versus the median remuneration of Company employees	11	13	7	11	**22**
Average remuneration paid or allocated during the year to Group employees in France (in €)	56,098	52,338	52,301	53,941	**57,418**
Ratio versus the average remuneration of Group employees in France	49	51	29	53	**60**
Median remuneration paid or allocated during the year to Group employees in France(*) (in €)	50,745	50,675	50,901	51,214	**50,552**
Ratio versus the median remuneration of Group employees in France(*)	55	53	30	56	**68**
Year-on-year increase in Group recurring operating profit of fully consolidated companies (in %)	+2.14	+5.63	not applicable	not applicable	**not applicable**
Net cash from operating activities of fully consolidated companies in the prior year (in €m)	482.5	513.6	not applicable	not applicable	**not applicable**
Recurring operating profit (loss) of fully consolidated companies in the prior year (in €m)	not applicable	not applicable	(155)	238	**438**
Free cash flow in the prior year (in €m)	not applicable	not applicable	(256)	456	**221**

(*) The median remuneration of Group employees in France and the corresponding ratio do not include the value of free shares as this component cannot be disclosed meaningfully for this extremely wide scope. No free shares were awarded in 2020.

Pierre Leroy

	2019	2020	2021	2022	**2023**
Remuneration paid or allocated during the year (in €)	2,722,380(*)	2,123,367	2,464,140(*)	4,159,300	**4,083,350(*)**
Average remuneration paid or allocated during the year to Company employees (in €)	352,018	277,431	299,002	245,902	**245,545**
Ratio versus the average remuneration of Company employees	8	8	8	17	**17**
Median remuneration paid or allocated during the year to Company employees (in €)	260,472	212,681	221,728	250,954	**153,562**
Ratio versus the median remuneration of Company employees	10	10	11	17	**27**
Average remuneration paid or allocated during the year to Group employees in France (in €)	56,098	52,338	52,301	53,941	**57,418**
Ratio versus the average remuneration of Group employees in France	49	41	47	77	**71**
Median remuneration paid or allocated during the year to Group employees in France(**) (in €)	50,745	50,675	50,901	51,214	**50,552**
Ratio versus the median remuneration of Group employees in France(**)	43	42	36	66	**67**
Year-on-year increase in Group recurring operating profit of fully consolidated companies (in %)	+2.14	+5.63	not applicable	not applicable	**not applicable**
Net cash from operating activities of fully consolidated companies in the prior year (in €m)	482.5	513.6	not applicable	not applicable	**not applicable**
Recurring operating profit (loss) of fully consolidated companies in the prior year (in €m)	not applicable	not applicable	(155)	238	**438**
Free cash flow in the prior year (in €m)	not applicable	not applicable	(256)	456	**221**

(*) Amount including 34,000 performance share rights for 2021 and 35,000 performance share rights for 2022 and 2023, valued in accordance with IFRS. No free shares were awarded in 2020. The average overall delivery rate of shares awarded in 2016, 2017, 2018 and 2019 was 50.5%. After delivery, all of the shares are subject to a lock-up period of at least two years and 25% must be held for as long as Pierre Leroy is in office.

(**) The median remuneration of Group employees in France and the corresponding ratio do not include the value of free shares as this component cannot be disclosed meaningfully for this extremely wide scope. No free shares were awarded in 2020.

3.5.2.3 APPROVAL OF THE COMPONENTS OF REMUNERATION PAID DURING OR ALLOCATED IN RESPECT OF 2023 TO THE EXECUTIVE CORPORATE OFFICERS

The fixed, variable and extraordinary components making up the total remuneration and benefits paid during or allocated in respect of 2023 to the executive corporate officers are, in accordance with articles L. 22-10-77, II and L. 22-10-34 of the French Commercial Code, submitted to the approval of the Company's shareholders at the Annual General Meeting to be held on 25 April 2024.

These components, which are described in detail in the preceding sections, are summarised below in the format recommended in the Afep-Medef Code.

Arnaud Lagardère

Components of remuneration put to the shareholders' vote	Amounts paid in 2023	Amounts allocated in respect of 2023 (or accounting values)	Presentation
Annual fixed remuneration	€1,140,729	€1,140,729	▸ The amount of gross fixed remuneration awarded in 2023 has remained unchanged since 2009.
Annual variable remuneration	€2,281,458 (amount allocated in respect of 2022, approved by 99.28% of votes cast at the 18 April 2023 Annual General Meeting – 7th resolution)	€1,619,915	▸ Arnaud Lagardère's annual variable remuneration includes: – a portion based on quantitative criteria, as follows: • financial criteria (70% weighting) related to the Group's performance in 2023 (free cash flow, recurring operating profit of fully consolidated companies and operating margin) (see section 3.5.2.1 of this Universal Registration Document), • non-financial CSR criteria (15% weighting) related to the Group's performance in 2023 with regard to its priority commitments under its corporate social responsibility policy (proportion of women top executives, carbon emissions and EcoVadis assessment) (see section 3.5.2.1 of this Universal Registration Document). – a qualitative portion (15% weighting), corresponding to a set of priority targets related to two domains, each of which are given an equal weighting: the roll-out of the Group's strategic plan and the quality of governance and management (see section 3.5.2.1 of the Universal Registration Document). ▸ Arnaud Lagardère's annual variable remuneration is based on (i) a "quantitative portion" benchmark amount of €1,212,100 and (ii) a "qualitative portion" benchmark amount of €213,900, representing an overall benchmark amount of €1,426,000. Consequently, 85% of the annual variable remuneration (i.e., a clear majority) is based on quantitative criteria and 15% on qualitative criteria. ▸ Arnaud Lagardère's annual variable remuneration may not exceed 200% of his annual fixed remuneration, and the amount of the qualitative portion is capped at 30% of his annual fixed remuneration. ▸ In light of the achievement rates attained in 2023, Arnaud Lagardère's annual variable remuneration was 142% of his annual fixed remuneration for that year.
Multi-annual cash-settled variable remuneration	N/A	N/A	▸ Arnaud Lagardère does not receive any multi-annual cash-settled variable remuneration.
Share options, performance shares and other grants of securities	N/A	N/A	▸ Arnaud Lagardère has not received any share options, performance shares, or other grants of securities since 2003, when he was first appointed as an executive corporate officer.
Extraordinary remuneration	N/A	N/A	▸ Arnaud Lagardère did not receive any extraordinary remuneration for 2023.
Remuneration for offices held	€85,413 (amount awarded for 2022 for the offices of Chairman of the Board and member of the *ad hoc* Committee)	€47,500	▸ The amount due to Arnaud Lagardère for 2023 corresponds to remuneration in respect of his office as Chairman of the Board of Directors, i.e., two basic portions of fees based on an attendance rate of 100%.

Components of remuneration put to the shareholders' vote	Amounts paid in 2023	Amounts allocated in respect of 2023 (or accounting values)	Presentation
Benefits in kind	N/A	€24,451	▸ This corresponds to Arnaud Lagardère's potential personal use of a company car.
Benefits linked to taking up or terminating office	N/A	N/A	▸ Arnaud Lagardère is not entitled to any benefits of this nature.
Benefits linked to non-competition agreements	N/A	N/A	▸ Arnaud Lagardère is not entitled to any benefits of this nature.
Supplementary pension plan	€0	€0	▸ Arnaud Lagardère is a beneficiary of the defined benefit supplementary pension plan set up by Lagardère Management for members of the Executive Committee. ▸ In accordance with the "Pacte law" and French Government Order no. 2019-697 dated 3 July 2019, which reformed these pension regimes, the plan was closed to new entrants as from 2019 and the benefits accrued under the plan along with the beneficiaries' benchmark remuneration were frozen as at 31 December 2019. ▸ The plan was a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the Company at retirement age, except in the event of (i) termination (other than for serious misconduct) after the age of 55 if the beneficiary does not take up another post, (ii) long-term disability or (iii) early retirement. Arnaud Lagardère's pension benefit entitlements accrue at a rate of 1.75% of the benchmark remuneration per year of membership of the plan. The benchmark remuneration corresponded to the average gross annual remuneration over the last five years (fixed and variable up to a maximum of 100% of the fixed portion), and could not exceed 50 times the annual ceiling used to calculate social security contributions. As the number of years of plan membership used to calculate the benefit entitlements was capped at 20, the supplementary pension could not exceed 35% of the benchmark remuneration. ▸ At 31 December 2023, the estimated amount of Arnaud Lagardère's future annuity, determined in accordance with the applicable regulations was €686,490, representing approximately 24.23% of his total gross remuneration (fixed and variable) paid in 2023. ▸ No benefits were due or paid to Arnaud Lagardère under this plan for 2023. ▸ A "vested benefits" supplementary pension plan set up in 2021 in accordance with the legal framework introduced by article L. 137-11-2 of the French Social Security Code, with retroactive effect at 1 January 2020, has been renewed each year. This individual plan is "portable", in that the accumulated benefits are vested and will be carried over even in case of a change of employer. Under this plan, the supplementary pension benefits vest to Arnaud Lagardère at a rate of 1.25% of the benchmark remuneration each year. The benchmark remuneration corresponds to the gross annual remuneration (fixed + variable) and cannot exceed 50 times the annual ceiling used to calculate social security contributions. Vesting is subject to performance conditions and requires an achievement rate of at least 75% for the financial and non-financial targets used to determine the annual variable remuneration. ▸ As the performance conditions were met in 2023, the rights vested to Arnaud Lagardère represented 1.25% for 2023. ▸ At 31 December 2023, the estimated amount of Arnaud Lagardère's future annual annuity was €98,103, including a gross amount of €27,495 for 2023 (see section 3.5.2.1 F). ▸ No benefits were paid to Arnaud Lagardère under this plan for 2023.

Pierre Leroy

Components of remuneration put to the shareholders' vote	Amounts paid in 2023	Amounts allocated in respect of 2023 (or accounting values)	Presentation
Annual fixed remuneration	€1,474,000	€1,474,000	▸ The amount of gross fixed remuneration awarded in 2023 has remained unchanged since 2011.
Annual variable remuneration	€1,105,500 (amount allocated in respect of 2022, approved by 99.28% at the 18 April 2023 Annual General Meeting - 8th resolution)	€906,100	▸ Pierre Leroy's annual variable remuneration includes: – a portion based on quantitative criteria, as follows: • financial criteria (70% weighting) related to the Group's performance in 2023 (free cash flow, recurring operating profit of fully consolidated companies and operating margin) (see section 3.5.2.1 of this Universal Registration Document), • non-financial CSR criteria (15% weighting) related to the Group's performance in 2023 with regard to its priority commitments under its corporate social responsibility policy (proportion of women top executives, carbon emissions and EcoVadis assessment) (see section 3.5.2.1 of this Universal Registration Document). – a qualitative portion (15% weighting), corresponding to a set of priority targets related to two domains, each of which are given an equal weighting: the roll-out of the Group's strategic plan and the quality of governance and management (see section 3.5.2.1 of the Universal Registration Document). ▸ Pierre Leroy's annual variable remuneration is based on (i) a "quantitative portion" benchmark amount of €510,000 and (ii) a "qualitative portion" benchmark amount of €90,000, representing an overall benchmark amount of €600,000. Consequently, 85% of the annual variable remuneration (i.e., a clear majority) is based on quantitative criteria and 15% on qualitative criteria. ▸ Pierre Leroy's annual variable remuneration may not exceed 75% of his annual fixed remuneration, and the amount of the qualitative portion is capped at 25% of his annual fixed remuneration. The qualitative portion may not therefore represent more than 33% of his maximum annual variable remuneration. ▸ In light of the achievement rates attained in 2023, Pierre Leroy's annual variable remuneration was 61% of his annual fixed remuneration for that year.
Multi-annual cash-settled variable remuneration	N/A	N/A	▸ Pierre Leroy does not receive any multi-annual cash-settled variable remuneration.

Components of remuneration put to the shareholders' vote	Amounts paid in 2023	Amounts allocated in respect of 2023 (or accounting values)	Presentation
Share options, performance shares and other grants of securities	N/A	€703,850	▸ In 2023 Pierre Leroy was awarded 35,000 rights to performance shares, representing 0.025% of the Company's share capital. ▸ These performance shares will vest after two years, in 2026, provided that (i) Pierre Leroy is still an executive corporate officer of the Company on the vesting date, and (ii) the following performance conditions have been met for the period from 2023-2025 (the "Reference Period"): – **for 25% of the shares allocated:** achievement of a pre-defined return on capital employed (ROCE) in the last year of the Reference Period, with trigger and target amounts set by the Board of Directors; – **for 25% of the shares allocated:** achievement of a pre-defined cumulative amount of free cash flow during the Reference Period, with trigger and target amounts set by the Board of Directors; – **for 20% of the shares allocated:** achievement of an operating margin rate in the last year of the Reference Period, with trigger and target amounts set by the Board of Directors; – **for 30% of the shares allocated:** three non-financial objectives linked to the Group's priority commitments, including: (i) achievement of a ratio of Scope 1, 2 and part of Scope 3 greenhouse gas emissions relative to the workforce of 3.81, with a trigger threshold of 3.37 (12%), (ii) achievement of a rate of expenditure relating to suppliers presenting high CSR risks as assessed by EcoVadis (or equivalent) (as a proportion of total expenditure relating to suppliers presenting high CSR risks) of 80%, with a trigger threshold of 67% (12%), (iii) achievement by end-2024 of a proportion of women top executives equal to 47%, with a trigger threshold of 45% (6%). ▸ For each of these six conditions, 100% of the shares contingent on the condition concerned will vest if the target level is achieved or exceeded, 0% of the shares contingent on the condition concerned will not vest if the trigger level is not achieved and between 0% and 100% of the shares will vest on a straight-line basis if the achievement is between the trigger level and the target level. ▸ Vested performance shares must be held for at least two years. Subsequently, a quarter of the shares must be held until Pierre Leroy has built up a portfolio of Lagardère shares whose value is at least equal to one year's worth of his remuneration, and another quarter must be held for as long as he is with the Group. ▸ This performance share grant was approved by the Board of Directors at its 18 April 2023 meeting based on the recommendation of the Appointments, Remuneration and CSR Committee, using the authorisation given at the 22 April 2022 Annual General Meeting (17th resolution). ▸ Pierre Leroy did not receive any share options in 2023 and was not granted any securities other than the above-described performance shares.

Components of remuneration put to the shareholders' vote	Amounts paid in 2023	Amounts allocated in respect of 2023 (or accounting values)	Presentation
Extraordinary remuneration	€800,000	€545,000	▸ Pierre Leroy was awarded extraordinary remuneration by the Board of Directors in a gross amount of €545,000 in respect of 2023 as acknowledgement of his involvement in finalizing the two structurally significant transactions for the Group, namely: (i) the completion of the link-up between the Lagardère and Vivendi groups, which resulted in Vivendi SE's takeover of the Company on 21 November 2023. In this capacity, Pierre Leroy was especially involved in monitoring the procedure with regard to the European Commission, in particular through his active involvement in Lagardère SA's governance bodies, and in the work of the Board of Directors and the *ad hoc* Committee. He also made sure that employee representative bodies, employees, staff and the Group's senior managers were regularly updated with the utmost transparency at every stage of the process, while at the same time overseeing dealings with the relevant authorities (competition authorities, AMF, etc.). Following the takeover, Pierre Leroy worked actively to put in place a new organisation within the Group's corporate teams, to ensure smooth post-link-up integration and in particular to introduce new operating and financial reporting processes; (ii) the completion of the operation to make the radio unit (Europe 1, Europe 2 and RFM) autonomous on 26 October 2023, following approval from Arcom. Pierre Leroy played a key role in managing this project, overseeing the internal preparations for the conversion of Lagardère Radios into a partnership limited by shares (*société en commandite*) and overseeing discussions with Arcom on behalf of the Group. In his capacity as Chairman and Chief Executive Officer, Arnaud Lagardère was effectively unable to fulfil this role due to a potential conflict of interest as regards the transaction, insofar as the purpose of the project was to give him control of the radio business in his capacity as General and Managing Partner.
Remuneration for offices held	N/A	N/A	▸ Pierre Leroy was not allocated and was not paid any remuneration in his capacity as a Board Advisor in 2023.
Benefits in kind	N/A	€16,219	▸ This corresponds to Pierre Leroy's potential personal use of a company car.
Benefits linked to taking up or terminating office	N/A	N/A	▸ Pierre Leroy is not entitled to any benefits of this nature.
Benefits linked to non-competition agreements	N/A	N/A	▸ Pierre Leroy is not entitled to any benefits of this nature.

Components of remuneration put to the shareholders' vote	Amounts paid in 2023	Amounts allocated in respect of 2023 (or accounting values)	Presentation
Supplementary pension plan	€0	€0	▸ Pierre Leroy is a beneficiary of the defined benefit supplementary pension plan set up by Lagardère Management for members of the Executive Committee. ▸ In accordance with French "Pacte law" and Order no. 2019-697 dated 3 July 2019 reforming these pension plans, the plan in place within Lagardère Management was closed to new entrants as from 4 July 2019, with benefits accrued under the plan frozen as at 31 December 2019. ▸ The plan was a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the Company at retirement age, except in the event of (i) termination (other than for serious misconduct) after the age of 55 if the beneficiary does not take up another post, (ii) long-term disability or (iii) early retirement. Pierre Leroy's pension benefit entitlements accrue at a rate of 1.75% of the benchmark remuneration per year of membership of the plan. The benchmark remuneration corresponded to the average gross annual remuneration over the last five years (fixed and variable up to a maximum of 100% of the fixed portion), and could not exceed 50 times the annual ceiling used to calculate social security contributions. As the number of years of plan membership used to calculate the benefit entitlements was capped at 20, the supplementary pension could not exceed 35% of the benchmark remuneration. ▸ At 31 December 2023, the estimated amount of Pierre Leroy's future annuity, determined in accordance with the applicable regulations was €686,490, representing approximately 23.33% of his total gross remuneration (fixed and variable) paid in 2023 (see section 3.5.2.1 F). ▸ No benefits were due or paid to Pierre Leroy under this plan for 2023. ▸ A "vested benefits" supplementary pension plan set up in 2021 in accordance with the legal framework introduced by article L. 137-11-2 of the French Social Security Code, with retroactive effect at 1 January 2020, has been renewed each year. This individual plan is "portable", in that the accumulated benefits are vested and will be carried over even in case of a change of employer. Under this plan, the supplementary pension benefits vest to Pierre Leroy at a rate of 1.25% of the benchmark remuneration each year. The benchmark remuneration corresponds to the gross annual remuneration (fixed + variable) and cannot exceed 50 times the annual ceiling used to calculate social security contributions. Vesting is subject to performance conditions and requires an achievement rate of at least 75% for the financial and non-financial targets used to determine the annual variable remuneration. ▸ As the performance conditions were met in 2023, benefits vested by Pierre Leroy represented 1.25% for 2023. ▸ At 31 December 2023, the estimated amount of Pierre Leroy's future annual annuity was €101,865, including a gross amount of €27,495 for 2023. ▸ No benefits were paid to Pierre Leroy under this plan for 2023.

3.6 REMUNERATION AND BENEFITS OF THE MEMBERS OF THE BOARD OF DIRECTORS AFR

Articles L. 22-10-8 *et seq.* of the French Commercial Code provide for a strict legal framework for the remuneration of corporate officers.

The purpose of this section is to present (i) **the remuneration policy for the members of the Company's Board of Directors for 2024** and (ii) **the components of the total remuneration and benefits paid during or allocated in respect of 2023** to Board members.

These remuneration policies and components will be submitted for shareholder approval at the Annual General Meeting to be held on 25 April 2024.

3.6.1 2024 REMUNERATION POLICY FOR THE MEMBERS OF THE BOARD OF DIRECTORS

Pursuant to articles L. 225-45, L. 22-10-8 and L. 22-10-14 of the French Commercial Code, the members of the Board of Directors are paid an annual fixed fee whose amount is set by the shareholders at the General Meeting of shareholders. The allocation of this sum is then determined in the remuneration policy set by the Board of Directors and submitted for shareholder approval at the Annual General Meeting.

The same procedure will be followed for any subsequent revision of the remuneration policy.

In accordance with the recommendations of the Afep-Medef Code, the Board of Directors ensures that the amount of remuneration is commensurate with the level of responsibilities assumed by directors and the time they are required to devote to their duties, and that it is aligned with the rules of good governance (Afep-Medef Code, AMF and HCGE recommendations on corporate governance, voting policies of proxy advisory firms, etc.) as well as with market practices observed.

At its meeting on 27 February 2024, on the recommendation of the Appointments, Remuneration and CSR Committee, the Board of Directors decided to maintain the overall annual amount of fees allocated to members of the Board of Directors of €997,500, and to keep the same allocation criteria for these fees.

The allocation criteria for this remuneration, applicable since 2022, are set out below. These rules apply to all members of the Board of Directors, including the members representing Group employees:

- each member of the **Board of Directors** is entitled to **one basic portion**;
- each member of the Board Committee is entitled to **two additional portions** for each Committee in which he or she participates;
- the **Chairs** of the Board and the Board Committees are entitled to **one additional portion**;
- in accordance with the Articles of Association, the Board of Directors may decide to transfer part of the remuneration that the Ordinary General Meeting has allocated to the members of the Board of Directors to the **Board Advisor**.

The basic portion of the remuneration is equal to the aggregate amount of the fees divided by the total number of portions to which Board members are entitled.

60% of these fees is paid based on each member's actual attendance at the Board of Directors meetings and the meetings of the Board(s) of which he or she is a member.

The fees are paid by Lagardère SA, on an annual basis at the start of each year for amounts due in respect of the prior year.

In accordance with the recommendations of the Afep-Medef Code, the members of the Board of Directors do not receive any further variable remuneration, share or performance share options, or any further benefits for their role as directors.

However, in accordance with the applicable legal provisions, the employee directors hold employment contracts with the Company or one of its subsidiaries and therefore receive remuneration corresponding to their position (salary and, where applicable, any incentives, profit sharing, variable remuneration and/or free shares).

The policy applied takes into account members' actual attendance at Board and Board Committee meetings when determining the variable portion, which makes up the **majority of their overall remuneration**. The policy therefore ensures that the directors receive reasonable, balanced and fair remuneration that is fully aligned with the corporate and long-term interests of the Company.

The Board of Directors may decide to make an exception to the remuneration policy by modifying the criteria applicable to the overall fees or by allocating an additional portion to one or more members in consideration for the completion of specific *ad hoc* missions. Any such temporary exception would be made public and justified, notably with regard to the Group's corporate interests.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

3.6.2 TOTAL REMUNERATION AND BENEFITS PAID DURING OR ALLOCATED IN RESPECT OF 2023 TO MEMBERS OF THE BOARD OF DIRECTORS

This section notably includes, with regard to the members of the Board, the information referred to in article L. 22-10-9 of the French Commercial Code. The tables provided in this section show the remuneration based on the presentation format recommended in the Afep-Medef Code and AMF recommendation no. 2021-02.

In 2023, and pursuant to the allocation criteria set out in the 2023 remuneration policy described above, identical to that of 2022, the members of the Board of Directors received the following remuneration:

(in €)	Paid in 2023 in respect of 2022	Paid in 2024 in respect of 2023
Virginie Banet	144,134.17	**142,500.00**
Valérie Bernis	120,111.81	**118,750.00**
Yannick Bolloré	_	**2,159.09**
Laura Carrere	72,067.09	**71,250.00**
Fatima Fikree	65,581.05	**66,405.00**
Marie Flavion	3,431.77	**23,750.00**
Noëlle Genaivre	60,627.87	_
Pascal Jouen	72,067.09	**118,750.00**
Arnaud Lagardère	85,412.84	**47,500.00**
Véronique Morali	192,178.90	**190,000.00**
Arnaud de Puyfontaine	24,022.36	**22,467.50**
René Ricol	30,238.08	**69,090.91**
Nicolas Sarkozy	115,993.90	**118,750.00**
Total[(1)]	**985,866.93**	**991,372.50**

(1) Less withholding tax.

3.7 TRANSACTIONS WITH RELATED PARTIES (MEMBERS OF THE BOARD OF DIRECTORS) AFR

3.7.1 MEMORANDUM OF UNDERSTANDING RELATING TO THE AUTONOMY OF THE RADIO UNIT

On 26 October 2023, the Company entered into a memorandum of understanding with Arnaud Lagardère, Chairman and Chief Executive Officer of Lagardère SA (the "Memorandum of Understanding"), which was previously authorised by the Company's Board of Directors on 16 October 2023. The Memorandum of Understanding sets out the basis for making Lagardère's radio unit (Europe 1, Europe 2 and RFM) autonomous, in particular by converting Lagardère Radio SAS into a French partnership limited by shares (*société en commandite par actions* – SCA), of which Arnaud Lagardère is indirectly General Partner and personally Managing Partner. In this dual capacity, Arnaud Lagardère is solely responsible for supervising the management and teams of the radio unit and is the ultimate decisionmaker on editorial policy.

Before it was signed, the proposal had already received a positive opinion from all the employee representative bodies consulted, as well as from Europe 1's Ethics Committee.

This transaction is financially neutral for the Lagardère group. The radio unit remains in the Lagardère group's scope of consolidation for tax and accounting purposes. In particular, it does not result in any transfer of value to Arnaud Lagardère.

This project to make the radio unit autonomous is part of the commitment, reiterated many times by the Board of Directors, to preserve and maintain the integrity, sustainability and managerial continuity of the Lagardère group.

The Articles of Association of Lagardère Radio SCA confer on the Lagardère SA group, in its capacity as Limited Partner, the customary rights to protect its financial interests.

Constance Benqué was appointed Chief Executive Officer of Lagardère Radio SCA and remains chair of the main companies making up the radio unit. She reports to Arnaud Lagardère.

The radio unit has sufficient cash to finance its business plan through to 2027, corresponding to roughly €145 million at 31 December 2023.

The Memorandum of Understanding allows Lagardère SA to regain control of Lagardère Radio SCA – and therefore of the radio unit – by acquiring the General Partner for a nominal price as of 2027, subject to prior Arcom approval. The company may also regain control ahead of this time under exceptional circumstances, such as the death or incapacity of Arnaud Lagardère or his resignation as the Company's Chairman and Chief Executive Officer.

Any remuneration or dividends received by Arnaud Lagardère as General and Managing Partner, both subject to a ceiling, will be deducted from his remuneration as Chairman and Chief Executive Officer of Lagardère SA.

Eight Advisory, appointed by the Board of Directors to assess the financial terms of the transaction from the point of view of the Group's interests and fairness to shareholders, concluded that "*the financial terms of the transfer of rights carried out as part of the conversion are fair for the Group and comply with the principle of equitable treatment of all Group shareholders*". The report can be consulted in the "Governance/Related-party agreements" section of the Lagardère SA website.

The Memorandum of Understanding will be subject to shareholder approval at the General Meeting to be held on 25 April 2024.

3.7.2 SERVICE AGREEMENT

Lagardère Management – which is controlled and chaired by Arnaud Lagardère, who is also Chairman and Chief Executive Officer of Lagardère SA, provides an array of management resources and skills to the Group.

To fulfil this role, Lagardère Management employs the members of the Executive Committee, whose role is to assist General Management in their duties, i.e., to determine the Group's strategy and lead its development, and to take the resulting necessary management decisions and implement them globally at parent company level and in the Group's different business activities. Lagardère Management bears the entire cost of its senior executives' salaries and the related overheads as well as the fees billed by any French and/or international consultants that they may work with.

Lagardère Management carries out its mission within the framework of a Service Agreement, which was originally entered into in 1988. Since 2020, this agreement has concerned Lagardère Management and Lagardère Ressources, which is responsible for managing all of the Group's corporate resources. This agreement, subject to rules on "regulated" related-party agreements where appropriate, is reviewed annually by the Audit Committee and by the Board of Directors and is also referred to in the Statutory Auditors' special report.

Since the 2004 amendment to the agreement authorised by the Supervisory Board on 12 March 2004 following Audit Committee review, remuneration under the Service Agreement had equalled the amount of expenses incurred in carrying out its mission, plus a margin of 10%, capped in absolute value terms at €1 million.

Pursuant to an amendment signed on 28 December 2022 after authorisation by the Board of Directors on 9 December 2022, Lagardère Management's remuneration under the Service Agreement was amended with immediate effect from 2022. Under the new amendment, Lagardère Management's remuneration reflects the expenses it incurs in performing the services concerned, with no margin applied. The amendment was approved at the Annual General Meeting held on 18 April 2023.

The expenses incurred by Lagardère Management are reviewed each year by the Audit Committee. The work of the Audit Committee on the precise conditions and costs related to the Service Agreement and any changes therein is presented to the Board of Directors as part of the review required under article L. 225-40-1 of the French Commercial Code.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

The expenses incurred in the execution of the Service Agreement, which form the basis for the remuneration due under the Agreement, can be split into two categories, which would in any event have been borne by the Lagardère group.

The first category, representing the majority of the expenses (around 98.8% in 2023), includes remuneration payable to members of the Executive Committee, the associated payroll taxes and duties (tax on wages, levy on performance share awards) and the amount accrued to the provision for the supplementary pension plan.

In accordance with applicable regulations, details of remuneration are provided in the annual report published by the Company. In compliance with the recommendations of the Afep-Medef Code, since 2014 remuneration allocated to executive corporate officers has been submitted to the shareholders' vote and has always gathered high approval rates. Since 2020, shareholders have been asked to vote on the remuneration policy itself, in accordance with binding "say-on-pay" legislation.

The supplementary pension plan is also described in detail in the annual report. Like other components of remuneration, it is subject to a shareholder vote.

The second category (around 1.2% of the expenses in 2023) includes miscellaneous other expenses incurred in connection with conducting its duties. These expenses essentially consist of (i) fees for administrative and accounting services billed by the Lagardère group, (ii) fees for consultants used by Lagardère Management, and (iii) taxes and duties inherent to Lagardère Management's activities (property tax, etc.).

* * *

In 2023, invoicing to the Group in respect of the Service Agreement amounted to €12.50 million, further to review by the Audit Committee on 26 February 2024 and by the Board of Directors at its meeting of 27 February 2024, versus €34.23 million in 2022. Total payroll costs recognised amounted to €12,494,000 versus €33.22 million in 2022. These correspond to gross salaries, plus the related taxes, payroll taxes and pension provisions. The amount notably includes the provision accrued for variable and extraordinary remuneration. Payment of this variable remuneration plus, where applicable, its inclusion in the basis for calculating fees, will be submitted to the 2024 General Meeting for approval in accordance with "say-on-pay" legislation.

Other expenses are lower in 2023 because no environmental costs were invoiced by the Lagardère group, compared with €1.9 million in 2022. Other miscellaneous expenses are also lower than in 2022, bringing total expenses to €12.50 million compared with €34.23 million in 2022.

3.7.3 AGREEMENTS ENTERED INTO WITH MEMBERS OF THE BOARD OF DIRECTORS

None – see section 3.3.2.

3.7.4 OTHER TRANSACTIONS

The other transactions with related parties in 2023 undertaken in the normal course of business took place under arm's length conditions. In particular, Lagardère SA has not identified any agreements, other than those relating to routine business and entered into under arm's length terms that were signed in 2023, either directly or *via* an intermediary, between (i) the Company's Chairman and Chief Executive Officer, Deputy Chief Executive Officer, a member of the Board of Directors or a Lagardère SA shareholder owning more than 10% of the Company's voting rights and (ii) any company controlled by Lagardère SA within the meaning of article L. 233-3 of the French Commercial Code.

3.8 SHARE CAPITAL AFR

3.8.1 AMOUNT AND CHANGES IN THE SHARE CAPITAL

3.8.1.1 AMOUNT

At 31 December 2023, the share capital amounted to €860,913,044.60, represented by 141,133,286 shares with a par value of €6.10 each, all ranking *pari passu* and fully paid up.

3.8.1.2 CHANGES IN THE SHARE CAPITAL OVER THE LAST FIVE YEARS

As shown in the below table, changes in the share capital over the last five years have primarily arisen from the vesting of free shares awarded to Group employees and the resulting share capital reductions by cancelling treasury shares.

Years	Type of transaction	Number of shares	Nominal amount (in €)	Premium (in €)	Total share capital (in €)	Total number of shares
2019	Award of free shares to employees	59,000	359,900		800,272,944.60	131,192,286
	Capital reduction by cancelling shares	59,000	359,900		799,913,044.60	131,133,286
	Award of free shares to employees	522,012	3,184,273		803,097,317.80	131,655,298
	Capital reduction by cancelling shares	522,012	3,184,273		799,913,044.60	131,133,286
2020	Award of free shares to employees	289,188	1,764,046.80		801,677,091.40	131,422,474
	Capital reduction by cancelling shares	289,188	1,764,046.80		799,913,044.60	131,133,286
	Award of free shares to employees	157,830	962,763		800,875,807.60	131,291,116
	Capital reduction by cancelling shares	157,830	962,763		799,913,044.60	131,133,286
2021	Award of free shares to employees	133,867	816,589		800,729,633.30	131,267,153
	Capital reduction by cancelling shares	133,867	816,589		799,913,044.60	131,133,286
	Award of free shares to employees	348,050	2,123,105		802,036,149.60	131,481,336
	Capital reduction by cancelling shares	348,050	2,123,105		799,913,044.60	131,133,286
	Capital increase in the context of the award of shares to the General Partners in connection with the conversion of the Company into a joint-stock company	10,000,000	61,000,000		860,913,044.60	141,133,286
2022	Award of free shares to employees	308,570	1,882,277		862,795,321.60	141,441,856
	Capital reduction by cancelling shares	308,570	1,882,277		860,913,044.60	141,133,286
	Award of free shares to employees	150,670	919,087		861,832,131.60	141,283,956
	Capital reduction by cancelling shares	150,670	919,087		860,913,044.60	141,133,286
	Award of free shares to employees	159,859	975,139.90		861,888,184.50	141,293,145
	Capital reduction by cancelling shares	159,859	975,139.90		860,913,044.60	141,133,286
	Award of free shares to employees	93,200	568,520		861,481,564.60	141,226,486
	Capital reduction by cancelling shares	93,200	568,520		860,913,044.60	141,133,286
2023	Award of free shares to employees	136,420	832,162		861,745,206.60	141,269,706
	Capital reduction by cancelling shares	136,420	832,162		860,913,044.60	141,133,286

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

3.8.2 TREASURY SHARES

3.8.2.1 AMOUNT

At 31 December 2023, the Company directly held 332,921 of its own shares (par value: €6.10), representing 0.24% of the total share capital at that date. The total cost of these shares was €6,789,262.65, i.e., €20.39 per share.

Based on the average weighted market price of Lagardère SA's shares in December 2023 (€18.28 per share), the total carrying amount of treasury shares directly held by the Company was €6,085,424.41.

3.8.2.2 SHARE BUYBACK PROGRAMMES: SHARES ACQUIRED, SOLD, CANCELLED OR REALLOCATED

A) TRANSACTIONS CARRIED OUT IN 2023

In 2023, the Company used the authorisations given by the shareholders at the 22 April 2022 and 18 April 2023 Annual General Meetings to carry out the following transactions for the objectives defined in the 2022/2023 and 2023/2024 share buyback programmes:

1. Market liquidity transactions

On 30 September 2022, the Company entered into a liquidity agreement with Exane, which took effect on 1 October 2022 for an initial period of three (3) months ending on 31 December 2022 and is automatically renewable thereafter for successive periods of twelve (12) months each year on 31 December.

For the implementation of the liquidity agreement, €1 million was allocated to the liquidity account.

Following the merger of Exane SA into BNP Paribas Arbitrage, on 23 October 2023 all of Exane SA's rights and obligations under the liquidity agreement were transferred to BNP Paribas Arbitrage, which was renamed BNP Paribas Financial Markets at the end of 2023.

During the last six months of 2023, under its liquidity agreement, the Company:

- purchased 74,108 shares for a total price of €1,476,445, representing an average per-share price of €19.92;
- sold 63,237 shares for a total price of €1,254,392, representing an average per-share price of €19.84.

In accordance with the applicable regulations, the Company published the half-year liquidity agreement statement at 31 December 2023, which can be consulted on its website, at www.lagardere.com.

2. Award of shares to employees

The Company used 6,200 shares for the "award of shares to employees" objective in order to deliver fully vested shares to beneficiaries under the free share plan set up on 8 April 2019.

3. Capital reduction

The Company cancelled 136,420 shares within the scope of a capital reduction carried out concomitantly with a capital increase through the issuance of new shares, in connection with the final vesting of free shares and performance shares for Group employees and senior executives.

4. Partial reallocation for other uses

The Company reallocated 136,420 shares (€2,716,185.38) from the "award of shares to employees" objective to the "capital reduction" objective.

B) POSITION AT 31 DECEMBER 2023

At the end of 2023, the 332,921 shares with a par value of €6.10 each directly held by the Company and representing 0.24% of the share capital were allocated as follows:

- 304,584 shares allocated to the "award of shares to employees" objective, representing 0.22% of the share capital, for a total cost of €6,264,656.45;
- 28,337 shares allocated to the "promotion of market liquidity" objective, representing 0.02% of the share capital, for a total cost of €524,606.21.

C) TRANSACTIONS CARRIED OUT UNDER THE AUTHORISATION GRANTED BY THE ANNUAL GENERAL MEETING OF 18 APRIL 2023

The Ordinary and Extraordinary General Meeting of 18 April 2023 authorised the Board of Directors, with the power to sub-delegate under the conditions provided for by law, to purchase Lagardère SA shares representing up to 10% of the share capital (i.e., up to 13,657,644 shares, excluding treasury shares held directly by the Company as at 28 February 2023), for a maximum amount of €500 million, and at a maximum per-share purchase price of €40, mainly for the following purposes:

- to reduce the share capital by cancelling all or some of the shares purchased;
- to award free shares to employees and officers of the Company and of entities or groups related to it within the meaning of articles L. 225-197-1 *et seq.* of the French Commercial Code;
- to remit shares upon the exercise of share options;
- to set up any company or group savings scheme (or similar plan) under the conditions provided for by law, notably articles L. 3331-1 *et seq.* of the French Labour Code (*Code du travail*), including by way of awarding the shares free of consideration as part of the employer's contribution and/or in replacement of the discount, in accordance with the applicable laws and regulations;
- to award or transfer shares to employees as part of a profit-sharing scheme;
- to award shares to employees and corporate officers of the Company and of entities or groups related to the Company for any other purpose permitted by the applicable law and regulations;
- to remit shares upon the exercise of rights attached to securities giving access to the Company's share capital in any way whatsoever;
- to promote liquidity in the Company's shares under liquidity agreements that comply with a code of conduct recognised by the AMF and entered into with independent investment services providers;
- to hold the shares for subsequent exchange or payment as consideration for external growth, merger, demerger or asset contribution transactions;
- and more generally, to carry out any transaction in accordance with applicable laws and regulations and, in particular, with market practices accepted by the AMF.

This authorisation – which was given for a period of 18 months as from 18 April 2023 – superseded the authorisation given for the same purpose at the 22 April 2022 Annual General Meeting.

The corresponding share buyback programme was described in a notice issued on 21 April 2023 which is available on the Group's corporate website at www.lagardere.com.

Under this authorisation, the Company carried out the following transactions from 19 April 2023 to 28 February 2024:

1. Market liquidity transactions

In 2023, under the liquidity agreement referred to above, the Company purchased 173,612 shares for a total price of €3,562,995.58, i.e., an average per-share price of €20.52, and sold 149,839 shares for a total price of €3,127,529.47 on the market, i.e., an average per-share price of €20.87.

2. Award of shares to employees

The Company used 6,200 shares for the "award of shares to employees" objective, in order to deliver fully vested shares to beneficiaries under the free share plan set up on 8 April 2019.

3. Capital reduction

The Company cancelled 136,420 shares within the scope of a capital reduction carried out concomitantly with a capital increase through the issuance of new shares, in connection with the final vesting of ordinary shares and performance shares for Group employees and senior executives.

4. Partial reallocations for other uses

The Company reallocated 136,420 shares from the "award of shares to employees" objective to the "capital reduction" objective.

The Annual General Meeting of 25 April 2024 will be asked to renew this authorisation.

3.8.3 OTHER SECURITIES AND RIGHTS GIVING ACCESS TO THE COMPANY'S SHARE CAPITAL

3.8.3.1 MARKETABLE SECURITIES

None of the existing securities give or potentially give immediate or future access to the Company's share capital.

3.8.3.2 SHARE SUBSCRIPTION OPTIONS

At 31 December 2023, there were no subscription options outstanding which, if exercised, would result in the issue of an equivalent number of new shares, the last share subscription plan having expired in December 2016.

3.8.3.3 FREE SHARE AWARDS

The shares due to be remitted to employees and senior executives of the Company and of other companies related to the Company between 2024 and 2026 as a result of free share awards made in 2021, 2022 and 2023 will in principle be new shares created through a capital increase by capitalising reserves. The maximum number of shares to be created for that purpose would amount to 2,378,400 shares with a par value of €6.10 each, representing a maximum share capital dilution of 1.69% that will, in principle, be neutralised by cancelling an equivalent number of treasury shares, as has historically been the case.

3.8.4 AUTHORISED, UNISSUED SHARE CAPITAL

The Ordinary and Extraordinary General Meeting of 18 April 2023 renewed all of the financial authorisations previously granted at the Ordinary and Extraordinary General Meeting of 30 June 2021.

In this context, the shareholders authorised the Board of Directors, for a twenty-six-month period:

- to issue, with or without pre-emptive subscription rights, securities giving immediate or future access to the Company's share capital, within the following limits:
  - maximum nominal amount of capital increases which may result from authorised issues without pre-emptive subscription rights and without priority rights: €85 million;
  - maximum nominal amount of capital increases which may result from authorised issues with pre-emptive subscription rights or with priority rights: €320 million;
  - maximum authorised amount for debt issuances: €1,500 million;
  - to increase the share capital by capitalising reserves, profits or issue premiums and award newly-issued free shares to shareholders (or increase the par value of existing shares) within the limit of €320 million;
  - to issue ordinary shares of the Company and/or securities giving access to the Company's share capital, without pre-emptive subscription rights, to be awarded to Group employees within the scope of corporate savings schemes and within an annual limit of 0.5% of the number of shares making up the share capital.

The Ordinary and Extraordinary General Meeting of 18 April 2023 also authorised the Board of Directors to issue, on one or more occasions, securities other than new securities giving access to the Company's capital, up to a maximum amount of €1.5 billion.

With a view to developing the Company's employee ownership, and to meet employees' initial expectations in this regard, the Board of Directors decided to extend free share and performance share plans to a larger number of employees.

In this respect, the Annual General Meeting of 22 April 2022 renewed in advance the authorisations to be granted to the Board of Directors in respect of free and performance share awards by increasing the annual ceiling for such awards from 0.8% to 1.6% per calendar year. Accordingly, the Board of Directors is authorised:

- to award existing or new shares free of consideration and shares with performance conditions to Group employees and senior executives (other than the executive corporate officers of the Company) within an annual limit of 1.6% of the total number of shares making up the share capital;
- to award performance shares free of consideration to the executive corporate officers of the Company within the annual limit (unchanged), for each executive corporate officer, of 0.025% of the total number of shares making up the share capital.

These two authorisations – which were given for periods of 38 months as from 22 April 2022 – superseded the authorisations given for the same purpose at the 30 June 2021 Annual General Meeting.

In 2023, only the authorisations relating to awards of free shares and performance shares were used.

Summary table of authorisations to increase the share capital granted by shareholders to the Board of Directors at the 22 April 2022 and 18 April 2023 Annual General Meetings

Type of authorisation	Term	Description	Utilisations
Annual General Meeting of 18 April 2023			
Issue of securities	26 months		
Securities which do not result in a dilution of the Company's share capital[1]: (13th resolution)		**Maximum nominal amount of debt securities: €1,500 million**	None
Capital increases with pre-emptive subscription rights[1]: (14th resolution)		**Overall ceiling (maximum nominal amount) of capital increases with priority rights: €320 million** ▸ Maximum nominal amount: €280 million ▸ Maximum nominal amount of debt securities: €1,500 million ▸ Possibility for shareholders to have a pre-emptive right to subscribe for any securities not taken up by other shareholders ▸ Possibility to limit a capital increase to 75% of the original amount and to offer all or some of the unsubscribed shares on the market	None
Capital increases without pre-emptive subscription rights[1]:		**Overall ceiling (excluding issues with priority rights): €85 million**	
▸ Public offers with a priority right (15th resolution)		▸ Maximum nominal amount: €170 million ▸ Maximum nominal amount of debt securities: €1,500 million ▸ Priority right for a minimum of five trading days ▸ Maximum discount of 10%	None
▸ Public offers without a priority right (16th resolution)		▸ Maximum nominal amount: €85 million ▸ Maximum nominal amount of debt securities: €1,500 million ▸ Maximum discount of 10%	None
▸ Private placements governed by article L. 411-2 1° of the French Monetary and Financial Code (17th resolution)		▸ Maximum nominal amount: €85 million ▸ Maximum nominal amount of debt securities: €1,500 million ▸ Maximum discount of 10% ▸ Maximum discount of 5%	None
▸ Public exchange offers (19th resolution)		▸ Maximum nominal amount: €85 million ▸ Maximum nominal amount of debt securities: €1,500 million	None
▸ Contributions in kind (19th resolution)		▸ Maximum nominal amount: €85 million ▸ Maximum nominal amount of debt securities: €1,500 million	None
Greenshoe option[3] (18th resolution)		▸ Issue of additional securities subject to the ceilings applicable to the original issue and not exceeding 15% of the original issue amount	None
Capital increases by capitalising reserves, profit and/or share premiums (21st resolution)		**Maximum nominal amount: €320 million** ▸ Rights to fractions of shares neither transferable nor tradable	None
Issue of securities for employees who are members of a corporate savings scheme (22nd resolution)		▸ Annual ceiling: 0.5% ▸ Maximum discount of 30% ▸ Possibility of awarding free shares in replacement of the discount and/or the employer's contribution	None

(1) Subject to the overall ceilings applicable to capital increases and issues of debt securities (20th resolution adopted by the 18 April 2023 Ordinary and Extraordinary General Meeting).

Type of authorisation	Term	Description	Utilisations
Annual General Meeting of 22 April 2022			
Free share awards	38 months		
Free shares (17th resolution)		▸ **0.8% of the share capital per year** ▸ **Maximum nominal amount: approx. €6.9 million/year**	The Board of Directors' meeting of 18 April 2023 set up: (i) a free share plan and a free performance share plan covering a total of 795,350 rights to free shares and performance shares, or 0.56% of the share capital, for 407 beneficiaries(2), and (ii) an extended free share plan for Group employees meeting certain eligibility conditions, covering a total of 704,700 rights to free shares, or 0.50% of the share capital, for a population representing 51.46% of the Group's workforce.
Performance shares (excluding ECOs(1)) (16th resolution)		▸ **0.8% of the share capital per year** ▸ **Maximum nominal amount: approx. €6.9 million/year**	
ECO performance shares (16th resolution)		▸ **0.025%/year/ECO** ▸ **Maximum nominal amount: approx. €0.2 million/year/ECO**	

(1) ECOs: Executive corporate officers of Lagardère SA.
(2) Of which 385,600 free shares for 364 beneficiaries and 409,750 performance shares for 42 beneficiaries.

3.8.5 PLEDGES OF COMPANY SHARES

3.8.5.1 PLEDGES OF REGISTERED SHARES OF THE COMPANY AT 31 DECEMBER 2023

Number of shareholders: 44

Number of shares: 10,947,336 (7.75% of the share capital).

3.8.5.2 PLEDGES OF COMPANY SHARES REGISTERED IN THE NAMES OF SHAREHOLDERS HOLDING MORE THAN 0.5% OF THE SHARE CAPITAL AT 31 DECEMBER 2023

- A total of 10,105,664 shares belonging to Lagardère Capital (formerly Lagardère Capital & Management), representing 7.16% of the share capital, are pledged to BNP Paribas under a financial instruments pledge agreement dated 19 April 2022, until reimbursement of the debt for which they serve as guarantee.
- A total of 808,453 shares belonging to Arjil Commanditée-Arco, a company controlled by Arnaud Lagardère, representing 0.57% of the share capital, are pledged to BNP Paribas under a financial instruments pledge agreement dated 7 November 2022, until reimbursement of the debt for which they serve as guarantee.

3.8.6 STOCK MARKET INFORMATION

3.8.6.1 GENERAL INFORMATION

- Number of shares making up the share capital at 31 December 2023: 141,133,286
- Number of shares listed at 31 December 2023: 141,133,286
- Compartment A
- Ticker symbol: MMB
- ISIN: FR0000130213
- Listed on: Euronext Paris

3.8.6.2 DIVIDENDS (OVER THE LAST FIVE YEARS) AND SHARE PRICES AND TRADING VOLUMES (OVER THE LAST FOUR YEARS)

Dividends per share

Year of payment	Number of shares entitled to dividend	Dividend (€ per share)	Tax credit (€ per share)	Gross dividend (€ per share)	Total dividends (in millions of €)
2019	130,566,820	1.30	None	1.30	169.74
2020	0	0.00	N/A	0.00	0
2021(*)	0	0.00	N/A	0.00	0
2022(*)	140,433,023	0.50	None	0.50	70.217
2023	140,796,209	1.30	None	1.30	183.059

(*) In light of the challenges of solidarity and corporate responsibility resulting from the unprecedented crisis linked to the Covid-19 pandemic, the Managing Partners of the then-partnership limited by shares, in agreement with the Supervisory Board, decided not to pay any dividends in 2020 or 2021 in respect of 2019 and 2020.

Any dividend not claimed within five years from the due date lapses and is paid to Caisse des Dépôts et Consignations.

Trading volumes and changes in the Lagardère SA share price (source: Euronext Paris)

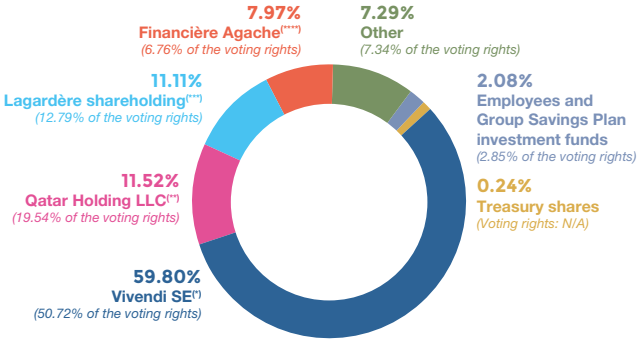
	High for month (in €)	Date of high	Low for month (in €)	Date of low	Closing price (in €)	Average opening price (in €)	Average closing price (in €)	Number of shares traded	Total amount traded (in €m)	Number of trading days
2020										
January	19.76	2 Jan.	17.15	31 Jan.	17.15	18.87	18.71	7,886,283	146.93	22
February	18.70	12 Feb.	15.45	28 Feb.	15.66	18.04	18.00	11,909,045	210.55	20
March	16.12	2 March	8.14	17 March	11.50	11.50	11.26	21,897,214	246.08	22
April	18.20	20 April	11.20	1 April	14.80	14.65	14.85	12,278,459	184.92	20
May	15.73	26 May	10.91	22 May	12.62	13.32	13.16	9,749,560	128.73	20
June	14.48	8 June	11.60	15 June	12.67	12.85	12.83	10,827,157	139.64	22
July	14.70	23 July	11.61	31 July	12.85	13.66	13.69	11,606,984	155.09	23
August	16.74	31 Aug.	12.51	3 Aug.	16.62	14.84	15.04	6,010,770	89.42	21
September	21.46	30 Sept.	14.35	22 Sept.	21.12	17.36	17.60	11,271,281	203.67	22
October	28.48	8 Oct.	18.45	29 Oct.	18.77	23.16	23.20	8,692,122	204.41	22
November	22.40	26 Nov.	18.14	2 Nov.	19.67	19.92	19.90	4,784,290	94.59	21
December	21.36	29 Dec.	19.00	1 Dec.	20.48	20.24	20.32	2,788,041	56.52	22
2021										
January	20.94	4 Jan.	18.70	11 Jan.	19.20	19.49	19.40	2,838,832	55.16	20
February	23.98	23 Feb.	19.20	1 Feb.	22.28	21.60	21.77	2,608,524	57.04	20
March	24.28	10 March	21.58	25 March	22.42	22.93	22.98	2,134,195	49.16	23
April	24.62	26 April	22.02	30 April	22.38	22.74	22.74	2,108,882	48.40	20
May	22.62	3 May	19.20	13 May	20.92	20.31	20.24	3,235,404	65.81	21
June	21.58	8 June	19.92	16 June	20.84	20.96	20.96	1,922,604	39.99	22
July	23.68	30 July	20.10	19 July	23.54	21.30	21.37	2,442,230	53.33	22
August	23.96	2 Aug.	21.00	20 Aug.	23.40	23.01	23.07	1,326,679	30.65	22
September	23.90	16 Sept.	18.60	15 Sept.	22.84	22.16	21.97	8,500,819	18.91	22
October	23.08	4 Oct.	22.52	11 Oct.	22.84	22.67	22.70	1,763,166	40.06	21
November	23.50	25 Nov.	22.66	26 Nov.	22.86	22.96	23.01	1,886,300	43.44	22
December	24.50	29 Dec.	22.80	3 Dec.	24.38	23.91	23.99	3,059,152	73.35	23
2022										
January	24.56	5 Jan.	24.00	21 Jan.	24.14	24.28	24.25	1,341,912	32.49	21
February	25.00	22 Feb.	24.06	10 Feb.	25.38	24.51	24.59	3,390,020	83.92	20
March	25.48	14 March	24.84	7 March	25.34	25.33	25.33	3,292,043	83.25	23
April	25.54	13 April	24.92	25 April	24.96	25.28	25.28	2,194,306	55.51	19
May	25.12	27 May	24.76	25 May	25.00	24.97	24.98	1,744,917	43.59	22
June	25.06	1 June	16.25	30 June	16.41	21.85	21.29	1,682,902	34.11	22
July	19.27	27 July	16.30	1 July	18.31	17.54	17.59	508,246	8.94	21
August	19.30	1 Aug.	15.50	25 Aug.	16.00	17.37	17.15	536,890	9.06	23
September	16.70	6 Sept.	13.43	16 Sept.	15.16	15.33	15.22	1,261,347	18.54	22
October	17.69	31 Oct.	15.04	05 Oct.	17.69	16.24	16.34	253,384	4.15	21
November	20.12	30 Nov.	16.88	03 Nov.	19.21	18.57	18.66	324,619	6.10	22
December	20.62	13 Dec.	18.82	16 Dec.	20.04	19.74	19.79	413,057	8.06	21
2023										
January	21.34	24 Jan.	19.99	6 Jan.	20.44	20.71	20.71	242,813	5.04	22
February	22.42	16 Feb.	20.04	13 Feb.	21.44	20.97	20.99	202,896	4.30	20
March	21.56	1 March	19.50	16 March	20.80	20.46	20.44	343,923	6.94	23
April	24.15	18 April	20.40	3 April	21.85	21.77	21.93	475,733	10.48	18
May	22.50	17 May	20.65	26 May	20.95	21.71	21.70	238,819	5.20	22
June	22.45	12 June	20.90	1 June	21.45	21.44	21.46	225,870	4.88	22
July	21.95	25 July	20.70	27 July	20.85	21.36	21.31	140,397	3.00	21
August	22.05	15 Aug.	20.00	3 Aug.	21.80	21.26	21.32	126,848	2.68	23
September	21.95	4 Sept.	19.16	29 Sept.	19.16	20.75	20.63	357,462	7.09	21
October	19.28	2 Oct.	18.16	27 Oct.	18.74	18.81	18.77	405,942	7.63	22
November	19.22	20 Nov.	17.64	29 Nov.	18.10	18.74	18.69	408,251	7.62	22
December	18.82	22 Dec.	17.82	14 Dec.	18.38	18.28	18.28	304,687	5.55	19
2024										
January	19.10	31 Jan.	17.80	22 Jan.	18.58	18.17	18.16	475,410	8.64	22
February	20.80	16 Feb.	18.44	1 Feb.	20.50	19.96	20.00	643,060	12.60	21

3.8.7 OPTIONS GRANTED TO THIRD PARTIES ON SHARES MAKING UP THE SHARE CAPITAL OF CERTAIN GROUP COMPANIES

Certain investments included in Lagardère SA's consolidated financial statements are subject to put options whose exercise is conditional. These commitments are detailed in the notes to the consolidated financial statements set out in chapter 5 of the 2023 Universal Registration Document. At the date of this Universal Registration Document, there were no other put options concerning all or part of any significant investment held directly or indirectly by Lagardère SA.

3.8.8 SHARE OWNERSHIP STRUCTURE – PRINCIPAL SHAREHOLDERS

Breakdown of share capital and voting rights at 31 December 2023



(*) Based on the shareholding information provided in the latest declared crossings of thresholds set by applicable laws or in the Articles of Association, dated 30 October 2023.
(**) Based on the shareholding information provided in the threshold declaration (pursuant to the Articles of Association) received by the Company on 3 November 2021. In accordance with the Company's Articles of Association, the shares held by Qatar Holding LLC carry double voting rights.
(***) Based on the shareholding information provided in the latest legal threshold crossing declaration dated 14 October 2021. The shareholding information covers Arnaud Lagardère, Lagardère Capital, Lagardère SAS, LM Holding and Arjil Commanditée-Arco.
(****) Based on the shareholding information provided in the threshold declaration received by the Company on 30 May 2022.

3.8.8.1 CHANGES IN SHARE OWNERSHIP STRUCTURE AND VOTING RIGHTS OVER THE LAST THREE YEARS

Shareholders	Position at 31 December 2023				Position at 31 December 2022				Position at 31 December 2021			
	Number of shares	% of share capital	% of voting rights at General Meetings	% of theoretical voting rights	Number of shares	% of share capital	% of voting rights at General Meetings	% of theoretical voting rights	Number of shares	% of share capital	% of voting rights at General Meetings	% of theoretical voting rights
Vivendi SE[1]	84,399,064	59.80	50.72	50.62	81,380,480	57.66	48.48	48.35	63,693,239	45.13	37.27	37.02
Qatar Holding LLC[2]	16,254,216	11.52	19.54	19.50	16,254,216	11.52	19.37	19.32	16,254,216	11.52	19.02	18.90
Lagardère shareholding[3]	15,675,447	11.11	12.79	12.77	15,675,447	11.11	12.68	12.65	15,611,486	11.06	12.42	12.34
Financière Agache[4]	11,250,977	7.97	6.76	6.75	11,250,977	7.97	6.70	6.68	14,073,643	9.97	8.24	8.18
Other shareholders	10,283,335	7.29	7.34	7.33	13,818,370	9.79	10.90	10.86	27,861,769	19.74	21.06	20.90
Employees and Group Savings Plan investment funds	2,936,882	2.08	2.85	2.84	2,302,028	1.63	1.87	1.87	2,479,430	1.76	1.99	1.98
Treasury shares	333,365	0.24	(-)	0.20	451,768	0.32	-	0.27	1,159,503	0.82	-	0.68
Total[5]	**141,133,286**	**100**	**100**	**100**	**141,133,286**	**100**	**100**	**100**	**141,133,286**	**100**	**100**	**100**

(1) Based on the shareholding information provided in the declared crossings of thresholds set by applicable law and in the Articles of Association received by the Company on 30 October 2023.
(2) Based on the shareholding information provided in the threshold declaration (pursuant to the Articles of Association) received by the Company on 3 November 2021. In accordance with the Company's Articles of Association, the shares held by Qatar Holding LLC carry double voting rights.
(3) The shareholding information covers Arnaud Lagardère, Lagardère Capital, Lagardère SAS, LM holding and Arjil Commanditée-Arco.
(4) Based on the shareholding information provided in the threshold declaration (pursuant to the Articles of Association) received by the Company on 30 May 2022.
(5) The total ownership interest of each shareholder or category of shareholders is presented in the table above, rounded to the nearest hundredth.

Of the 2.08% of share capital held by Group employees at 31 December 2023, 0.36% is held via the Group Savings Plan investment funds or directly under employee profit-sharing and savings schemes pursuant to article L. 225-102 of the French Commercial Code.

At 31 December 2023, the share capital was held by 23,578 shareholders and intermediaries directly registered in the Company's register (versus 27,150 at 31 December 2022), with the decrease principally attributable to the subscription of shareholders to the subsidiary offer that remains valid[1].

Changes in the Company's shareholding structure over the past three years are presented above. These changes take into account (i) the allocation of ordinary shares to the General Partners in connection with the Company's conversion into a French joint-stock company in June 2021, (ii) Vivendi SE's acquisition of 25,305,448 shares held by Amber Capital UK LLP in December 2021 and (iii) Vivendi SE's acquisition of 17,687,241 shares under the public offer in 2022. Within the scope of its subsidiary offer, Vivendi SE continued to increase its shareholding in the Company in 2023. Based on a proposal from Vivendi SE, the deadline for the subsidiary offer initially set at 15 December 2023 was extended to 15 June 2025 following the authorisation of the general meeting of beneficiaries of transfer rights held on 11 December 2023.

It should be noted that Vivendi SE, having satisfied the antitrust obligations imposed on it by the European Commission, took control of the Company on 21 November 2023. As a result, Vivendi SE now exercises all the voting rights attached to its shareholding in the Company's capital.

(1) Capitalised terms have the meaning given to them in AMF information notice no. 22-106, and reiterated in AMF notice no. 22-107 in response, both of which are available on the Company's website.

3.8.8.2 REGULATORY SHAREHOLDING THRESHOLD CROSSINGS

Date of AMF notice	Shareholder	Threshold crossed
30 October 2023	Vivendi SE	Above 50% of voting rights on 27 October 2023

3.8.8.3 ACTIONS IN CONCERT

The following action in concert has been disclosed to the Company:

- action in concert by Arnaud Lagardère and the four companies he controls: Lagardère SAS, LM Holding, Arjil Commanditée-Arco and Lagardère Capital (formerly Lagardère Capital & Management).

3.8.8.4 VOTING RIGHTS

Including the double voting rights attributed to shares registered in the name of the same shareholder for at least four years (see article 17 of the Articles of Association), the total number of rights to vote at General Meetings at 31 December 2023 was 166,395,060.

However, in application of AMF regulations, the number of voting rights to be taken into consideration for assessing whether regulatory thresholds have been crossed is the gross number, which at 31 December 2023 amounted to 166,728,425.

Under the Articles of Association, the number of voting rights to be taken into consideration for assessing whether disclosure thresholds have been crossed is the total number of exercisable rights to vote at General Meetings, i.e., 166,395,060 at 31 December 2023.

The total number of voting rights (gross and net) is published every month at the same time as the amount of the share capital, in accordance with article L. 233-8 II of the French Commercial Code and article 223-16 of the AMF's General Regulations.

3.8.8.5 PRINCIPAL SHAREHOLDERS

At 31 December 2023, Arnaud Lagardère, personally and *via* the companies he controls – Lagardère SAS, LM Holding, Lagardère Capital (formerly Lagardère Capital & Management) and Arjil Commanditée-Arco – held 11.11% of the Company's share capital and 12.79% of the voting rights at General Meetings. In accordance with the Company's Articles of Association (see section 2.9.1), a portion of the shares held by Arnaud Lagardère and his companies, LM Holding, Lagardère Capital and Lagardère SAS, carry double voting rights.

To the best of the Company's knowledge, at 31 December 2023, Vivendi SE held 59.80% of the share capital and 50.72% of the voting rights at General Meetings. It should be noted that the voting rights attached to the 84,399,064 shares held by Vivendi SE at 31 December 2023 are now exercisable, as the takeover of the Company was completed on 21 November 2023 following authorisation by the European Commission.

To the best of the Company's knowledge, at 31 December 2023, Qatar Investment Authority (via its subsidiary Qatar Holding LLC) held 11.52% of the share capital and 19.54% of the voting rights at General Meetings. In accordance with the Company's Articles of Association, the shares held by Qatar Holding LLC carry double voting rights.

To the best of the Company's knowledge, at 31 December 2023, Financière Agache held 7.97% of the share capital and 6.76% of the voting rights at General Meetings.

To the best of the Company's knowledge, at 31 December 2023, no other shareholder held more than 5% of the share capital or voting rights directly or indirectly, alone or in concert.

3.8.8.6 SHAREHOLDER AGREEMENTS

To the best of the Company's knowledge, as at 31 December 2023, there were no reported or unreported shareholder agreements relating to Lagardère SA shares.

3.8.8.7 GROUP TO WHICH THE COMPANY BELONGS

As the merger between the Lagardère and Vivendi groups was completed on 21 November 2023 following authorisation by the European Commission, Vivendi SE holds 59.80% of the share capital and 50.72% of the voting rights at General Meetings, which means it controls Lagardère SA within the meaning of article L. 233-1 of the French Commercial Code. A simplified organisation chart is provided in section 1.2 of the Universal Registration Document.

3.8.9 FREE SHARE AWARDS BY LAGARDÈRE SA OR BY ITS RELATED ENTITIES

SPECIAL REPORT OF THE BOARD OF DIRECTORS ON FREE SHARE AWARDS

Pursuant to the provisions of article L. 225-197-4 of the French Commercial Code, the required information concerning free share awards carried out in 2023 is disclosed below.

***

The policy on free share awards is intended to give the Lagardère group's executives worldwide a stake in the Group's growth and consequent rise in value.

The policy enables the Group to single out and foster loyalty among those who have particularly contributed to its performance and whom the Group wishes to retain on a lasting basis in order to future-proof its growth as part of its long-term corporate strategy.

For Lagardère SA's executive corporate officers and the Group's other senior executives, free share awards – which are all subject to exacting performance conditions – are also an important way of incentivising and encouraging a long-term vision.

In accordance with best corporate governance practices, the Lagardère SA free share plans are not just restricted to executive corporate officers and senior executives. They also cover over 400 Group employees each year, notably young high-potential managers identified during the talent management process.

For some beneficiaries, there are no performance conditions attached to the vesting of their shares, although they must have formed part of the Group for at least three years at the vesting date. Free share awards are an important tool in the Group's human resources strategy, enabling it to recruit, incentivise and retain key talent. It is vital for the Group to retain their high-level expertise in diverse, and often highly competitive, fields, even though, due to the nature of their underlying jobs, not all beneficiaries may have a direct impact on the Group's financial performance.

In addition, as free share awards offer fiscal conditions that are more advantageous than cash-based remuneration, they are an effective way of containing payroll costs.

These plans thereby promote the close alignment of the beneficiaries' interests with those of the Company and of its shareholders.

GENERAL INFORMATION

Free shares awarded by the Company which vested in 2023

A total of 142,620 free shares vested in 2023:

- 136,420 shares were issued through capital increases carried out by capitalising reserves, with capital reductions carried out at the same time by cancelling the same number of treasury shares purchased under the Company's share buyback programme;
- 6,200 shares were deducted from the shares allocated for the "award of shares to employees" objective held by the Company as their beneficiaries had been incorrectly considered as not meeting the presence condition, whereas their departure conditions actually allowed them to receive their free shares.

All 142,620 free shares were delivered to beneficiaries under the 8 April 2019 plan.

Rights to free shares granted by the Company in 2023 under a performance share plan and a free share plan without performance conditions

On 22 April 2022, the Company's Board of Directors used the shareholder authorisation given in the 16th and 17th resolutions of the 18 April 2023 Annual General Meeting to award 795,350 rights to free shares (representing 0.56% of the total number of shares making up the Company's capital) to 407 beneficiaries, comprising employees and executive corporate officers of the Company and entities related to it, breaking down as follows:

- 385,600 rights to free shares (representing 0.27% of the total number of shares making up the Company's capital at 31 December 2023) to 365 beneficiaries;
- 409,750 rights to performance shares (representing 0.29% of the total number of shares making up the Company's capital at 31 December 2023) to 42 beneficiaries.

Three-year presence condition

The free shares awarded under this plan will only vest for each of the 407 beneficiaries if, as at midnight on 18 April 2026, they have not resigned or been dismissed for serious or gross misconduct. In addition, for the Deputy Chief Executive Officer, as specified in his 2023 remuneration policy, if he retires or is removed from office for any reason other than for misconduct before the end of said three-year period, only a proportional number of his performance shares will vest.

Vesting period

The shares have a three-year vesting period, expiring on 20 April 2026.

Performance conditions

In addition to the presence condition, the 409,750 performance share rights are subject to six performance conditions. Half of these are financial criteria, representing a total weighting of 70%, and the other half are non-financial criteria, which are equally weighted and represent a total weighting of 30%. These six criteria, assessed over the period from 2023 to 2025 (the "Reference Period"), are as follows:

Financial performance objectives

- **ROCE (Return on Capital Employed) objective**

  ROCE is a relevant performance indicator reflecting the profitability of the Company's operating assets and its ability to create value.

  25% of the performance shares awarded are contingent on the Lagardère group achieving, in the last year of the Reference Period, a return on capital employed (ROCE) between a trigger level and a target level (with the target level corresponding to the level that must be reached in order to receive 100% of the shares contingent on this objective).

- **Free cash flow objective**

  This criterion, which reflects the Group's capacity to finance its investments and pay dividends, is also a key indicator of the Group's financial health.

  25% of the performance shares awarded will vest only if, during the Reference Period, the Lagardère group generates cumulative free cash flow ranging between a trigger level and a target level (with the target level corresponding to the level that must be reached in order to receive 100% of the shares contingent on this objective).

- **Operating margin objective**

  Operating margin is calculated by dividing recurring operating profit of fully consolidated companies (Group recurring EBIT) by revenue, reflecting the profitability of the business, and is also a key indicator used to direct the Group's strategy.

  20% of the performance shares awarded are contingent on the Lagardère group achieving, in the last year of the Reference Period, an operating margin between a trigger level and a target level (with the target level corresponding to the level that must be reached in order to receive 100% of the shares contingent on this objective).

Non-financial performance objectives

30% of the performance shares awarded are contingent on the achievement of precise objectives based on three quantitative criteria related to the Group's priority commitments under its corporate social responsibility policy. These three objectives are as follows:

- **Rate of expenditure with suppliers presenting high CSR risks as assessed by EcoVadis (or equivalent)**

  12% of the performance shares awarded are contingent on the Lagardère group achieving, in the last year of the Reference Period, a rate of expenditure with suppliers presenting high CSR risks (as determined based on EcoVadis assessments or equivalent and divided by total expenditure relating to suppliers presenting high CSR risks) between a trigger level and a target level (with the target level corresponding to the level that must be reached in order to receive 100% of the shares contingent on this objective).

- **Ratio of greenhouse gas emissions relative to the workforce**

  12% of the performance shares awarded are contingent on the Lagardère group achieving, in the last year of the Reference Period, a ratio of Scope 1 (emissions related to direct energy consumption), Scope 2 (emissions related to indirect energy consumption) and certain Scope 3 (emissions related to business travel and commuting) greenhouse gas emissions, relative to the workforce, between a trigger level and a target level (with the target level corresponding to the level that must be reached in order to receive 100% of the shares contingent on this objective).

- **Percentage of women top executives**

  6% of the performance shares awarded are contingent on the Lagardère group achieving, at the end of 2025, a percentage of women top executives (a population of approximately 300 people defined in the Group's executive body gender balance policy) of between a trigger level and a target level (with the target level corresponding to the level that must be reached in order to receive 100% of the shares contingent on this objective).

For each of these six performance conditions:

- the trigger and target levels are set by the Board of Directors;
- 100% of the shares contingent on the objective concerned will vest if the target level is achieved;
- 0% of the shares contingent on the objective concerned will vest if the trigger level is not achieved;
- between 0% and 100% of the shares contingent on the objective will vest on a straight-line basis if the achievement is between the trigger level and the target level.

A summary of the performance conditions is provided in section 3.5.2 of this Universal Registration Document (remuneration section).

Rights to free shares awarded by the Company in 2023 as part of the broad "We Share Lagardère" plan for all Group employees meeting the eligibility criteria defined by the Board of Directors

On 18 April 2023, the Company's Board of Directors used the authorisation granted in the 17th resolution of the 22 April 2022 General Meeting to award 704,700 rights to free shares (0.50% of the total number of shares making up the Company's share capital) to a population representing 51.46% of Group employees. In view of this number of beneficiaries, the individual awards are likely to cover:

- 50 free shares per beneficiary of Lagardère SA; or
- the equivalent of the gross value of fifty (50) ordinary Lagardère LA shares paid in cash for employees meeting the same eligibility conditions but working in countries where free share awards are not feasible for tax or legal reasons.

Eligibility criteria

The eligibility criteria for awards of rights to free shares require employees to:

- hold a valid employment contract with the Group;
- have at least two years' seniority in the Group at 1 April 2023;
- be employed within the Group for 50% or more of working hours;
- not be the beneficiary of any other free share or performance share plans issued by the Company.

Three-year presence condition

For the free shares to vest, and subject to the specific situations set out in the regulations of the "We Share Lagardère" plan, each beneficiary must not have resigned or been dismissed for serious or gross misconduct before midnight on 18 April 2026.

Vesting period

The shares have a three-year vesting period, expiring on 20 April 2026.

Free share plans granted by the Company and in effect in 2023

The main characteristics of all the free share plans which expired in 2023 or were in effect at 31 December 2023 are summarised in the table below.

Date of the plan	Total number of shares awarded	Total number of rights eliminated	Total number of awarded shares vested	Total number of outstanding awarded non-vested rights
8 April 2019	474,990	21,050	453,940	0
24 September 2021	783,000	-	-	783,000
14 March 2022	806,800	3,750	-	803,050
18 April 2023(1)	795,350	3,000	-	792,350
18 April 2023(2)	704,700	0	-	704,700
Total	**3,564,840**	**27,800**	**453,940**	**3,083,100**

(1) Performance share plan and free share plan with no performance conditions granted under the authorisation given by the General Meeting of 22 April 2022 (16th and 17th resolutions).
(2) "We Share Lagardère" plan awarded under the authorisation given by the General Meeting of 22 April 2022 (17th resolution).

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Awards of free shares by entities or groups related to the Company

None.

SPECIFIC INFORMATION ON THE EXECUTIVE CORPORATE OFFICERS AND EMPLOYEES OF LAGARDÈRE SA

1. In 2023, Pierre Leroy, an employee of Lagardère Management and Deputy Chief Executive Officer of Lagardère SA, was awarded 35,000 rights to performance shares under the 18 April 2023 plan (representing 0.025% of the total number of shares making up the Company's capital at 31 December 2023 and a total value of €703,850 calculated in accordance with IFRS).

In accordance with the recommendations of the Afep-Medef Code and the Company's Appointments, Remuneration and CSR Committee, this award complies with the framework set by Lagardère SA's Board of Directors which, at its meeting on 18 April 2023, confirmed the terms and conditions governing the caps and lock-up conditions applicable to free shares awarded to the Deputy Chief Executive Officer.

2. In 2023, Lagardère SA's executive corporate officers were not awarded any free shares by the entities and groups related to Lagardère SA within the meaning of article L. 225-197-2 of the French Commercial Code, or the companies that it controls within the meaning of article L. 233-16 of said Code.
3. In 2023, two of Lagardère SA's employees were awarded a total of 6,000 rights to performance shares (representing 0.004% of the total number of shares comprising the share capital at 31 December 2023 and a total value of €122,339 calculated in accordance with IFRS), i.e., an average of 3,000 rights to shares awarded per person (representing a value of €66,169.5 under IFRS).
4. In 2023, Lagardère SA's employees were not awarded any free shares by the companies and groups related to Lagardère SA within the meaning of article L. 225-197-2 of the French Commercial Code, or the companies that it controls within the meaning of article L. 233-16 of said Code.

3.9 ITEMS THAT COULD HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER AFR

Pursuant to article L. 22-10-11 of the French Commercial Code, the items that could have an impact in the event of a public offer are set out below.

3.9.1 CAPITAL STRUCTURE AND DIRECT AND INDIRECT SHAREHOLDINGS IN LAGARDÈRE SA

In accordance with the disclosure requirements in articles L. 233-7 (disclosure thresholds) and L. 233-12 of the French Commercial Code, information of which the Company is aware relating to Lagardère SA's capital structure and direct and indirect shareholdings in the Company is provided in section 3.8 below.

3.9.2 RESTRICTIONS ON THE EXERCISE OF VOTING RIGHTS SET IN THE COMPANY'S ARTICLES OF ASSOCIATION AND SPECIFIC TERMS RELATED TO SHARE TRANSFERS PROVIDED FOR IN THE ARTICLES OF ASSOCIATION OR AGREEMENTS BROUGHT TO THE COMPANY'S ATTENTION

Lagardère SA's Articles of Association provide for:

- the allocation of double voting rights after four years of uninterrupted share ownership (see article 17 of the Company's Articles of Association);
- a disclosure requirement when a shareholder increases or decreases its interest to above or below a threshold of 1% of the voting rights. If this disclosure requirement is not respected, the shares in excess of the relevant disclosure threshold will be stripped of voting rights. If the omission is remedied, the voting rights concerned will only be exercisable in General Meetings held after the expiry of a two-year period following the remedy date (see article 17 of the Articles of Association);
- a minimum shareholding requirement for Board members corresponding to 150 shares, with the exception of the members representing employees (see article 11 of the Company's Articles of Association and article 4.4 of the Board of Directors' Internal Rules of Procedure).

There are no other restrictions on, or specific conditions related to, share transfers provided for in the Articles of Association, nor have any agreements been brought to the Company's attention in accordance with article L. 233-11 of the French Commercial Code, except for those described in section 3.3.4 of this chapter.

3.9.3 HOLDERS OF SECURITIES WITH SPECIAL CONTROL RIGHTS OVER LAGARDÈRE SA

There are no holders of securities with special control rights.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

3.9.4 CONTROL MECHANISMS UNDER A POTENTIAL EMPLOYEE SHARE OWNERSHIP SCHEME

In accordance with the internal rules of the company investment fund, FCPE Lagardère Actionnariat, the voting rights attached to the shares held by the employees or former employees of the Group are exercised by a representative appointed by the Supervisory Board of the said fund in order to represent them at General Meetings.

In accordance with the tasks assigned to it pursuant to article L. 214-164 of the French Monetary and Financial Code, the Supervisory Board decides on the contribution of shares.

At 31 December 2023, FCPE Lagardère Actionnariat held 515,972 shares representing 0.37% of the share capital and 0.59% of the rights to vote at General Meetings.

3.9.5 SHAREHOLDER AGREEMENTS THAT LAGARDÈRE SA IS AWARE OF AND WHICH MAY RESULT IN RESTRICTIONS ON THE TRANSFER OF SHARES AND THE EXERCISE OF VOTING RIGHTS

There are no shareholder agreements of which the Company is aware that could result in restrictions on the transfer of shares and the exercise of the Company's voting rights.

3.9.6 RULES APPLICABLE TO THE APPOINTMENT AND REPLACEMENT OF MEMBERS OF THE BOARD OF DIRECTORS, AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The rules for appointing and replacing members of the Board of Directors are described in article 12 of the Articles of Association (see Appendix A1 of this document) and in the Board of Directors' Internal Rules of Procedure (see Appendix A2 of this document).

The rules related to amending the Articles of Association are described in article 19 thereof.

3.9.7 POWERS OF THE BOARD OF DIRECTORS IN THE EVENT OF A PUBLIC OFFER

In accordance with article 231-40 of the AMF's General Regulations, the share buyback authorisation may not be used during a public offer for the Company's shares.

Furthermore, the Board of Directors may not decide to issue shares or other securities, with or without pre-emptive subscription rights, during the entire period of any public offer for Lagardère SA shares.

3.9.8 MAIN AGREEMENTS ENTERED INTO BY LAGARDÈRE SA THAT WOULD BE AMENDED OR TERMINATED IN THE EVENT OF A CHANGE OF CONTROL OF LAGARDÈRE SA

To the best of the Company's knowledge and at the date of this Universal Registration Document, most of the financing agreements described in section 1.5.2 of this Universal Registration Document, to which the Company is a party, provide for early repayment clauses in the event of a change of control.

3.9.9 AGREEMENTS PROVIDING FOR THE PAYMENT OF INDEMNITIES TO EXECUTIVE CORPORATE OFFICERS OR EMPLOYEES IF THEY RESIGN OR ARE UNFAIRLY DISMISSED OR IF THEIR EMPLOYMENT IS TERMINATED DUE TO A PUBLIC OFFER

To the best of the Company's knowledge, there is no specific agreement providing for the payment of indemnities to the Company's Chairman and Chief Executive Officer, Deputy Chief Executive Officer or two employees if they resign or if their employment is terminated due to a public offer.

3.10 APPENDICES AFR

3.10.1 ARTICLES OF ASSOCIATION OF LAGARDÈRE SA

I THE COMPANY

ARTICLE 1 LEGAL FORM

Lagardère (hereinafter the "**Company**") was incorporated on 24 September 1980 as a French joint-stock company (*société anonyme*) and subsequently converted into a partnership limited by shares (*société en commandite par actions*) on 30 December 1992 by decision of the Ordinary and Extraordinary General Meeting of Shareholders of 30 December 1992.

By decision of the Ordinary and Extraordinary General Meeting of 30 June 2021, and with the prior agreement of the General Partners, the Company was converted into a joint-stock company (*société anonyme*) with a Board of Directors.

The Company is governed by these Articles of Association and by the laws, decrees and regulations applicable to French joint-stock companies.

ARTICLE 2 COMPANY NAME

The name of the Company is "Lagardère SA".

ARTICLE 3 CORPORATE PURPOSE

The Company's corporate purpose is, in France or abroad:

1. to acquire any form of interests or investments in all types of company or business, whether French or foreign, by any appropriate means;
2. to manage any type of transferable security portfolio and to carry out any related spot or forward transactions, whether contingent or not;
3. to acquire and license any patents, trademarks, and commercial and industrial businesses;
4. and more generally, to carry out any commercial, financial, industrial, security and property transactions related to the above purposes or to any other purpose related thereto which would be likely to promote and develop the Company's business.

ARTICLE 4 REGISTERED OFFICE

The head office is located at 4 Rue de Presbourg, 75116 Paris, France.

It may be transferred to any other place, pursuant to the applicable laws and regulations.

ARTICLE 5 TERM OF THE COMPANY

The term of the Company is set at 99 years commencing on 16 December 1980, the date of its registration with the Trade and Companies Registry.

II SHARE CAPITAL

ARTICLE 6 SHARE CAPITAL

The share capital is set at €860,913,044.60, represented by 141,133,286 shares with a par value of €6.10, all ranking *pari passu* and fully paid up.

ARTICLE 7 CHANGES IN THE SHARE CAPITAL

The share capital may be increased or reduced by any method or means authorised by the regulations.

The General Meeting may, in accordance with the law and regulations, delegate all necessary authority and/or powers to the Board of Directors to decide to increase the share capital, issue any securities giving rights to shares, or reduce the share capital, set the amount and the terms and conditions thereof and take any action required to ensure that the operation is properly completed, or to perform all such operations directly.

ARTICLE 8 FORM AND TRANSFER OF SHARES

The shares are registered shares.

They are registered in a shareholder account under the terms and conditions provided by the applicable laws and regulations.

The shares are freely transferable and negotiable, under the terms and conditions provided by the applicable laws and regulations. The ownership of shares results from their registration in the share register under the conditions set by the applicable regulations.

ARTICLE 9 RIGHTS AND OBLIGATIONS ATTACHED TO SHARES

Each share confers the right to a share in the assets and profits of the Company and in the liquidation surplus in proportion to the amount of capital it represents.

The shareholders' liability for the Company's debts is limited to the amount of their contributions, namely, to the value of the shares they own.

Each share gives the right to take part in and vote at General Meetings under the conditions and subject to the exceptions provided for by the applicable laws and regulations and by these Articles of Association.

Any person owning one or more shares is bound by these Articles of Association and by the decisions taken by General Meetings.

Whenever several shares are required to be held for the purpose of exercising a right, shareholders are personally responsible for obtaining the required number of shares, with no right to take action against the Company in this respect.

Each share is indivisible with regards to the Company. Consequently, joint owners of shares must be represented vis-à-vis the Company by one or other of said owners or by a single representative.

Each of the shares gives the right to receive the same net amount in the event of distribution or repayment. Consequently, all the shares are equally subject to any tax exemptions and any taxes payable by the Company to which such distribution or repayment may give rise.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

ARTICLE 10 DISCLOSURE OF HOLDINGS EXCEEDING SPECIFIC THRESHOLDS

Without prejudice to the provisions of article L. 233-7 of the French Commercial Code (*Code de commerce*), any person who holds, directly or indirectly, as defined in article L. 233-7, 1% or more of the voting rights at General Meetings, must, within five calendar days following the date the threshold was crossed and, as applicable, irrespective of the date on which ownership of the shares was effectively transferred, disclose to the Company, by registered letter with acknowledgement of receipt, addressed to the registered office, the total number of shares and voting rights held. For registered shareholders and intermediaries not residing in France, this disclosure may be made by means of a procedure equivalent to that of a registered letter with acknowledgement of receipt in use in their country of residence. Such procedure must furnish the Company with proof of the date on which the disclosure was sent and received.

A further disclosure must be made in the conditions described above each time a threshold of a further 1% is exceeded.

Failing a disclosure in the conditions described above, all shares in excess of the threshold for which disclosure should have been made lose their voting rights in respect of any General Meeting that may be held within a two-year period following the date on which the disclosure is finally made, upon request of one or more shareholders holding 5% or more of the share capital, such request being duly recorded in the minutes of the General Meeting. In these same circumstances, voting rights attached to such shares for which proper disclosure has not been made may not be exercised by the shareholder in default, nor may said shareholder delegate such rights to others.

If necessary, the Company may, at any time, identify the holders of equity securities or bondholders, in accordance with the applicable legal and regulatory conditions.

III MANAGEMENT OF THE COMPANY

ARTICLE 11 MEMBERSHIP OF THE BOARD OF DIRECTORS

1. The Company is managed by a Board of Directors comprising at least eight and no more than nine members, individuals or legal entities, in addition to one or two members representing employees, appointed in accordance with the terms and conditions set out in article 11.6 below.

2. The term of office of members of the Board of Directors is four years. It terminates at the close of the Annual General Meeting called to approve the financial statements for the preceding year held during the year in which the member's term of office expires. Members of the Board of Directors may be re-appointed. However, by way of exception:

- the Ordinary General Meeting may appoint or re-appoint members of the Board of Directors for a term exceeding four years, without however exceeding six years, it being specified that the Board of Directors may not, at any given time, have more than one member whose remaining term of office exceeds four years;
- the Ordinary General Meeting may appoint or re-appoint one or several members for a term of less than four years for the sole purpose of ensuring the staggered re-appointment of the Board, such that subsequent re-appointments apply only to a portion of its members each time.

3. No more than one-third of the members of the Board of Directors in office may be over seventy-five years old. If this proportion is exceeded, the oldest member is automatically deemed to have resigned.

4. Each member of the Board of Directors (other than the members representing employees or employee shareholders) must own at least 150 shares of the Company and have three months from the date of their appointment in which to acquire such shares, if not already in their possession at the time of their appointment. Any member who ceases to own the required number of shares during their term of office will automatically be deemed to have resigned if this situation is not remedied within three months.

5. In the event of a vacancy following death, resignation or for any other reason, the Board may appoint one or more replacement members on a provisional basis. Provisional appointments are confirmed at the next Annual General Meeting.

The replacement member's term of office is for the period remaining until the end of the predecessor's term of office.

If a provisional appointment is not confirmed at the General Meeting, the Board of Directors' decisions nonetheless remain valid.

6. Where the provisions of article L. 225-27-1 of the French Commercial Code apply to the Company, the Board of Directors also includes one or two members representing Group employees and designated by the Group Employees' Committee.

The Board of Directors will have two employee directors when the number of the other Board members as determined in accordance with article L. 225-27-1 of the French Commercial Code exceeds eight, and one employee representative member when the number of the other Board members as so determined is equal to or less than eight. When two employee directors are appointed, one must be a man and the other a woman.

Subject to the provisions of this article and of the French Commercial Code, employee directors have the same status, powers and responsibilities as the other directors.

The term of office of members of the Board of Directors representing employees is four years.

If the number of the other members of the Board of Directors as referred to in article L. 225-27-1 of the French Commercial Code falls to eight or less, the terms of office of the sitting employee directors will not be affected and will remain in force until their scheduled expiry date.

If the seat of an employee director falls vacant for any reason, it will be filled in accordance with the conditions set out in article L. 225-34 of the French Commercial Code.

ARTICLE 11 *BIS* BOARD ADVISOR (*CENSEUR*)

In addition to the members of the Board of Directors referred to in article 11, one Board Advisor (*censeur*) may be appointed to the Board of Directors by the shareholders on the Board's recommendation. The Board Advisor must be a natural person and may be chosen from among the shareholders. The General Meeting determines the duration of the Board Advisor's term of office, which may not exceed four years, and can remove the Board Advisor from office at any time.

The Board Advisor is invited to all meetings of the Board of Directors pursuant to the same procedure applicable to its members, and attends meetings in an advisory capacity only.

The Board of Directors determines the terms of the remuneration of the Board Advisor, and may decide to allocate to the Board Advisor a portion of the remuneration that the Ordinary General Meeting has allocated to the members of the Board of Directors.

ARTICLE 12 MEETINGS OF THE BOARD OF DIRECTORS

1. The Board of Directors elects from among its members a Chairman, who must be an individual, to exercise the duties provided for by law. The Chairman of the Board of Directors organises and leads the work of the Board, reports thereon to shareholders at the General Meeting and oversees the smooth functioning of the Company's governance bodies. He/she ensures that the directors are able to properly perform their duties.

The Board of Directors determines the remuneration of the Chairman, in accordance with the applicable regulations, and sets the Chairman's term of office, which may not exceed his/her term as a director. The Chairman may be re-elected. The age limit for the Chairman of the Board of Directors is 80 years.

If deemed useful, the Board of Directors may appoint a Vice-Chairman from among its members. The Vice-Chairman is subject to the same age limit as the Chairman. The Vice-Chairman has the duty of replacing the Chairman if he/she is temporarily prevented from fulfilling his/her duties, or in the event of his/her death. This substitution applies: (i) in the event of temporary unavailability, for as long as the Chairman is unavailable; (ii) in the event of death, until a new Chairman is elected.

The Board of Directors chooses a secretary, who need not be a member of the Board. The Vice-Chairman and the Board Secretary remain in post for the period determined by the Board of Directors. In the case of the Vice-Chairman, this period may not exceed his/her term of office as a director.

2. In the event of the unavailability of the Chairman and of the Vice-Chairman, where applicable, the Board of Directors appoints a chairman for each meeting from among the members present. In the event of the unavailability of the Board Secretary, the Board of Directors appoints a substitute from among its members or a third party.

3. Meetings of the Board of Directors are held at the registered office or at any other location as indicated in the notice of meeting. The Board of Directors meets as often as required by the interests of the Company.

Meetings may be called by any written means (including by e-mail) by the Chairman of the Board of Directors or, in the absence of the Chairman, by the Vice-Chairman. The agenda is prepared by the person calling the meeting. However, the Board of Directors may meet without advance notice and without a pre-established agenda: (i) if all of the sitting directors are present or represented at the meeting in question, or (ii) if the meeting is called by the Chairman during a General Meeting.

At least one-third of the directors may at any time request the Chairman to convene the Board of Directors with a specific meeting agenda. If the Chairman does not call the meeting within seven calendar days, the directors having requested the meeting of the Board of Directors may directly convene the Board of Directors to deliberate on the agenda initially sent to the Chairman.

4. At least half of the members must participate in order for the Board of Directors' decisions to be valid.

Decisions are made by a majority vote of the members present or represented and qualified to vote. In the event of a tied vote, the Chairman has the casting vote.

In calculating the quorum and majority, Board members attending the meeting via video conferencing or other telecommunications technology are considered to be present subject to the conditions provided for in the Rules of Procedure of the Board of Directors established by the Board of Directors.

The Board of Directors' deliberations are recorded in minutes entered into a special register and signed by the meeting chairman and secretary or by the majority of members present.

The Board of Directors may take decisions by way of a written consultation among its members under the conditions provided for in the applicable laws and regulations. The arrangements for such consultation are set out in the Rules of Procedure established by the Board of Directors.

5. By way of exception to article 12 4° above, the specific majority rules set out below will apply until 30 June 2027:

- decisions relating to the appointment or removal of the Chief Executive Officer are taken by a majority of two-thirds of all the votes of the Board of Directors, regardless of the conditions of quorum of the meeting or consultation during which these decisions are taken;
- decisions relating to the appointment of the assistant managing directors (*directeurs généraux adjoints*) are taken by a majority of two-thirds of all the votes of the Board of Directors, regardless of the conditions of quorum of the meeting or consultation during which these decisions are taken;
- decisions relating to the appointment or removal of the Vice Chief Executive Officers are taken by a majority of two-thirds of all the votes of the Board of Directors, regardless of the conditions of quorum of the meeting or consultation during which these decisions are taken;
- decisions relating to the remuneration of the Chief Executive Officer and Deputy Chief Executive Officers are taken by a majority of two-thirds of all the votes of the Board of Directors, regardless of the conditions of quorum of the meeting or consultation during which these decisions are taken, where these decisions concern the reduction of said remuneration or the toughening of the associated conditions.

ARTICLE 13 POWERS OF THE BOARD OF DIRECTORS

1. The Board of Directors determines the orientations of the Company's business and ensures their implementation in line with its corporate interest and taking into consideration the social and environmental issues surrounding its activities. Subject to those powers expressly attributed to the General Meeting, and within the limits of the corporate purpose, the Board addresses all matters concerning the smooth running of the Company and, through its deliberations, controls all matters concerning this.

The Board of Directors proceeds with such controls and verifications as it deems appropriate.

2. The Board of Directors may decide to create committees to study matters submitted for their opinion by the Board of Directors or its Chairman; the Board of Directors defines their membership, their terms of reference and, where applicable, the remuneration of their members in accordance with the applicable regulations and with the Rules of Procedure established by the Board of Directors. The Board of Directors may assign to one or more of its members any special duties for one or more determined purposes.

ARTICLE 14 REMUNERATION OF THE BOARD OF DIRECTORS

The Board of Directors may be allocated annual fixed remuneration, whose amount is fixed by the Ordinary General Meeting and remains unchanged until otherwise decided by a subsequent General Meeting.

The Board of Directors allocates the amount of this remuneration among its members, and allocates any other remuneration to its members, under the conditions provided for by the applicable regulations.

IV GENERAL MANAGEMENT

ARTICLE 15 GENERAL MANAGEMENT

15.1 Choice between the two methods of General Management organisation

The Company's General Management is conducted, under his/her responsibility, either by the Chairman of the Board of Directors, who then has the title of Chairman and Chief Executive Officer, or by another individual appointed by the Board of Directors, in accordance with article 15.2° hereafter, with the title of Chief Executive Officer, according to the decision of the Board of Directors on the choice between the two methods of General Management organisation. The shareholders and third parties are notified of this choice under the conditions set by the applicable laws and regulations.

When the General Management of the Company is conducted by the Chairman of the Board of Directors, the provisions below concerning the Chief Executive Officer apply to the Chairman.

15.2 Chief Executive Officer and Deputy Chief Executive Officers

1. The Chief Executive Officer may be chosen from among the directors or otherwise.
2. On the recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more individuals responsible for assisting the Chief Executive Officer, with the title of Deputy Chief Executive Officer. The Deputy Chief Executive Officer may also be a director. The number of Deputy Chief Executive Officers may not exceed five. In agreement with the Chief Executive Officer, the Board of Directors determines the scope and term of the powers granted to the Deputy Chief Executive Officer(s). With respect to third parties, the Deputy Chief Executive Officers possess the same powers as the Chief Executive Officer.
3. The age limit for persons occupying the position of Chief Executive Officer or Deputy Chief Executive Officer is 80 years. If the Chief Executive Officer or a Deputy Chief Executive Officer reaches this age limit during the course of his/her term of office as Chief Executive Officer or Deputy Chief Executive Officer, as the case may be, they are deemed to have automatically resigned on the date of their eightieth birthday.

   The Board of Directors sets the term of office of the Chief Executive Officer and the Deputy Chief Executive Officers.

   The term of office of a Chief Executive Officer or Deputy Chief Executive Officer who is a director may not exceed his/her term of office as a director.

   The Chief Executive Officer may be removed at any time by decision of the Board of Directors. The same applies to the Deputy Chief Executive Officers, following a recommendation by the Chief Executive Officer. If the removal from office is decided without just cause, it may give rise to damages, unless the Chief Executive Officer performs the duties of Chairman of the Board of Directors.

   When the Chief Executive Officer ceases to exercise his/her functions or is prevented from doing so, unless there is a decision to the contrary by the Board of Directors, the Deputy Chief Executive Officers retain their functions and their duties until a new Chief Executive Officer is appointed.

   If the Chief Executive Officer is temporarily prevented from performing his/her duties, the Board of Directors may delegate a director to perform the duties of Chief Executive Officer.

   The Board of Directors sets the remuneration of the Chief Executive Officer and the Deputy Chief Executive Officers, in accordance with the applicable regulations.
4. The Chief Executive Officer has the broadest powers to act in any circumstances in the name of the Company. The Chief Executive Officer exercises these powers within the limit of the corporate purpose and subject to the powers expressly attributed by law to the General Meeting and to the Board of Directors.

   The Chief Executive Officer represents the Company in its relations with third parties. The Company is bound by the actions of the Chief Executive Officer even if they do not fall within the corporate purpose, unless it can prove that the third party knew that the action in question went beyond the corporate purpose or could not have been unaware of that fact given the circumstances, on the understanding that the mere publication of the Articles of Association is not sufficient evidence of the foregoing.

   Any provisions in the Articles of Association or any decisions by the Board of Directors limiting the powers of the Chief Executive Officer are not binding on third parties.

   The Chief Executive Officer and the Deputy Chief Executive Officers may, within the limits set by the applicable laws, delegate any powers they deem appropriate, for one or more determined purposes, to any representatives, even from outside the Company, acting individually or as part of a committee or commission. Such powers may be permanent or temporary, and may include a right of substitution.

V STATUTORY AUDITORS

ARTICLE 16 STATUTORY AUDITORS

One or more Principal Statutory Auditors and, where necessary, one or more Substitute Statutory Auditors, are appointed for the duration, in accordance with the terms and conditions and with the roles and responsibilities provided for in the applicable laws and regulations.

VI GENERAL MEETINGS OF SHAREHOLDERS

ARTICLE 17 GENERAL MEETINGS

1. General Meetings are called in accordance with the conditions provided for by the applicable regulations.

   They are held at the registered office or at any other location as indicated in the notice of meeting. Notices of meeting are issued in the manner and within the time period provided by the applicable regulations.
2. The agenda of the General Meeting is prepared by the person calling the meeting. However, one or more shareholders representing no less than the proportion of share capital required by law and acting in compliance with legal requirements and time limits, may, by registered letter with acknowledgement of receipt, require draft resolutions to be placed on the meeting agenda.

   The General Meeting may not deliberate on any matter not on the agenda. The agenda may not be amended when a meeting is called for the second time. Notwithstanding the above, the General Meeting may, in any circumstances, remove one or several members of the Board of Directors and appoint their replacement(s).

3. Each shareholder has the right to attend General Meetings and to take part in the deliberations, either personally or through a proxy, subject to providing proof of their identity and to submitting evidence of the registration of their shares in the registered shareholders' accounts kept by the Company – either in their own name or in the name of the Authorised Intermediary acting on their behalf in accordance with the seventh paragraph of article L. 228-1 of the French Commercial Code – in the Company's share register under the conditions and within the deadlines provided for by the applicable regulations.

   Subject to the conditions provided for by the applicable laws and regulations, the shareholders may, by a decision of the Board of Directors, participate in General Meetings by video conferencing and vote by means of electronic communication. The Board of Directors sets the practical arrangements for this method of attendance and voting. The technologies used must guarantee, as the case may be, the continuous and simultaneous transmission of the deliberations of the meeting, the security of the means used, the verification of the identity of those participating and voting and the integrity of the votes cast.

   If a shareholder decides, further to a decision of the Board of Directors taken in accordance with the terms of the second paragraph of this article above, to cast a postal vote or vote online, give proxy to another shareholder or send a blank proxy form to the Company by returning the corresponding form electronically, the electronic signature on that form must:

   - either take the form of a secure electronic signature as defined by law at that time;
   - or result from the use of a reliable identification procedure guaranteeing the connection between the shareholder and the document to which his/her identity is attached or from any other procedure for identification and/or verification admitted by law at that time.

4. At each General Meeting, the shareholders each have a number of votes equal to the number of shares they own or represent. However, voting rights double those attributed to other shares as a proportion of the share capital they represent – two votes for each share – are attributed to all those shares which are fully paid up and which have been registered in the name of the same shareholder for at least four years. Shareholders entitled to double voting rights on the date at which the Company was converted into a joint-stock company retain their double voting rights.

   Furthermore, where the Company's share capital is increased by incorporation of reserves, profits or share premiums, a double voting right is granted, from the date of issue, in respect of registered shares distributed free of charge to the holder of shares which originally carried double voting rights.

   Transfer of title to a share results in the loss of the double voting rights.

   However, transfer as a result of inheritance, the liquidation of commonly-held property between spouses or an *inter vivos* gift to a spouse or to a relative automatically entitled to inherit under French law does not cause existing double voting rights to lapse, nor does it interrupt the four-year period referred to above. Similarly, the merger or demerger of the Company has no effect on double voting rights, which may be exercised within the resulting company or companies if the articles of association of the said companies recognise such rights.

   For pledged shares, the right to vote is exercised by the owner. For shares where beneficial ownership and bare ownership are separated, the right to vote is exercised by the beneficial owner (*usufruitier*) at Ordinary General Meetings, and by the bare owner (*nu-propriétaire*) at Extraordinary General Meetings.

5. An attendance register containing the information required by law is kept for each General Meeting.

   The attendance register is signed by all shareholders present and by the proxy holders. The meeting officers may decide to append the powers of attorney given to each proxy holder and the postal voting forms to the register, in hard copy, electronic or digital format. On the basis of specifications provided by the establishment in charge of organising the General Meeting, the attendance register is certified as accurate by the meeting officers and signed by said officers and by the meeting secretary.

6. General Meetings are chaired by the Chairman of the Board of Directors or, in the absence of the Chairman, by the Vice-Chairman, or by a member of the Board of Directors appointed by the Vice-Chairman. If the person entitled or appointed to chair the Meeting fails to do so, the General Meeting elects its own chair.

   The role of vote teller (*scrutateur*) is performed by the two shareholders in attendance having the greatest number of shares, either directly or by way of proxy, who must consent thereto. The meeting officers (chair and vote tellers) appoint a secretary, who need not be a shareholder.

   The meeting officers verify, certify and sign the attendance register, ensure that the deliberations are properly held, settle any differences that may arise in the course of the meeting, ensure that the minutes of the meeting are prepared and, with the establishment in charge of organising the General Meeting, verify the votes cast and ensure their validity.

7. Minutes recording the deliberations of each General Meeting are entered in a special register signed by the meeting officers. The minutes, prepared and recorded in this form, are considered to be a genuine transcript of the General Meeting. All copies of, or extracts from, the minutes must be certified by the Chairman of the Board of Directors, by a director holding the position of Chief Executive Officer, or by the meeting secretary.

ARTICLE 18 ORDINARY GENERAL MEETINGS

1. Ordinary General Meetings may be called at any time. However, an Ordinary Annual General Meeting must be held at least once a year within six months of the close of each financial year.
2. The Ordinary Annual General Meeting examines the reports prepared by the Board of Directors and the reports of the Statutory Auditors. It reviews and approves the Company's financial statements for the previous year and the proposed allocation of profit, in accordance with the applicable laws and these Articles of Association. In addition, the Ordinary Annual General Meeting and any other Ordinary General Meeting may appoint or remove the members of the Board of Directors, appoint the Statutory Auditors and vote on all matters within its remit and included on the meeting agenda, with the exception of those matters defined in article 19 as being exclusively within the remit of an Extraordinary General Meeting.
3. All the shareholders fulfilling the conditions set by law are called to attend the Ordinary General Meeting.

   The deliberations of an Ordinary General Meeting held at first call are valid only if the shareholders present, represented or having voted online or by post hold at least one-fifth of the shares carrying voting rights. At second call, the deliberations are valid irrespective of how many shareholders are present, represented or have voted online or by post.

4. These resolutions are passed by a majority vote of the shareholders present, represented or having voted online or by post at the General Meeting. The votes cast do not include those attached to shares for which the shareholder did not take part in the vote, abstained or cast a blank or void ballot.

ARTICLE 19 EXTRAORDINARY GENERAL MEETINGS

1. The remit of the Extraordinary General Meeting includes any amendments of these Articles of Association for which the approval by an Extraordinary General Meeting is required by law, including but not limited to, and subject to the provisions of these Articles of Association, the following:
   - an increase or reduction of the Company's share capital;
   - a change in the terms and conditions of share transfers;
   - a change in the corporate purpose, term or registered office of the Company, subject to the powers granted to the Board of Directors to relocate the Company's registered office pursuant to the law;
   - the conversion of the Company into a different corporate form;
   - the winding-up of the Company;
   - the merging of the Company;
   - and all other matters within the remit of the Extraordinary General Meeting, in accordance with the law.
2. All the shareholders under the conditions set down by law are called to attend the Extraordinary General Meeting.

   The deliberations of an Extraordinary General Meeting held at first call are valid only if the shareholders present, represented or having voted online or by post hold at least a quarter of the shares carrying voting rights. The deliberations of an Extraordinary General Meeting held at second call are valid only if the shareholders present, represented or having voted online or by post hold at least one-fifth of the shares carrying voting rights.
3. In all cases, the resolutions of Extraordinary General Meetings are passed by a vote in favour by at least two-thirds of the votes cast by shareholders present, represented or having voted online or by post. The votes cast do not include those attached to shares for which the shareholder did not take part in the vote, abstained or cast a blank or void ballot.

ARTICLE 20 SHAREHOLDER INFORMATION

Each shareholder is entitled to have access to or, where applicable, receive documents relating to the Company under the terms and conditions provided by the applicable laws and regulations.

VII FINANCIAL STATEMENTS – ALLOCATION OF PROFIT

ARTICLE 21 FINANCIAL YEAR

The Company's financial year begins on 1 January and ends on 31 December of each year.

ARTICLE 22 FINANCIAL STATEMENTS

The Board of Directors draws up an inventory of the Company's assets and liabilities at the end of each financial year.

It also draws up a balance sheet describing the assets and liabilities and separately showing shareholders' equity, an income statement summarising income and expenses for the financial year, and notes to the financial statements supplementing and commenting on the information given in the balance sheet and the income statement.

All necessary depreciation, amortisation and provisions are recognised even if there is no or insufficient profit. A statement of the guarantees, endorsements and undertakings given and the sureties granted by the Company is appended to the balance sheet.

The Board of Directors prepares a management report which describes the position of the Company and that of its subsidiaries during the past financial year, foreseeable changes and any significant events occurring between the end of the financial year and the date on which the report was prepared, as well as any other information required under the applicable laws and regulations.

All of the above documents are submitted to the Statutory Auditors for comment prior to being submitted to the shareholders for approval.

ARTICLE 23 ALLOCATION OF PROFIT

The income statement, which summarises all the income and expenses for the year, shows, after depreciation, amortisation and provisions, the profit or loss for the financial year.

Out of the profit for the year, less previous accumulated losses if any, a certain amount must, by law, be set aside in priority and to the extent necessary to form the legal reserve.

Distributable profit is composed of the profit for the year less any accumulated losses and transfers to reserves required by law or by the Articles of Association, plus any unappropriated retained earnings.

The distributable profit is allocated to the shareholders in proportion to the number of shares held by each.

However, the General Meeting may, upon recommendation of the Board of Directors, decide to set aside from the balance of distributable profit such amounts as it deems fit to be carried forward, or to be allocated to one or more general, extraordinary or special reserves.

Dividends are distributed, by priority, out of the profit for the year.

The General Meeting may, in addition, decide to distribute any part of the reserves available to it by expressly indicating those reserves from which such distributions are to be made. To the extent that such reserves have been established by deduction from distributable profit allocated to the shareholders, the amounts paid out therefrom accrue to the benefit of owners of shares alone, in proportion to the number of shares held by each.

The General Meeting called to approve the financial statements for the year may, in respect of all or part of said dividend, offer each shareholder the option to receive payment in cash or in shares.

Similarly, the Ordinary General Meeting approving the distribution of an interim dividend under the terms of article L. 232-12 of the French Commercial Code, may, in respect of all or part of said interim dividend, offer each shareholder the option to receive payment thereof in cash or in shares.

The offer for payment in shares, the price and conditions under which the shares are issued, the request for payment in shares and the conditions of the resulting capital increase are governed by the applicable law and regulations.

The terms of payment of dividends are set by the General Meeting or, failing that, by the Board of Directors. However, dividends must be paid within a maximum period of nine months from the close of the financial year, save where this period is extended by court order.

The General Meeting may also decide at any time to distribute the profits, reserves and/or premiums at its disposal by means of any distribution method, directly or indirectly, for all or part of the distribution, of negotiable financial instruments or any other assets included on the Company's balance sheet. Shareholders must, where applicable, personally ensure that the shares are grouped in such a way as to obtain a whole number of financial instruments or other rights so distributed.

VIII WINDING UP AND LIQUIDATION

ARTICLE 24 LOSS OF HALF OF THE SHARE CAPITAL

In the event that the Company's annual financial statements show losses which result in shareholders' equity falling below half of the share capital, the Board of Directors must, within four months following the shareholders' approval of the financial statements in which such losses were disclosed, call an Extraordinary General Meeting in order to decide whether there is cause to wind up the Company ahead of term. If the Extraordinary General Meeting decides against winding up the Company and if the shareholders' equity has not been restored to at least half of the Company's share capital within the time period set by law, the share capital must be reduced by an amount at least equal to that of the losses that cannot be charged against reserves.

ARTICLE 25 WINDING UP OF THE COMPANY

The Company will be wound up in the cases provided for by law (including but not limited to, at the end of its term including any extension thereof) or by a decision to wind up the Company ahead of term made by an Extraordinary General Meeting.

ARTICLE 26 LIQUIDATION OF THE COMPANY

The Company will be in liquidation as soon as it has been wound up, irrespective of the reason therefor.

One or several liquidators will be appointed, either by the Extraordinary General Meeting deciding to wind up the Company, whose decision will be made under the same quorum and majority requirements as for Ordinary General Meetings, or by an Ordinary General Meeting called on an extraordinary basis.

The liquidator – or each of the liquidators if there are several – represents the Company and has the broadest powers to realise the Company's assets, even by private agreement, as well as the authority to pay creditors and to distribute the remaining balance.

The General Meeting may authorise the liquidators to continue the Company's current business and to undertake new business for the requirements of the liquidation.

The net proceeds arising on liquidation, after settlement of liabilities, is used to fully repay the paid up, non-redeemed share capital.

The balance, if any, is divided in proportion to the number of shares held by each shareholder.

ARTICLE 27 DISPUTES

Any disputes arising during the lifetime of the Company or its liquidation, either between the shareholders, the members of General Management, the members of the Board of Directors and the Company, or between the shareholders themselves and relating to the Company's business are submitted to the courts of competent jurisdiction and judged in accordance with French law.

3.10.2 RULES OF PROCEDURE APPLICABLE TO THE BOARD OF DIRECTORS

RULES OF PROCEDURE APPLICABLE TO THE BOARD OF DIRECTORS OF LAGARDÈRE SA (Amended 27 February 2024)

Out of a desire to implement corporate governance practices within Lagardère SA (the "Company"), the Board of Directors, by a joint decision of its members, has adopted the following Rules of Procedure, the purpose of which is to:

- clarify and supplement the Board's operating and organisational procedures; and
- restate those professional ethical and legal standards that each member is individually bound to observe.

In the event of interpretation difficulties between the provisions of these Rules of Procedure and those of the Articles of Association, the latter shall prevail, subject to the specific majority rules set out in article 3 hereof.

These provisions are for internal use only and are not binding on third parties. They may only be invoked by the Company with respect to corporate officers or persons attending meetings of the Board of Directors or of the Board Committees. They may not be invoked by third parties or by shareholders against the Company or its corporate officers.

ARTICLE 1 POWERS, AUTHORITY, AND FUNCTIONS OF THE BOARD OF DIRECTORS

The Board of Directors deliberates on matters falling within its remit pursuant to the law and the Articles of Association, and acts in the interests of the Company at all times.

The Board of Directors determines the orientations of the Company's business and ensures their implementation in line with the corporate interest, in particular taking into consideration the social and environmental issues surrounding its activities pursuant to the law (article L. 225-35 of the French Commercial Code) and the Company's Articles of Association. Subject to those powers expressly attributed to the General Meeting, and within the limits of the corporate purpose, the Board addresses all matters concerning the smooth running of the Company and, through its deliberations, controls all matters concerning it.

It performs the controls and verifications it deems appropriate.

In particular, in accordance with applicable laws and regulations and under any terms and conditions set out in these Rules of Procedure, the Board of Directors, *inter alia*:

- may call the General Meeting of the Company and set the agenda for said Meeting;
- reviews and approves the parent company and consolidated financial statements, and prepares the annual management report;
- authorises the agreements referred to in articles L. 225-38 *et seq.* of the French Commercial Code;
- authorises the deposits, endorsements and guarantees undertaken by third parties and referred to in article L. 225-35 of the French Commercial Code;
- chooses the method of General Management organisation, in accordance with articles 15.1 and 15.2 of the Articles of Association;
- appoints, replaces or removes from office:
  - the Chairman of the Board of Directors,
  - the Chief Executive Officer,
  - and, where applicable, the Deputy Chief Executive Officer(s) on the recommendation of the Chief Executive Officer;
- appoints, where applicable, the assistant managing director(s) on the recommendation of the Chief Executive Officer;
- approves any major transactions falling outside of the Company's strategy;

- determines the powers of the Chief Executive Officer and, where applicable, and in agreement with the latter, those of the Deputy Chief Executive Officer(s) and the assistant managing director(s);
- may co-opt directors;
- sets the remuneration policy for the corporate officers (directors, Chairman of the Board of Directors, Chief Executive Officer and, where applicable, Deputy Chief Executive Officer(s), and determines the components of remuneration in accordance with the applicable policy;
- appoints the members of the Board Committees created pursuant to the law, the Articles of Association and the Board of Directors' Rules of Procedure;
- authorises the Company's Chief Executive Officer, the latter having the power to sub-delegate if applicable, to grant deposits, endorsements and guarantees under the specified conditions.

To this end, the Board of Directors meets as often as required by the interests of the Company, and at least once every quarter.

The Board of Directors elects from among its members a Chairman, who must be an individual, for a term not exceeding the term of his or her term of office as director, and may be re-elected. The Chairman organises and leads the work of the Board of Directors, and reports thereon to shareholders at the General Meeting. He or she also oversees the effective operation of the management bodies. The Chairman coordinates the work of the Board of Directors with that of the Board Committees.

If deemed useful, the Board of Directors may appoint a Vice-Chairman from among its members. The Vice-Chairman has the duty of replacing the Chairman if he/she is temporarily prevented from fulfilling his/her duties, or in the event of his/her death. This substitution applies: (i) in the event of temporary unavailability, for as long as the Chairman is unavailable; (ii) in the event of death, until a new Chairman is elected.

The Board may grant, with or without a right of substitution, full powers to its Chairman or to other designated officers, subject to the limitations provided for by law.

ARTICLE 2 INDEPENDENT MEMBERS

As far as possible, the Board of Directors will endeavour to include a significant proportion of independent directors consistent with the applicable recommendations of the Afep-Medef Corporate Governance Code.

Director independence is determined by the Board of Directors based on a recommendation of the Appointments, Remuneration and CSR Committee; the director concerned may, should he or she so wish, participate in discussions regarding the assessment of his or her independence, and in any case may make any appropriate observations in this regard to the Board of Directors, and to the Appointments, Remuneration and CSR Committee.

The criteria to be used by the Board of Directors and Appointments, Remuneration and CSR Committee in determining whether a director is independent are those set out in the applicable Afep-Medef Corporate Governance Code.

Each year, the Appointments, Remuneration and CSR Committee discusses whether or not each director meets the specified independence criteria, and their examination is reviewed by the Board of Directors on a case-by-case basis with respect to this framework.

The Board of Directors may however consider that a director who does not meet the independence criteria is nevertheless independent.

Qualification as an independent director is also discussed when a new director is appointed or a serving director is re-appointed.

The findings of the Board's examination of director independence are brought to the attention of shareholders in the Corporate Governance Report.

ARTICLE 3 MEETINGS OF THE BOARD OF DIRECTORS

Each year, the Board shall prepare a meeting schedule for the coming year, on the recommendation of its Chairman.

Meetings must be of sufficient length to appropriately deliberate upon and make decisions regarding the agenda.

Members of the Board of Directors may instruct in writing another Board member to represent them at a Board meeting.

Each member of the Board of Directors may only represent one other member in this way at a given meeting in accordance with the previous paragraph.

The provisions of the two previous paragraphs apply to the permanent representative on the Board of Directors of a legal entity.

On the Board of Directors' recommendation, the General Meeting may appoint a Board advisor from among or outside the Group's shareholders, who must be an individual, in order to assist the Board of Directors. The General Meeting may remove the Board advisor at any time. The Board of Directors sets the Board advisor's remuneration. The Board advisor is invited to all meetings of the Board of Directors pursuant to the same procedure applicable to its members, and participates in deliberations in an advisory capacity only. The absence of an advisor shall not, however, affect the validity of the Board's deliberations. All of the obligations of the directors as stated herein also apply to the Board advisor.

Where the Deputy Chief Executive Officers are not members of the Board of Directors, they shall participate in Board meetings unless otherwise decided by the Board of Directors. To this end, the Deputy Chief Executive Officers are invited to all meetings of the Board of Directors pursuant to the same procedure applicable to its members.

Meetings may be called by any written means (including by e-mail) by the Chairman of the Board of Directors or, in the absence of the Chairman, by the Vice-Chairman.

Notices of meeting shall be issued with reasonable advance notice (short notice may be given if appropriate in the event of emergencies), and shall include the meeting's agenda, as prepared by the person calling the meeting. However, the Board of Directors may meet without advance notice and without a pre-established agenda: (i) if all of the sitting directors are present or represented at the meeting in question, or (ii) if the meeting is called by the Chairman during a General Meeting.

At least one-third of the directors may at any time request the Chairman to convene the Board of Directors with a specific meeting agenda. If the Chairman does not call the meeting within seven calendar days, the directors having requested the meeting of the Board of Directors may directly convene the Board of Directors to deliberate on the agenda initially sent to the Chairman.

Meetings of the Board are held either at the registered office or at any other location indicated in the notice of meeting.

Meetings of the Board of Directors are chaired by the Board Chairman. Should the Chairman be unable to attend, the meeting shall be chaired by the Vice-Chairman of the Board. If the Vice-Chairman is unable to attend, or is otherwise not present at the Board meeting, the Board appoints a Chairman for that particular meeting.

At least half of the members must participate in order for the Board of Directors' decisions to be valid.

Decisions are made by a majority vote of the members present or represented. Exceptionally, the following decisions may be taken by the Board of Directors under the majority conditions specified below:

- **disposal of major assets:** any disposal of a subsidiary or business asset individually or collectively representing, over any 12-month period, revenue of over (i) €50 million for subsidiaries or business assets operating in the Publishing business, (ii) €100 million for subsidiaries or business assets operating in the Travel Retail business, or (iii) €10 million for subsidiaries or business assets operating in the Media business (radio and written press), may not be decided without the prior approval of a majority of three fifths of all the votes of Board members (regardless of the conditions of quorum of the meeting or consultation during which these decisions are taken, it being specified that any amendment to these Rules of Procedure that results in a change in how such decisions are taken must be approved by the same majority of three-fifths of all the votes of Board members (e.g., 7 out of 11 members, regardless of the quorum conditions, if the Board of Directors has 11 members);
- **appointment of the Chief Executive Officer and Deputy Chief Executive Officer(s):** pursuant to the Articles of Association, for a period of six years starting 30 June 2021, any decisions to remove or replace the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officer(s), or to appoint a new Chief Executive Officer, Deputy Chief Executive Officer(s) or assistant managing directors, shall be taken by a majority of two-thirds of all the votes of Board members, regardless of the conditions of quorum of the meeting or consultation during which these decisions are taken (it being specified that the Chief Executive Officer and/or Deputy Chief Executive Officer, where these are directors, may take part in the vote on these deliberations) (e.g., 8 out of 11 members, regardless of the quorum conditions, if the Board of Directors has 11 members);
- **remuneration of the Chief Executive Officer and Deputy Chief Executive Officer(s):** pursuant to the Articles of Association, for a period of six years starting 30 June 2021, any decisions relating to the remuneration of the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officer(s), shall be taken by a majority of two-thirds of all the votes of Board members, regardless of the conditions of quorum of the meeting or consultation during which these decisions are taken, if they concern a reduction in said remuneration or if they introduce stricter conditions in this regard, it being specified that other decisions setting such remuneration shall be made by a simple majority vote of the members of the Company's Board of Directors.

In the event of a tie, the Chairman of the Board will have the casting vote.

Members of the Board of Directors may, under the conditions provided for by applicable laws and regulations, attend the meetings of the Board of Directors via video conferencing or other telecommunications technology, including via a conference call ("**Telecommunications link**"). The Chairman ensures that the telecommunications link used enables the members of the Board of Directors to be identified and guarantees their effective participation in the Board meeting, along with the continuous transmission of its deliberations. To guarantee identification and ensure effective participation in the Board meeting, the telecommunications link must transmit at least the voice of the participants and meet the technical requirements for a continuous and simultaneous transmission of the deliberations of the meeting. Anyone joining the meeting remotely shall disclose their identity, and the presence of any person external to the Board must be reported and approved by all of the directors participating in the meeting.

Members of the Board of Directors participating in Board meetings via the accepted telecommunications link are deemed to be present for the purposes of calculating the quorum and majority, except when adopting decisions specifically excluded from such votes pursuant to the law, in particular those cases set out in articles L. 232-1 and L. 233-16 of the French Commercial Code (preparation of parent company and consolidated financial statements along with the reports mentioned in said articles).

The minutes of each meeting shall indicate the names of the directors participating in the meeting remotely, along with the type of telecommunications link used and any transmission issues that may have disrupted the meeting if relevant.

The documents enabling Board members to accomplish their mission shall be passed to them in due course. The notice of meeting sent to the members of the Board of Directors shall also include the agenda for that meeting along with any information or documentation necessary to deliberate thereon and to make an informed decision about the agenda items.

An attendance record shall be kept that is signed by Board members participating in the meeting and which, if applicable, must indicate the names of members participating in the deliberations remotely via a telecommunications link.

The Board of Directors' deliberations are recorded in minutes signed by the Chairman of the meeting and by at least one director or, in the event the Chairman is unable to attend, by at least two directors. The minutes of each meeting shall be kept in compliance with regulatory provisions and the Articles of Association.

The minutes of each meeting shall indicate the names of the members physically present or attending via Telecommunications, represented, excused, or absent. It shall indicate the attendance or absence of persons summoned to the meeting on the basis of a provision of law as well as the presence of any other person that attended all or part of the meeting.

Meeting minutes shall summarise discussions and clearly and precisely state the decisions of the Board. The minutes must indicate the issues raised, the qualifications and reservations stated, and, if applicable, the identity of members that voted against decisions.

Each member shall receive a copy of the minutes of the Board meeting in which he or she participated once the minutes are prepared and, where possible, at the latest within fifteen (15) days of each meeting.

Each Board member shall be entitled to the reimbursement of any travel expenses they incur in performing their duties, provided that these are reasonable and accompanied by receipts.

Once a year, the Board discusses its operation (which includes reviewing the Board Committees), which is then reported in the Company's Corporate Governance Report. In this way, shareholders can be kept informed each year of any assessments carried out, along with any corresponding follow-up measures taken.

Pursuant to article 12 of the Company's Articles of Association, in a few specific cases provided for by law, the decisions of the Board of Directors may also be taken by way of a written consultation at the request of the Board Chairman.

In the event of a written consultation at the request of the Chairman of the Board of Directors, the Board Secretary shall send each director and Board advisor, by any means, including electronically, the draft wording of any decision(s), along with the documents intended to serve as the basis for the directors' decisions and the date on which the person calling the meeting must receive the directors' votes. Except in the event of unanimous agreement by the directors, the deadline for voting may not be shorter than five (5) days from the date on which the written consultation is sent.

Directors should indicate either a "yes" or "no" vote for each decision, it being specified that the Board advisor votes in a consultative capacity only. Directors' responses are to be sent to the Board Secretary by any means, including electronically. Any director who does not reply within the specified period is considered to have abstained from voting.

The Board Secretary consolidates the directors' votes on the motion and informs the Board of the outcome of the vote. Where appropriate, this information also includes any comments made by the directors. Decisions are formally recorded in the minutes of the meeting, which are signed and entered in a special register of Board decisions.

ARTICLE 4 DUTIES AND OBLIGATIONS OF BOARD MEMBERS

As indicated in its annual Corporate Governance Report, the Company uses the applicable Afep-Medef Corporate Governance Code as its corporate governance framework.

The rules set forth hereinafter shall apply to Board members, be they individuals or legal entities, as well as permanent representatives of legal entities that are members of the Board of Directors.

4.1 General obligations

Before accepting his or her position, each Board member makes sure that he or she has been informed of all general or special obligations. Members of the Board of Directors are required to be aware of the general and specific obligations applicable to their office, as well as of any legal and regulatory provisions, the Company's Articles of Association and the Board's Rules of Procedure.

Each member of the Board of Directors shall ensure that he or she complies with the provisions of laws and regulations governing the duties of members of the Board of Directors of a joint-stock company, as well as the provisions of the Company's Articles of Association and these Rules of Procedure applicable to the Board of Directors, and in particular, those laws and regulations concerning:

- the definition of the powers of the Board of Directors;
- the plurality of offices;
- conflicts of interest and incapacity;
- agreements between the Company and a member of the Board of Directors, entered into directly or indirectly; and
- the possession and use of insider or confidential information.

Board members shall inform the Board of Directors and the Appointments, Remuneration and CSR Committee of any actual or potential financial and/or commercial conflict-of-interest situation, and shall refrain from participating in the relevant deliberations and votes.

4.2 Duty of confidentiality and discretion

Directors shall comply with the confidentiality provisions applicable to Board members pursuant to the law.

In the event that third parties who are not directors are invited to participate in a Board meeting or in work carried out in preparation for such a meeting, the Chairman of the Board of Directors shall remind those third parties of their duty of confidentiality with regard to any information received during the Board meeting concerned or prior to that meeting.

4.3 Duty of diligence - Plurality of offices

Directors shall devote the necessary time and attention to their functions and duties.

Each member of the Board of Directors undertakes to exercise diligence in:

- attending, insofar as possible, all Board meetings, where applicable via a telecommunications link;
- attending, insofar as possible, all General Meetings of shareholders;
- attending meetings of any Board Committees on which the director serves.

The Corporate Governance Report gives shareholders all useful information about the individual attendance of directors at such meetings.

The Chairman of the Board of Directors or the Chief Executive Officer is required to provide each Board member with all of the documentation useful or necessary for the performance of his or her duties.

In addition, these members shall be allowed, through the Chairman of the Board of Directors, to ask the Company to transmit to them certain documents deemed appropriate by them, and to which they have access according to the law; these transmissions shall be carried out by all means ensuring confidentiality.

Each Board member is required to comply with the legal provisions regarding plurality of offices, which are applicable to joint-stock companies. A Board member who is or should come to be in violation of said provisions of the law has three (3) months to comply with the law. Each director must keep the Board informed of any offices held in other companies, including of his or her participation in committees set up by the board of directors of such French or international companies.

4.4 Holding of Company shares

Board members shall make efforts to hold a relatively significant number of shares. Accordingly, each Board member (other than members representing employees or employee shareholders) is required to hold 150 registered Company shares.

ARTICLE 5 AUDIT COMMITTEE

In accordance with the law, the Board of Directors has created internally an Audit Committee with the following specific roles and responsibilities:

- monitoring the process for preparing financial information and, where applicable, making recommendations to guarantee the reliability of that information;
- reviewing the draft annual and interim financial statements of the Company and the draft annual and interim consolidated financial statements of the Company and its subsidiaries (hereafter the "Group" or the "Lagardère group") before they are submitted to the Board;
- ensuring that the accounting policies and principles adopted are pertinent for the preparation of the Company's individual and consolidated financial statements, as well as the quality, completeness, accuracy, and fairness of those financial statements;
- ensuring the monitoring of the effectiveness of internal control and risk management systems and where applicable internal audit, as regards accounting and financial reporting procedures;
- ensuring that the Company has reliable internal control procedures, particularly with respect to risk exposure, including social and environmental risks;
- issuing a recommendation on the Statutory Auditors nominated for appointment or for re-appointment by the General Meeting, and on fees payable to those Statutory Auditors;

- ensuring the monitoring of the implementation of measures to prevent and detect corruption;
- reviewing the agreements between the Group and the Company's senior executives;
- ensuring the Statutory Auditors' independence.

The Audit Committee regularly reports to the Board of Directors on the performance of its duties, and promptly informs the Board of any difficulties encountered.

The Audit Committee shall consist of three to seven members, including the Chairman, a minimum of two-thirds of whom, including the Chairman, shall be considered independent members. These members are chosen from among the Directors, excluding those holding management positions). At least one of the independent members of the Audit Committee must have specific financial, accounting or auditing expertise.

The Chair of the Audit Committee reports to (or instructs someone to report to) the members of the Board on the work conducted by the Committee.

ARTICLE 6 APPOINTMENTS, REMUNERATION AND CSR COMMITTEE

The Board of Directors has created internally an Appointments, Remuneration and CSR Committee with the following specific roles and responsibilities:

- Regarding Board and Committee membership:
  - defining the selection criteria for future members;
  - making recommendations as to changes in Board membership and candidate profiles.
- Regarding the appointment of executive corporate officers:
  - issuing an advisory opinion to the Board of Directors on the proposed appointment or re-appointment of the Chairman and Chief Executive Officer (or of the Chief Executive Officer, as appropriate) as well as of the Deputy Chief Executive Officer(s) where appropriate;
  - preparing for the future in terms of the membership of the Company's management bodies, particularly by drawing up a succession plan for the executive corporate officers.
- Regarding remuneration:
  - proposing the overall amount of annual remuneration allocated to members of the Board of Directors, which is submitted to the General Meeting for approval;
  - proposing to the Board of Directors the remuneration policy applicable to executive corporate officers (members of the Board of Directors and of the Board Committees, Chairman of the Board of Directors, Chief Executive Officer and, where applicable, Deputy Chief Executive Officer(s)), which is submitted to the General Meeting for approval;
  - proposing to the Board the components of remuneration in accordance with the applicable policy.
- Regarding governance:
  - regularly reviewing the independence of members of the Board of Directors in light of the independence criteria set out in the Afep-Medef Code;
  - managing the annual assessment of the operations of the Board and its Committees;
  - carrying out assessments of potential risks of conflicts of interest between Board of Director members and the Group;
  - reviewing the anti-discrimination and diversity policy implemented by General Management, notably as regards the principle of gender balance within the Group's managing bodies.
- Regarding sustainable development (CSR):
  - examining the main corporate, environmental and social risks and opportunities for the Group as well as the CSR policy in place;
  - reviewing the reporting, assessment and monitoring systems allowing the Group to prepare reliable ESG data;
  - examining the Group's main lines of communication with shareholders and other stakeholders regarding corporate social responsibility matters;
  - examining and monitoring the Group's rankings attributed by ESG rating agencies.

The Appointments, Remuneration and CSR Committee shall have between three and six members, the majority of whom – including the Chairman – must be independent. These members are chosen from among the Directors, excluding those holding management positions.

The Committee Chairman shall report to or have a report made to Board members regarding the work performed by the Appointments, Remuneration and CSR Committee.

ARTICLE 7 EFFECTIVE DATE – AMENDMENTS

These Rules of Procedure shall enter into effect on the date of their adoption by the Board by a simple majority vote of its members. Any amendments and/or additions to these Rules of Procedure shall be made by a simple majority vote of Board members, it being specified however that any amendments to these Rules of Procedure that result in changes to the definition of the qualified decision-taking majority for any operations involving the disposal of a subsidiary or a business asset individually or collectively representing, over any 12-month period, sales of over (i) €50 million for subsidiaries or business assets operating in the Publishing business, (ii) €100 million for subsidiaries or business assets operating in the Travel Retail business or (iii) €10 million for subsidiaries or business assets operating in the Media business (radio and written press), as provided for in article 3 of these Rules of Procedure, must be approved by a majority of three-fifths of the votes of Board members.

These Rules of Procedure shall be communicated to each director prior to his or her taking office.

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4

RISK FACTORS AND CONTROL SYSTEM

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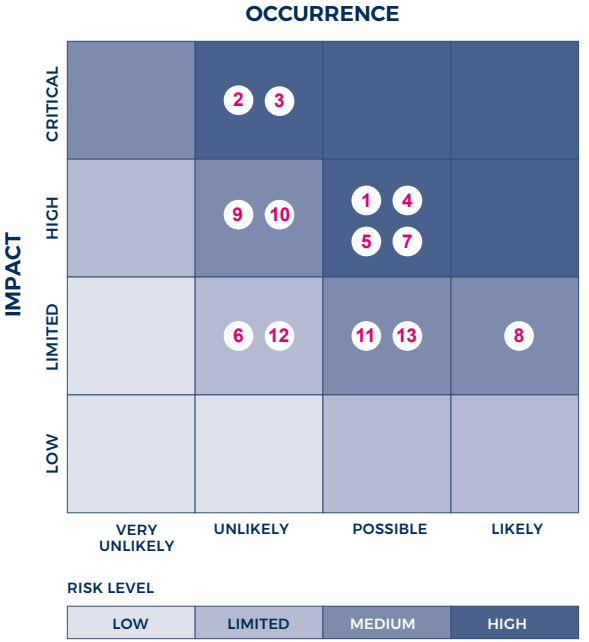
Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

4.1 RISK FACTORS AFR

In accordance with the requirements of Regulation (EU) 2017/1129 ("Prospectus 3"), the description in this section is limited to specific and material risks at the Group level. A qualitative assessment of criticality (net of risk control measures deployed by the Group) is presented for all risks. The most significant risk within each category is presented first. Additional information is also available in other sections of this document, in particular Group litigation and financial risks (see section 5.3, notes 34 and 29, respectively, to the consolidated financial statements).

4.1.1 OVERVIEW OF THE GROUP'S MAIN RISKS

DETAILED MAP (MATERIALITY MATRIX)



1 Impact of changing consumption patterns on the Group's business models
2 Major air traffic crisis
3 Major crisis affecting China
4 Risks associated with major contracts
5 Impact of generative AI on content creation
6 Risks associated with strategy implementation
7 Business continuity risk
8 Risks associated with data security
9 Risks associated with business ethics
10 Risk associated with products distributed
11 Exchange rate risk
12 Credit and counterparty risks
13 Climate risk

This table presents the status of risks **from a medium-term perspective (three years)**. The impact presented does not take into account the measures implemented by the Lagardère group to manage the risks.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

4.1.2 RISKS ASSOCIATED WITH THE GROUP'S BUSINESS ACTIVITY

4.1.2.1 IMPACT OF CHANGING CONSUMPTION PATTERNS ON THE GROUP'S BUSINESS MODELS

The Group is faced with changes in its customers' consumption habits linked to the development of digital and mobile technologies and to market events such as economic crises.

The Group's strategic plan is based on its complementary businesses and enhanced operational performance.

The Group's presence in many different businesses and geographic areas generally provides protection against the risks associated with its business activity (see the breakdown of the Group's revenue at the beginning of this Universal Registration Document (Lagardère 2023 in brief).

The divisions' general management teams also monitor market developments in order to anticipate, detect and analyse the challenges posed by changes in consumer behaviour, technological developments and digital players in their respective fields.

In light of the above, the Lagardère group considers this risk to be high overall.

DESCRIPTION

Lagardère Publishing

Lagardère Publishing's Trade business (general-interest books), which accounted for 22% of Group revenue in 2023, is exposed to the risk that it will lose readers to new forms of entertainment such as social networks, streaming platforms and video games. This trend particularly concerns young people and men.

The Trade business is also exposed to the risk that it loses market share to other players and publishing formats (including self-publishing) which are particularly attractive to young adults.

Lagardère Travel Retail

When it comes to air travel, passengers are likely to change their behaviour as they seek to reduce their carbon footprint.

Changes lo local regulations could also have an impact on the consumption of certain products that are key contributors to the business. For example, a restriction or ban on the sale of tobacco could lead to a loss of revenue for Lagardère Travel Retail at certain airports.

Lagardère News and Lagardère Radio

Lagardère News, which accounted for around 2% of Group revenue in 2023, is facing very stiff competition from digital media over print media, which impacts both sales and advertising revenues. Across the French market, for example, paid circulation fell 3% in 2022, while the written press advertising market (excluding digital) declined by 22% over the first nine months of 2023, and the radio industry recorded a 2% contraction over the same period, compared with the first nine months of 2019.

RISK MANAGEMENT PROCEDURES

Lagardère Publishing

The division is constantly adapting its offering to changes in the public's expectations, as demonstrated by the growth in e-book and audiobook sales as a proportion of revenue, and by its strategy of diversifying into Board Games and Stationery.

Lagardère Travel Retail

The division's presence in many different geographic areas reduces the risks associated with local changes in traveller behaviour. The division's business has also expanded outside air travel, with operations in train stations accounting for 5% of Group revenue in 2023.

Lagardère News and Lagardère Radio

Lagardère News has accelerated the digital transformation for its press titles *(Le Journal du Dimanche* and *Paris Match*), with the aim of offsetting the decline in print circulation by boosting paid digital distribution.

With digital radio representing 21.3% of the market in 2023, Lagardère Radio has developed digital formats for its radio stations, broadcasting them via its own channels and on external platforms.

Lastly, Lagardère News' Advertising Sales Brokerage business has a special digital sales team.

4.1.2.2 MAJOR AIR TRAFFIC CRISIS

DESCRIPTION

Lagardère Travel Retail's business is exposed to any major event that has a lasting impact on air traffic in a key geographic area.

An economic, geopolitical or health crisis could lead to restrictions (voluntary or otherwise) on travel to a strategic area for the business, thereby resulting in a fall in revenue. For example, the Covid-19 pandemic caused air traffic to slump 63.7% in 2020 compared with 2019.

Other events could have a temporary and localised impact on air traffic, such as terrorist attacks or natural disasters (e.g., volcanic eruption).

In light of the above, this risk is high for the Lagardère group.

RISK MANAGEMENT PROCEDURES

Lagardère Travel Retail's presence in many different geographic areas and distribution channels reduces the risks associated with a local crisis.

The division analyses local geopolitical issues before setting up operations in new countries. Wherever possible, it applies guaranteed-minimum-per-passenger models and/or protective contractual clauses where external events arise that could affect the volume and/or quality of passenger traffic over a prolonged period.

Lastly, as it demonstrated during the Covid pandemic, the division can adjust its operations to address any crisis situation, thanks to its well-managed, flexible cost base and its ability to change its pricing policy or adapt its procurement.

4.1.2.3 MAJOR CRISIS AFFECTING CHINA

DESCRIPTION

The Lagardère group has many activities linked to China, in particular direct operations in the country and business relationships with Chinese companies and customers. Its operations could be affected if trade relations between China and its international partners were called into question, for example, as a result of heightened geopolitical tensions. These activities could also be affected in the event of an economic crisis in China.

Lagardère Publishing uses Chinese service providers, particularly for printing. The unavailability of such service providers, due for example to an international embargo, could lead to a break in the production chain for certain works published by the division.

Lagardère Travel Retail has a major subsidiary in China. A reduction in air traffic in the country due to geopolitical tensions or an internal economic crisis could have a significant impact on its business.

The Lagardère group considers this risk to be high overall.

RISK MANAGEMENT PROCEDURES

Lagardère Publishing regularly monitors the risks associated with its suppliers and seeks to diversify its procurement in order to dilute these risks. In addition to China, the division has suppliers for its printing needs in France, the Americas and Asia (India, Vietnam).

Lagardère Travel Retail monitors the situation in China and has a geographically diversified portfolio of activities.

4.1.2.4 RISKS ASSOCIATED WITH MAJOR CONTRACTS

DESCRIPTION

Some contracts in the form of concession agreements managed by Lagardère Travel Retail provide for the payment of guaranteed minimum amounts to the concession grantor. This can give rise to financial commitments for the Group representing hundreds of millions of euros over a number of years.The profitability of these contracts may be impacted over a prolonged period, for example, if the level or quality of passenger traffic or spend per passenger are insufficient to satisfactorily fund the guaranteed minimum amounts due to the concession grantor.

When these concession agreements expire, they are mostly put up for tender by the concession grantor. Some agreements may not be renewed, or may be renewed under less favourable financial terms.

These risks may also concern certain contracts that Lagardère Publishing has entered into with authors and rights holders, or for the distribution of third-party publishers.

In light of the above, the Lagardère group considers this risk to be high, and therefore regularly reviews the value of the contracts reported in its financial statements in accordance with applicable accounting standards.

RISK MANAGEMENT PROCEDURES

Lagardère Travel Retail's positioning in three different businesses and its presence in 40 countries on five continents, together with the fact that its concessions come up for renewal at different times, helps limit its exposure to the loss of a contract, or to a decline in the profitability of a given activity or market.

Furthermore, the division renewed a number of major concessions in 2022, notably at Paris airports and at SNCF train stations in France.

In addition, as part of the management of risks related to contracts with a high unit value, the division and the Group carry out a regular review of major contracts in order to monitor any developments and the contracts' profitability prospects.

Wherever possible, Lagardère Travel Retail endeavours to use guaranteed-minimum-per-passenger models and/or protective contractual clauses where external events arise that could affect the volume or quality of passenger traffic over a prolonged period.

Similarly, Lagardère Publishing's diversification into several business lines (Trade, Education, Partworks, Distribution) and three major language areas (French, English, Spanish) enables it to limit its dependence on a given author or commercial partner.

4.1.2.5 IMPACT OF GENERATIVE ARTIFICIAL INTELLIGENCE ON CONTENT CREATION

DESCRIPTION

The widespread availability of easily accessible generative artificial intelligence tools poses several challenges to the Group's businesses, in particular for Lagardère Publishing. Content generated quickly and in large volumes competes with Lagardère Publishing's editorial offering. The use of generative AI by students and pupils is also a form of competition for Lagardère Publishing in the educational market. Such technologies also make it easier to plagiarise authors whose rights are owned by the division.

Moreover, the use of generative AI to write content raises the question of who owns the copyright, which is one of Lagardère Publishing's main sources of revenue.

The challenges posed by artificial intelligence are also significant for Lagardère News. In particular, models may be trained using content owned by Lagardère News, without the latter's agreement or remuneration, which constitutes a loss of opportunity.

Lastly, there is a risk that the Group's businesses as a whole do not seize the opportunities embedded in this technology, for example to boost productivity.

Overall, this risk is evolving rapidly and is considered high by the Group.

RISK MANAGEMENT PROCEDURES

In its day-to-day editorial choices, Lagardère Publishing supports human intellectual creation, which is an essential quality in the publication of cultural works. The division is also putting in place measures to protect the copyrights it owns:

- it defends the need to reserve copyright for content created by humans before professional associations and public authorities;
- it is also developing its plagiarism detection capabilities in order to enforce its rights.

Lagardère News is also integrating this new technology into its digital business.

4.1.2.6 RISKS ASSOCIATED WITH STRATEGY IMPLEMENTATION

DESCRIPTION

The Group regularly carries out acquisitions and enters into partnerships in its various businesses. Acquisitions of long-term investments amounted to €383 million in 2023, versus €210 million in 2022. In 2023, for example, Lagardère Publishing acquired Welbeck Publishing (UK-based specialist fiction publisher), while Lagardère Travel Retail acquired Marché International (Swiss-based international foodservice company), Costa Coffee Polska (foodservice points of sale in Poland), Costa Nation (foodservice points of sale in Latvia) and Tastes on the Fly (North America-based foodservice company).

The success of acquisitions depends on the Group's ability to identify attractive opportunities, effectively negotiate and smoothly integrate any new businesses into its portfolio. Failure to do so could have a negative impact on the return on investment and ultimately on the Group's net worth.

The Lagardère group considers this risk to be limited overall.

RISK MANAGEMENT PROCEDURES

Any significant transaction to which the Group commits is subject to a rigorous process governed by the Group's commitment procedure.

Each proposed transaction is analysed in depth by the teams of the division in question and reviewed by the Group Finance Committee under the aegis of the Group Finance Department.

The Finance Committee issues an opinion to Group General Management, after assessing the benefits of the proposed transaction for the Group and division concerned, verifying that the risks generated by the transaction are known and can be managed, and validating the underlying assumptions used to analyse profitability, based on the methodology and criteria defined by the Group's Finance Department.

Post-acquisition performance reviews are also regularly carried out by the Group Finance Department and presented to the Audit Committee.

4.1.3 OPERATIONAL RISKS

4.1.3.1 BUSINESS CONTINUITY RISK

DESCRIPTION

One-off events can disrupt the effective operation of the Group's businesses by rendering certain strategic systems and sites temporarily unavailable. As the causes of such events can be very varied, only high-impact incidents are described here.

Information systems failure

Information systems are of major importance to all of the Group's activities, and have been made even more so with the recent development of remote working. However, systems are increasingly complex and interdependent, and become obsolete much more quickly. As a result, the Group's operations are increasingly exposed to the risk of a major malfunction affecting its systems and networks, and/or those of its partners.

Destruction or unavailability of a major site

This scenario includes, for example, the prolonged unavailability of Lagardère Publishing or Lagardère Travel Retail warehouses, of cash registers in a number of shops, or of radio studios. There are many possible causes, such as fire, floods, sabotage, terrorist attacks, strikes, and so on.

The Group considers this risk to be high overall.

RISK MANAGEMENT PROCEDURES

The responses to this risk are specific to the different scenarios envisaged, and include operational contingency plans allowing non-optimal modes of operation as well as a crisis communication procedure.

The financial impact of such events can also be mitigated, for example by:

- implementing measures to reduce the operating costs of the affected operating entities for the duration of the crisis;
- claiming against the Group's insurance policies for risks that can be insured.

In terms of information systems failure, the sites concerned are subject to ambitious investment plans managed by the Group's divisions. Lagardère Publishing has set up a new, modern distribution centre for its subsidiaries in the United Kingdom.

Nevertheless, the Group cannot protect itself against all possible scenarios, or guarantee that it would be able to neutralise the impact of any operating incidents that may affect it.

4.1.3.2 RISKS ASSOCIATED WITH DATA SECURITY

DESCRIPTION

The Group's information systems contain confidential data related to how its businesses are run, notably details of major contracts (see above). They also contain personal data on its employees and third parties, including, for example, magazine and partworks subscribers, the travelling public (duty free) and website visitors (media, education). In the event of challenges to the confidentiality, integrity or availability of this data, the Group could be exposed to various risks in terms of image, loss of revenue, third-party disputes and fines.

These challenges are growing as systems become ever more complex, due to the rapid expansion of working from home and increasing prevalence of computer hacking, and more stringent regulatory requirements, particularly the General Data Protection Regulation (GDPR), which entered into force on 25 May 2018.

In light of the above, the Lagardère group considers this risk to be medium.

RISK MANAGEMENT PROCEDURES

The Group's Cybersecurity Department updates and distributes an information system security policy to Group entities based on ISO 27001 requirements, along with tools, training and documentary materials to raise awareness of cybersecurity issues and thereby help protect the information systems and the data they contain.

The Department also regularly conducts self-assessment surveys focusing on the security of IT systems and networks in these entities. Recommendations based on the results of these surveys are issued with the aim of better preserving data confidentiality, protecting information systems against intrusion and minimising the risk of system breakdown.

In addition, the Group's Data Protection Officer has also implemented a personal data protection programme to ensure that the Group's activities are compliant with the GDPR.

4.1.3.3 RISKS ASSOCIATED WITH BUSINESS ETHICS

DESCRIPTION

The Lagardère group does business in many different countries subject to anti-corruption regulations, as well as regulations in terms of international economic sanctions and anti-competitive behaviour. There is growing pressure from the relevant supervisory authorities as to how these regulations are applied, and heavy sanctions have been imposed on businesses.

Despite the Group's efforts to comply with these regulations, breaches could lead to substantial penalties, a deterioration in the Group's image, the conviction of its senior executives, the review of certain contracts and even a forced exit from certain markets, or a deterioration in the Group's relationships with its banking partners.

Corruption risk is higher for certain businesses, particularly those which involve contracts signed by public officials or calls for tenders. This is notably the case with airport concessions operated by Lagardère Travel Retail, or in the Education segment for Lagardère Publishing.

The Group's activities also face challenges in terms of competition law. The Group could, for example, be (justly or unjustly) accused of having been awarded a contract due to anti-competitive behaviour (alleged cartels or contracts restricting competition on its market, etc.), potentially leading the scope of the contract in question to be revised. Several disputes described in note 34 to the consolidated financial statements involve alleged anti-competitive behaviour.

Some activities are more exposed to international economic sanctions[(1)] with regard to the countries concerned, for instance, Lagardère Travel Retail store supplies and licensing agreements (Elle brand).

RISK MANAGEMENT PROCEDURES

In light of the above, the Lagardère group considers this risk to be medium.

The Lagardère group attaches the utmost importance to maintaining business ethics in all its activities and operating regions.

The Risk, Compliance and Internal Control Department is tasked with devising and running programmes common to all businesses and aimed at identifying, preventing and handling certain business ethics-related risks:

- the Group has a zero-tolerance policy towards corruption. It has an anti-corruption programme aimed at ensuring compliance with the regulations in force in the countries in which it does business, especially the Sapin II law in France. This programme includes a Code of Conduct and whistleblowing system that can be used by anyone on the Group's institutional website;
- having operations on five continents, Lagardère closely monitors international economic sanctions and takes steps to comply with any applicable sanctions. This includes conducting project feasibility studies and running checks on a certain number of potential partners.

The programmes are implemented by each division's Compliance teams through the international Compliance Correspondent network. They are also supported by employee training on the associated issues.

The Legal Department has suitable expertise to ensure compliance with competition law and helps reviews major Group projects as part of the commitment procedure. It also provides day-to-day support for the operating staff concerned and rolls out initiatives to raise their awareness of the issues at stake.

4.1.3.4 RISK ASSOCIATED WITH PRODUCTS DISTRIBUTED

DESCRIPTION

Within the scope of Lagardère Travel Retail's Foodservice and Travel Essentials businesses, the Group could be faced with an incident involving the quality of its food products. As a result, it could be declared liable, impacting its reputation and that of the brands concerned with concession grantors. This risk generally increases in line with the expansion of Foodservice activities, which represented around 17% of total Group revenue in 2023.

To a lesser extent, this risk also covers physical products delivered with books and partworks sold by Lagardère Publishing (accessories, toys, etc.), where failure to comply with applicable standards and regulations may cause harm to consumers and to the division's image.

In light of the above, the Lagardère group considers this risk to be medium.

RISK MANAGEMENT PROCEDURES

Lagardère Travel Retail has run training courses and implemented a series of measures to ensure compliance with the regulations and professional standards that apply in the countries where its Foodservice business operates. These measures are subject to centralised supervision by the Foodservice business and are supplemented by regular external audits organised at the points of sale.

Similarly, Lagardère Publishing ensures that the products it distributes comply with applicable local standards by entering into agreements with its suppliers, raising employee awareness of the applicable procedures, and through internal audit reviews.

(1) Governments and international bodies (e.g., the UN) can adopt restrictive financial or commercial measures against individuals or legal entities. These measures take the form of bans or restrictions on the trade of specific goods, technologies or services with certain countries, frozen funds and financial resources, and sometimes restricted access to financial services.

4.1.4 FINANCIAL RISKS

Exchange rate risk

DESCRIPTION

Around 30% of the Group's equity is denominated in pounds sterling owing to the historic earnings derived from its businesses in the United Kingdom. This results in an asset value exchange risk against the euro.

In the course of its Travel Retail operations, the Group's entities may purchase products in one currency and sell them in another, giving rise to an exchange rate risk on commercial transactions.

All of the aforementioned risks are described in further detail in chapter 5, note 29 of this Universal Registration Document.

The Lagardère group considers its exchange rate risk to be moderate.

RISK MANAGEMENT PROCEDURES

The Group does not hedge its asset value exchange risk against the euro.

Lagardère Travel Retail monitors exchange rate risk on commercial transactions and uses financial hedging instruments to reduce the risk.

Credit and counterparty risks

DESCRIPTION

Credit and counterparty risks arise on trade receivables and cash investments. By weakening some of the Group's partners, the Covid-19 pandemic and the inflationary period that followed it increased counterparty risk, which nevertheless remains at a limited level.

All of the aforementioned risks are described in further detail in chapter 5, note 29 of this Universal Registration Document.

RISK MANAGEMENT PROCEDURES

Credit and counterparty risks are monitored by the subsidiaries concerned, which take the necessary measures to manage the risks. The Group did not identify a significant escalation in its counterparties' rate of default in 2023.

4.1.5 CLIMATE RISK

Since 2022, the Lagardère group maintained an updated detailed analysis of its exposure to climate risk over the medium and long term. It takes into account two global warming scenarios through to 2100:

- a rise of 4°C in global temperatures, corresponding to very limited measures to reduce greenhouse gas emissions. The impact of this sharp rise in temperatures on the Group's businesses is reflected in the concept of "physical risks" described below;
- a rise of up to 1.5°C in global temperatures, implying the worldwide adoption of measures to reduce greenhouse gas emissions. The impact of these measures on the Lagardère group is reflected in the concept of "transition risks" described below.

The mapping exercise shows that climate risk cuts across all Lagardère group businesses.

In the medium term (three years), the Group considers this risk to be medium overall.

Chapter 2 provides more details on the Group's climate risk mapping and its findings.

Transition risk

DESCRIPTION

The implementation of measures to reduce greenhouse gas emissions could impact air traffic and therefore the Group's business. These measures could take various forms, such as political decisions (local and national) or pressure from the financial markets (redirecting investor choices towards less carbon-intensive sectors, higher energy prices).

RISK MANAGEMENT PROCEDURES

The Lagardère group closely monitors all the regulations applicable to its activities in order to be able to identify the impact on its businesses upstream as accurately as possible and adjust its range of products accordingly.

Physical risk

DESCRIPTION

Lagardère Travel Retail's business relies on the effective operation of airports, railway stations and other means of transport. All weather-related events that could restrict or even interrupt passenger traffic in the Group's stores over a prolonged period could affect its revenue.

The availability and price of certain raw materials used in the products sold by the Group could also be affected by climate change. This is the case, for example, for paper used in books and magazines, and for food products in Lagardère Travel Retail.

RISK MANAGEMENT PROCEDURES

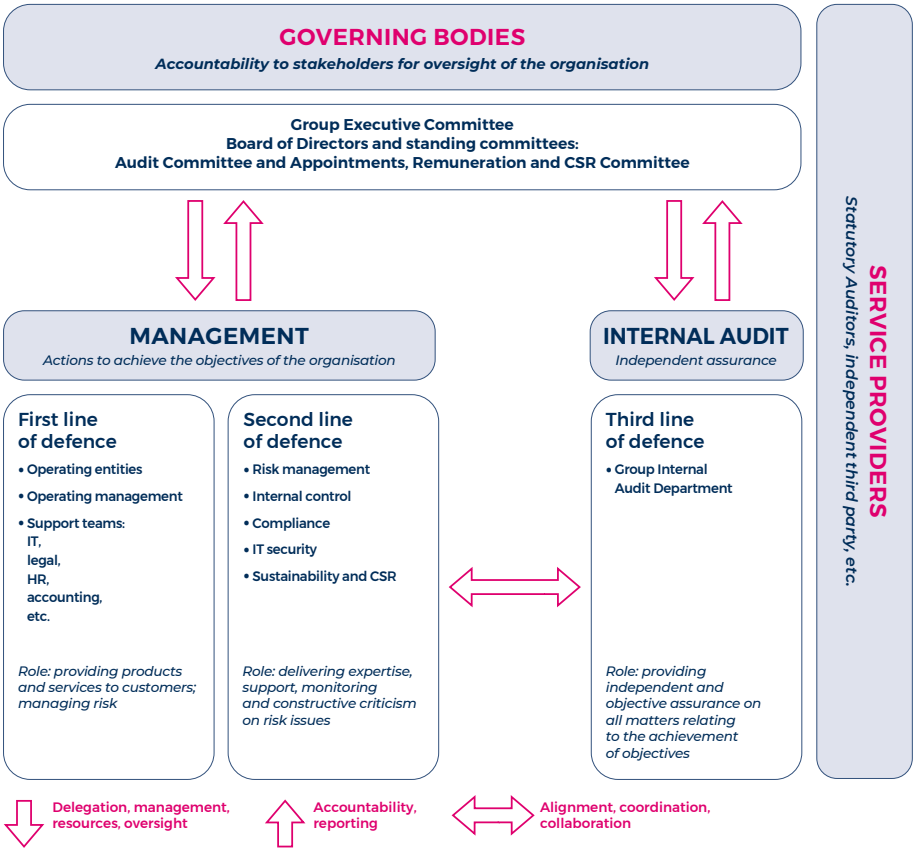
The measures taken to manage this risk are essentially the same as those for business continuity risk.

The Lagardère group's operating entities also ensure that their sources of supply are secure, notably by signing multi-year contracts and diversifying their suppliers (e.g., paper for books). In terms of food products, Lagardère Travel Retail is developing local sources of supply as part of an eco-responsible approach.

Lastly, the Group's sites are located in many different geographic areas, which helps reduce the impact of a particular climate event.

4.2 DESCRIPTION OF RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES AFR

4.2.1 OVERVIEW OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL ORGANISATION



Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

4.2.2 KEY PLAYERS IN RISK MANAGEMENT AND INTERNAL CONTROL

The roles and responsibilities of the various Group players in risk management and internal control are governed by the rules of procedure of the Board of Directors and by the Group's Risk Management Charter.

4.2.2.1 GROUP ORGANISATION

In the Lagardère group's 2023 financial statements, 488 companies are fully consolidated and 31 companies are accounted for by the equity method.

Lagardère SA controls all of the Group's subsidiaries. Corporate governance arrangements are described in more detail in chapter 3.

As at 31 December 2023, operating activities are conducted by legally independent companies grouped together in the following business divisions: Lagardère Publishing and Lagardère Travel Retail. The Group's scope also includes "Other Activities", mainly comprising Lagardère News (*Paris Match*, *Le Journal du Dimanche*, *JDD Magazine* and the Elle brand licence), Lagardère Radio (Europe 1, Europe 2, RFM and Advertising Sales Brokerage), Lagardère Live Entertainment, Lagardère Paris Racing, and the Group Corporate function.

Each division has its own organisation and a holding company whose general management is carried out by the head of the division, under the supervision of the Group's General Management.

All the members of these holding companies' governance, management and supervisory bodies are appointed by Lagardère SA through its subsidiary Lagardère Media.

The divisions' senior executives and their subsidiaries exercise their responsibilities under the control of their governance or supervisory bodies. The Group appoints a majority of representatives to these governing and supervisory bodies.

4.2.2.2 BOARD OF DIRECTORS AND AUDIT COMMITTEE

The role and powers of the Board of Directors are described in chapter 3. In the area of risk management and internal control, the Board ensures that the measures deployed by the Group are effective. To this end, it is assisted by the Audit Committee, whose members it appoints and whose tasks include:

- monitoring financial reporting processes;
- ensuring that the accounting policies and principles adopted are consistent and pertinent for the preparation of the financial statements;
- monitoring the effectiveness of risk management and internal control systems and internal audit as regards accounting and financial reporting procedures;
- ensuring that the Company has reliable internal control procedures, particularly with respect to risk exposure.

4.2.2.3 GENERAL MANAGEMENT AND EXECUTIVE COMMITTEE

General Management draws up the Group's strategy, and leads its development and oversight. It takes the major management decisions required for this and ensures those decisions are implemented both at the level of the parent company and in the various divisions.

In this capacity, it is responsible for defining, implementing and monitoring the Group's risk management and internal control systems. In the event of failure of these systems, it ensures that the necessary corrective actions are taken.

In performing its duties, General Management is assisted by the Executive Committee, whose membership is described in chapter 3.

4.2.2.4 CORPORATE DEPARTMENTS

Within the Group's holding company, the Corporate Departments are notably responsible for:

- discharging the management duties of a listed entity holding company;
- organising and supervising the preparation of financial information required for the Group's management and for regulatory publications;
- establishing risk management, compliance and internal control programmes for the entire Group to strengthen control of its operations;
- making divisions aware of certain regulatory issues and offering them relevant technical and methodological support.

All Corporate Departments report to a member of the Executive Committee, which guarantees their independence. They provide regular reports to General Management and to the Audit Committee on the preparation of financial information, risk management and internal control.

4.2.2.5 DIVISION HOLDING COMPANIES

These companies coordinate risk management and internal control within each division, by:

- establishing a consolidated view of the division's risks, based on Group methodology;
- overseeing the deployment of the Group's systems and programmes throughout the division.

They also oversee the preparation of financial information within each division.

The division holding companies provide regular reports on these various measures to Lagardère SA.

4.2.2.6 OPERATING ENTITIES

Operating entities manage the risks associated with their activities. This involves identifying and classifying those risks and putting in place the necessary measures to manage the risks in compliance with the Group's strategic and financial objectives.

The operating entities roll out the Group's compliance and internal control systems and programmes, adapting them where necessary, under the aegis of their division holding company.

4.2.2.7 INFORMATION AND COMMUNICATION

The persons concerned by decisions of General Management are informed by all available means, particularly internal memos and announcements.

All of the Group's announcements and the principal rules applicable are available on the Group's intranet portal, as well as on the corporate website at www.lagardere.com.

Applications and collaborative software packages are also available through the Group's intranet portal, so that information can be appropriately communicated to the people involved.

4.2.3 RISK MANAGEMENT

Like all companies, the Lagardère group is exposed to a variety of risks in the course of its business activities. Section 4.1 of this document describes the Group's main risk factors and how they are managed.

4.2.3.1 BASIC PRINCIPLES

The Group accepts exposure to a controlled level of business risk in the course of its business activities.

Risk management procedures are therefore designed to provide reasonable assurance that the level of risk taken by the Group is not likely to compromise the results expected by General Management.

However, given the limitations inherent in addressing contingencies, these procedures cannot guarantee that all the risks the Group may encounter in the future have been correctly analysed or even identified.

4.2.3.2 ORGANISATION AND DEFINITION OF RESPONSIBILITIES

As a rule, risk management is an integral part of the Group's management procedures.

In compliance with the Group's general organisational structure and with the Risk Management Charter, the operational and functional managers remain in charge of the risks related to their respective fields of activity.

The holding company provides general risk supervision, in particular for risks that can only be assessed at Group level or that require specific management by central teams.

4.2.3.3 RISK IDENTIFICATION AND ANALYSIS PROCESS

Within the Group's holding company, the Risk, Compliance and Internal Control Department is tasked with drafting and managing the risk management policy. Working closely with the other Corporate Departments and the divisions, the Risk and Internal Control Department provides methodological support and advice, particularly for the identification, analysis and quantification of risks. It is responsible for mapping the Group's risks.

Other measures help identify the Group's risks, in particular:

- subject-specific risk maps, namely covering anti-corruption, international economic sanctions, climate and CSR risks;
- internal audits;
- tests to assess the security of IT systems and networks;
- review and regular renegotiation of insurance programmes;
- financial reporting, particularly impairment tests and monitoring of off-balance sheet commitments;
- legal reporting to the Group's divisions;
- risk intelligence activities by the various Corporate Departments and divisions.

4.2.4 INSURANCE ADMINISTRATION

The financial consequences of certain risks can be covered by insurance policies when this is justified by their scale and provided insurance coverage is available at acceptable conditions.

Within the Group Funding and Investor Relations Department, the Insurance Department is in charge of overseeing the use of insurance in the Group and plays a coordination and advisory role in this respect.

4.2.4.1 INSURANCE POLICIES SUBSCRIBED

The major insurance policies cover property damage and, in some cases, business interruption, liability and cyber risks. Depending on the type of risk, coverage consists of permanent or temporary policies.

The Group generally seeks to insure all assets for their estimated value, and business interruptions for their estimated cost, in keeping with the relevant best practices.

In 2023, Lagardère and its divisions were able to renew insurance coverage for 2024 in respect of their activities throughout the world.

The Group selects its insurers carefully and regularly reviews their creditworthiness.

However, given the diversity of situations in all the divisions and local specificities of the insurance market, it cannot be considered that the Group will be covered by insurance in all circumstances, nor that existing insurance coverage will always be effective.

4.2.4.2 COVERAGE LEVEL

Many insurance policies are subscribed at the level of the divisions and their sites. Given the wide diversity of situations, it is not possible to give full details of all the coverage limits.

4.2.4.3 INSURANCE FOR PROPERTY DAMAGE AND BUSINESS INTERRUPTION

Risks covered

Insurance policies notably cover the risks of fire/explosion, lightning, water damage or storms, natural disasters, and terrorism. When specific national legislation applies to these risks, the coverage is implemented in compliance with the laws in force in each country concerned.

Limits of coverage

As a general rule, insurance for property damage is subscribed for the replacement value of the property and, where applicable, business interruption is subscribed for the gross margin. In some cases, these amounts may include limits agreed with the insurer.

For 2024, the highest insurance coverage limit subscribed by the Group is €400 million for certain Lagardère Publishing facilities. Lower limits of coverage for certain risks may also apply within these overall limits (for storms, earthquakes or flooding, etc.).

4.2.4.4 LIABILITY INSURANCE

Risks covered

Liability insurance policies, depending on the nature of the business and local regulations, include coverage for public, product and professional liability in the event of bodily injury, material damage or consequential loss caused to third parties.

Limits of coverage

Regarding liability, maximum exposure is difficult to assess, and the level of insurance for the divisions and their sites depends on the availability of coverage and an acceptable economic cost.

For 2024, excluding the United States, Canada and countries under an international embargo, the highest amount of coverage subscribed stands at €50 million, while in the United States the highest limit is around €71 million.

Sub-limits specific to certain types of insurance coverage may also apply within these overall limits.

4.2.4.5 CYBER RISK INSURANCE

Risks covered

Cyber insurance covers the consequences of either a breach of data held or managed, or damage to information systems. It offers damage coverage that includes research, resolution and notification costs. It also offers liability coverage including losses caused to third parties.

Limits of coverage

For 2024, the highest insurance coverage limit subscribed by the Group is €10 million.

Sub-limits specific to certain types of insurance coverage may also apply.

4.2.4.6 PREMIUMS

In 2023, the overall budget for the main permanent insurance policies subscribed by the Group was estimated at 0.16% of revenue (excluding collective insurance).

4.2.5 INTERNAL CONTROL

4.2.5.1 INTERNAL CONTROL BENCHMARK

The Group applies the Reference Framework recommended by the French financial markets authority (*Autorité des marchés financiers* – AMF) to oversee its risk management and internal control. In this respect, Lagardère SA has adopted internal control procedures aimed at ensuring:

- compliance with applicable laws and regulations;
- application of the instructions and orientations defined by General Management;
- proper operation of the Group's internal processes, particularly regarding safeguarding its assets;
- reliability of financial information.

These procedures are applicable to the Group's fully consolidated subsidiaries.

Equity-accounted companies over which Lagardère SA only exercises significant influence are not covered by the Group's internal control system, although the Group may have specific rights related to its status as a reference shareholder.

Companies that have recently entered the scope of the Group's internal control system must progressively adapt their own internal control procedures for harmonisation with the Group's system.

Naturally, the effectiveness of the internal control procedures is subject to the limitations inherent to any organisational system.

4.2.5.2 APPLICABLE LAWS AND STANDARDS

The Lagardère group has drawn up several charters, codes and policies to govern its activities in terms of risk management, internal control and financial reporting. The Group adapts this documentation in accordance with legislative or regulatory requirements which set out the framework for new obligations applicable to French companies. The main elements are outlined here.

The Risk Management Charter describes the Group's objectives in this area, as well as the roles and responsibilities of the various Group players. It also lists the cross-functional programmes applicable to the entire Group and supervised by the Corporate Departments.

The self-assessment internal control questionnaire provides the entire Group with a set of key points on the various components of internal control.

The Group has also adopted a policy to improve the prevention, detection and processing of cases of fraud.

The Information System Security Policy sets out best practices and the resources to be mobilised to protect information systems throughout the Group, including the technical protection of personal data.

The Lagardère group's Code of Ethics and the Anti-corruption Code of Conduct transcribe its values into guidelines, providing a set of shared ethical standards for all Lagardère employees.

A series of policies set out the Group's Compliance programmes in the areas of anti-corruption, international economic sanctions and personal data protection.

The production of financial and accounting information is also governed by standards and guidelines. These standards and guidelines define the common principles applicable to preparing the consolidated financial statements, monitoring budgets and the Group's financial reporting process.

Among them, the Lagardère Group Reporting Manual includes guidelines for consolidation procedures, and a set of definitions of the main indicators used in the consolidated reporting package.

Other key documents are drawn up as part of the preparation of the consolidated financial statements, mainly supporting changes in accounting standards or in the application of accounting standards.

Where necessary, these various charters and principles can be adapted to the specificities of the Group's business. The divisions implement the associated internal control system in accordance with the Group's principles, while taking into account the organisation, business lines, scale, geographical location and regulatory constraints of their operating entities.

4.2.6 PERMANENT MONITORING OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Lagardère group continuously works to strengthen its risk management and internal control frameworks. To this end, a Risk Management and Internal Control Committee, whose members include the Group's General Management, the Chairman of the division concerned and the persons in the division and in the Group responsible for risk management and internal control, meets twice a year and is tasked with monitoring the effectiveness of risk management and internal control with each division.

4.2.6.1 PERMANENT MONITORING OF THE RISK MANAGEMENT SYSTEM

The Risk, Compliance and Internal Control Department develops and manages the Lagardère group's risk management policy. As part of its work, it is responsible for preparing a report summarising the Group's risks, monitoring and alerting General Management and the divisions, and analysing the Group's cross-business risks.

The Department is responsible for divisional risk mapping, by defining a shared methodology, and monitors the main risks identified and puts in place related control measures.

In order to fulfil its duties, the Risk, Compliance and Internal Control Department collaborates with the Corporate Departments and a network of correspondents within the divisions, particularly their chief financial officers.

The Department draws up a formal report on its duties, which it presents annually to the Group's General Management and Audit Committee.

4.2.6.2 PERMANENT MONITORING OF THE INTERNAL CONTROL SYSTEM

The Risk, Compliance and Internal Control Department manages the Group's internal control system. The Department has a correspondent in each division – the Internal Control Manager – who is responsible for coordinating the internal control system. The Internal Control Manager in each division has a reporting line that guarantees his or her independence with regard to operating activities. This organisation ensures effective monitoring of the internal control system throughout the Group.

An internal self-assessment procedure is implemented each year for internal control within Lagardère SA's main entities/subsidiaries. This procedure draws on dedicated IT tools, is managed by the Internal Control Managers and is consolidated by the Risk, Compliance and Internal Control Department. It helps the continuous improvement process for the control and efficiency of processing within the Lagardère group's entities.

The self-assessment is based on defining a Group reference framework shared with all the divisions. It aims to identify the applicability, efficient implementation and traceability of each of these points of control, and to establish a stronger formal definition of internal control procedures and ensure their adoption by all operational managers. The Internal Control Managers analyse the results of the self-assessment for their respective divisions, and benchmark their findings. A summary of their work is presented to General Management and to the Audit Committee for the entire Group. It is included in the scope of audits carried out by the Internal Audit Department.

4.2.6.3 PERMANENT MONITORING OF INFORMATION SYSTEMS

The Group's Cybersecurity Department, together with the Risk, Compliance and Internal Control Department, carries out regular surveys to self-assess the security of the IT systems and networks, thereby helping to improve their security.

Based on these surveys, the Group Cybersecurity Department makes recommendations to the entities concerned to ensure that the level of security is satisfactory based on the Lagardère group's IT security policy. It also presents the results of an annual review of these recommendations to the senior executives of each division and to General Management and the Group Audit Committee.

4.2.6.4 PERMANENT MONITORING OF INSURANCE MANAGEMENT SYSTEM

Within the Group Funding, Treasury and Investor Relations Department, the Insurance Department coordinates insurance programmes for Group entities, employees and corporate officers. It also provides its technical expertise to Group entities requesting assistance in managing their own insurance programmes (i.e., taken out in their own name). Certain entities also call on the Insurance Department to manage all or part of their insurance programme.

4.2.6.5 AUDIT OF THE SYSTEMS

The Group Audit Department audits the risk management and internal control systems (including internal control related to the preparation of financial information) defined within the Lagardère group. Audits are conducted as part of the annual audit plan or following specific requests from General Management, the Group's Finance Department or from the division's senior executives. The Internal Audit Department's scope of intervention includes all fully-consolidated companies. Equity-accounted companies which are jointly-controlled by the Group may also be audited. The audit plan is established on a multi-annual basis and includes:

- coverage of Group entities on a rotating basis;
- taking into account the needs of Group and division senior executives;
- audits of the risk management and internal control systems that need to be reviewed based on the risk mapping or analyses performed by the Group's Risk, Compliance and Internal Control Department;
- audits of cross-functional themes relevant to the divisions and their subsidiaries;
- audits related to the internal control self-assessment system.

The Internal Audit Department may also conduct consulting or operational assistance assignments on specific projects at the request of General Management or the divisions, assignments involving reviews of operational and financial risks, audits relating to merger/acquisition projects, or *ad hoc* audits with entities facing incidents involving fraud. Audit assignments are conducted following a standard process, particularly involving monitoring by the Department of the action plans resulting from its audits.

The missions of the Internal Audit Department, its powers and responsibilities are set out in an internal audit charter. The Internal Audit Department presents to the Audit Committee the annual audit plan, a summary of the work carried out, the resulting findings and details of their application, as well as business indicators that make it possible to assess the effectiveness of its work.

The Internal Audit Department implements a recruitment policy in order to maintain its technical skills and language skills (to be able to work in the languages that are most commonly used within the Group). The Department helps foster the risk management and internal control culture within the Group through its audits, as well as through professional mobility for its employees.

4.2.7 FINANCIAL AND ACCOUNTING INFORMATION

4.2.7.1 PREPARATION AND MONITORING OF FINANCIAL REPORTING

4.2.7.1.A OPERATION, FREQUENCY AND TIMING OF REPORTING

The Lagardère group's financial reporting system is broken down by division, each of which is responsible for the data it reports.

The consolidated financial statements are drawn up at the end of each month (except for January and July), which allows the Group Accounting Department responsible for consolidation to regularly review the financial information reported by the divisions.

The financial information collected and consolidated using the Lagardère group's reporting system must comply with legal requirements and satisfy the Group's own control and management needs. This information includes a balance sheet and income statement by activity and by function, a statement of cash flows and management indicators specific to each business type.

The overall reporting cycle is based on common principles, in particular the application of IFRS accounting standards, and uses a database and consolidation system that are shared by all teams in the finance departments in charge of financial data reporting, whether it is for management reporting or intended for publication.

This unified organisation of the reporting cycle relies on the finance departments of each division, and the Group Finance Department. Under the supervision of the latter, the reporting system is designed to meet the needs of Management Control and also to guarantee the relevance and quality of the financial information published.

4.2.7.1.B PREPARATION OF BUDGETS

During the second half of the calendar year, the Group's divisions establish their five-year budgets, which are submitted to Lagardère SA for discussion.

These data are integrated into the consolidation systems referred to above, and used in preparing the Group's consolidated budget.

4.2.7.1.C MONTHLY GROUP REPORTS, INTERNAL REPORTING

Each Group company's finance department enters data from its own monthly accounts into the Group's financial reporting database.

For each reporting entity, these data include a balance sheet, an income statement and a statement of cash flows with notes, and the key performance indicators monitored by the Group.

Careful attention is paid to regular updates to forecast figures such as year-end estimates.

These data are included in a Monthly Group Report established by the Management Control Department and submitted to General Management and the Group's principal executives.

4.2.7.1.D INTERIM AND ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

Additional information is supplied for the preparation of the interim and annual consolidated financial statements for publication.

Chapter 5 of this Universal Registration Document contains a description of the principles and methods used in preparing the consolidated financial statements.

4.2.7.2 MAIN BUSINESS FINANCIAL MANAGEMENT COMMITTEES

Lagardère SA organises and chairs various committees to oversee the financial management of the Group.

The Commitments Committee reviews major investments, divestments and commitments undertaken by the Group.

Monthly business reviews are conducted to monitor operations in each division.

The Budget Committee reviews, on an annual basis, the budget for the coming year and the five-year plan.

The Reporting Committee monitors the financial performance of each division by reviewing and analysing the monthly consolidated financial statements against historical and projected year-end estimates and the budget.

Each month, the Cash Flow Reporting Committee analyses cash flows and cash balances for each division, and monitors the bank covenants described in note 29 to the consolidated financial statements (chapter 5 of this Universal Registration Document).

Lastly, the Counterparty Risks Committee regularly analyses these risks, as described in note 29 presented in chapter 5 of this Universal Registration Document.

4.2.7.3 CONSOLIDATION SYSTEM FOR FINANCIAL AND ACCOUNTING INFORMATION

The financial reporting cycle for management and accounting data is based on common principles and on a single information system (the consolidation system) shared by all teams in the finance departments at Group Corporate and divisional levels.

The consolidation system includes blocking controls which help prevent incidents and anomalies, and improve the reliability of data entry. Monthly reporting is reviewed by management control teams.

The consolidation system and the system configuration are upgraded and versions changed as necessary, in particular to guarantee data integrity, availability and confidentiality.

4.2.7.4 OTHER KEY FINANCIAL MANAGEMENT PROCESSES

The Group Funding, Treasury and Investor Relations Department organises financing for the Group's operations and its entities in the "General Financing Policy of the Lagardère group and its subsidiaries".

4.2.7.4.A EXTERNAL FINANCING

As a general rule, only Lagardère SA uses medium- or long-term bank or market financing, and finances the divisions itself. Apart from the financing of ordinary business operations, the divisions retain responsibility for some previously-negotiated transactions, or specific operations such as sales of receivables; however, these operations require advance authorisation and are reported to the Group's Finance Department on a regular basis.

4.2.7.4.B CASH MANAGEMENT

Cash investments must be in fixed-income instruments issued by high-quality entities, with maturities appropriate to the planned duration of the investment. Speculative or high-risk investments are not permitted.

4.2.7.4.C HEDGING POLICY AND MARKET RISK MONITORING

The hedging policy and market risk monitoring are described in note 29 to the consolidated financial statements presented in chapter 5 of this Universal Registration Document.

The Group's Finance Department and the divisions' finance managers regularly adjust the hedging policy and the corresponding control system in light of the resulting priorities.

4.2.7.5 WORK OF THE STATUTORY AUDITORS

In accordance with the French Commercial Code, the consolidated financial statements are audited by the joint Statutory Auditors. At the beginning of each year, the Statutory Auditors present the audit approach.

The Group Finance Department has open, regular and proactive exchanges with the Statutory Auditors throughout the year in order to facilitate their work and review any complex accounting matters in advance.

The Statutory Auditors' findings on its review of the internal controls and the process of preparing financial and accounting information are shared regularly with the finance departments at Group and divisional levels, which follow up on them and put in place any requisite corrective measures.

The Statutory Auditors' presentation to the Audit Committee, which is also presented to the Group Finance Department, sets out the findings of the joint auditors further to their engagement, details the way in which the audit engagement is conducted, the type of approach adopted (based on internal control or substantive procedures), as well as the key audit matters. This report places the most sensitive matters subject to estimates in the context of the disclosures in the notes to the consolidated and Company's financial statements.

5

NET ASSETS, FINANCIAL POSITION AND RESULTS

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Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

5.1 PER SHARE DATA, DIVIDEND POLICY AND SHARE PERFORMANCE

AFR

5.1.1 CONSOLIDATED KEY FIGURES

(in millions of euros)	2023	2022	2021
Revenue	**8,081**	**6,929**	**5,130**
Recurring operating profit of fully consolidated companies[2]	**520**	**438**	**249**
Non-recurring/non-operating items	**(85)**	(131)	(184)
of which impact of IFRS 16 on concession agreements[3]	***144***	*24*	*(25)*
Income (loss) from equity-accounted companies[4]	**(1)**	13	1
Profit before finance costs and tax	**434**	**320**	**66**
Finance costs, net	**(97)**	(74)	(64)
Interest expense on lease liabilities	**(89)**	(61)	(68)
Income tax (expense) benefit	**(78)**	(33)	(22)
Profit (loss) from discontinued operations[1]	**5**	35	2
Profit (loss) for the year	**175**	**187**	**(86)**
o/w attributable to minority interests	**31**	26	15
o/w attributable to owners of the Parent	**144**	161	(101)
Total equity	**956**	**1,030**	**939**
Cash and cash equivalents (net debt)	**(2,099)**	**(1,713)**	**(1,535)**
Goodwill	**1,695**	**1,640**	**1,614**
Investments	**652**	**387**	**415**

(1) Changes relating to the sale of Lagardère Sports in 2020.
(2) Recurring operating profit of fully consolidated companies is described in note 3.3 to the consolidated financial statements as profit before finance costs and tax, excluding the following income statement items:
- income (loss) from equity-accounted companies;
- gains and losses on disposals of assets;
- impairment losses on goodwill, property, plant and equipment, intangible assets and investments in equity-accounted companies;
- net restructuring costs;
- items related to business combinations:
  - acquisition-related costs,
  - gains and losses resulting from purchase price adjustments and fair value adjustments due to changes in control,
  - amortisation of acquisition-related intangible assets;
- items related to leases and finance sub-leases:
  - excluding gains and losses on leases,
  - excluding depreciation of right-to-use assets under concession agreements,
  - including decreases in lease liabilities under concession agreements,
  - including interest paid on lease liabilities under concession agreements,
  - including changes in working capital relating to lease liabilities under concession agreements;
- specific major disputes unrelated to the Group's operating performance.

(3) Including gains and losses on leases.
(4) Before impairment losses.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

5.1.2 PER SHARE DATA

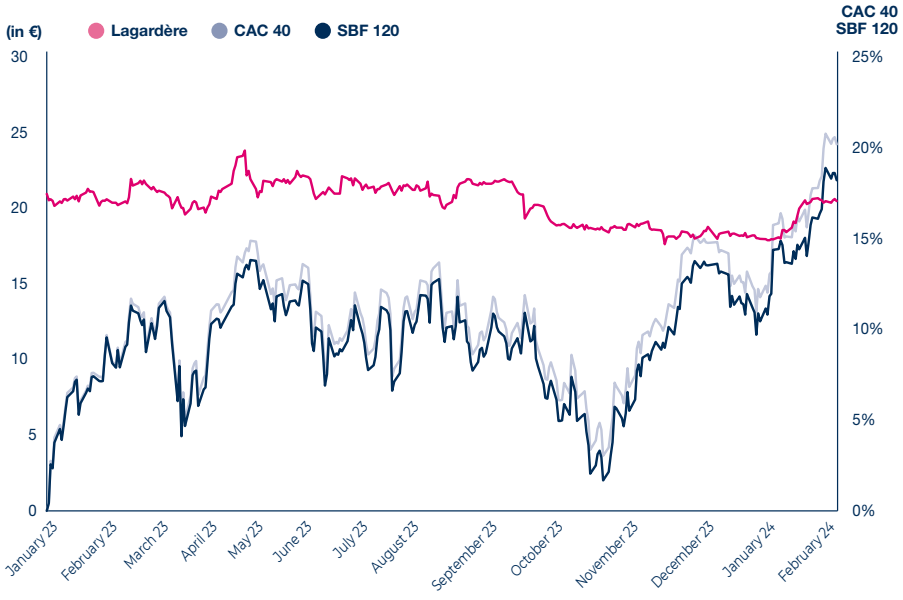
(in euros)	2023		2022		2021	
	basic	diluted[1]	basic	diluted[1]	basic	diluted[1]
Profit (loss) attributable to owners of the Parent, per share	**1.02**	**1.01**	1.15	1.14	(0.75)	(0.75)
Equity attributable to owners of the Parent, per share	**5.95**	**5.87**	6.41	6.36	6.05	5.99
Cash flow from (used in) operations before change in working capital, per share	**4.34**	**4.28**	3.74	3.71	2.50	2.48
Share price at 31 December	**18.38**		20.04		24.38	
Dividend	**0.65[2]**		1.30		0.50	
Extra dividend	**-**		-		-	

(1) The method used to calculate diluted earnings per share is described in note 15 to the consolidated financial statements.
(2) Dividend submitted for approval to the General Meeting to be held on 25 April 2024.

5.1.3 DIVIDEND POLICY

Total dividends paid for the years 2022 and 2021 amounted to €183.0 million and €70.2 million, respectively.

5.1.4 SHARE PERFORMANCE SINCE JANUARY 2023



Source: Euronext.com.

5.2 PRESENTATION OF THE FINANCIAL POSITION AND CONSOLIDATED FINANCIAL STATEMENTS OF LAGARDÈRE SA

AFR

Comments on the Lagardère SA consolidated financial statements at 31 December 2023

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as described in note 1 to the consolidated financial statements, "Accounting principles".

The Group is structured around its two priority divisions (Lagardère Publishing and Lagardère Travel Retail) and also has an "Other Activities" segment.

The Group's internal management reporting is structured around its two core operating divisions (Lagardère Publishing and Lagardère Travel Retail), and "Other Activities":

- **Lagardère Publishing**, which includes the Group's Book Publishing and e-Publishing businesses, covering areas such as Education, General Literature, Illustrated Books, Partworks, Dictionaries, Children and Young Adult, Board Games, Mobile Games, Premium Stationery and Distribution.
- **Lagardère Travel Retail**, which consists of retail operations in transit areas and concessions in three business segments: Travel Essentials, Duty Free & Fashion, and Foodservice.
- **Other Activities**, which includes Lagardère News (*Paris Match*, *Le Journal du Dimanche*, *JDD Magazine*, and the Elle brand licence), Lagardère Radio (Europe 1, Europe 2, RFM and advertising sales brokerage), Lagardère Live Entertainment, Lagardère Paris Racing, and the Group Corporate function. The Corporate function is used primarily to report the effect of financing obtained by the Group and the net operating costs of Group holding companies.

The main changes in the scope of consolidation between 2023 and 2022 are described in note 4 to the consolidated financial statements.

5.2.1 CONSOLIDATED INCOME STATEMENT

(in millions of euros)	2023	2022
Revenue	**8,081**	**6,929**
Recurring operating profit of fully consolidated companies(*)	**520**	**438**
Income (loss) from equity-accounted companies(**)	**(1)**	13
Non-recurring/non-operating items	**(85)**	(131)
of which impact of IFRS 16 on concession agreements(***)	***144***	*24*
Profit before finance costs and tax	**434**	**320**
Finance costs, net	**(97)**	(74)
Interest expense on lease liabilities	**(89)**	(61)
Income tax expense	**(78)**	(33)
Profit from discontinued operations	**5**	35
Profit for the period	**175**	**187**
Attributable to:		
- Owners of the Parent	**144**	161
- Minority interests	**31**	26

(*) Recurring operating profit of fully consolidated companies is an alternative performance measure taken from the segment information section of the consolidated financial statements (see reconciliation in note 5 to the consolidated financial statements), and is defined as the difference between profit (loss) before finance costs and tax and the following income statement items:
- income (loss) from equity-accounted companies;
- gains (losses) on disposals of assets;
- impairment losses on goodwill, property, plant and equipment, intangible assets and investments in equity-accounted companies;
- net restructuring costs;
- items related to business combinations:
  - acquisition-related expenses,
  - gains and losses resulting from purchase price adjustments and fair value adjustments due to changes in control,
  - amortisation of acquisition-related intangible assets;
- specific major disputes unrelated to the Group's operating performance;
- items related to leases and finance sub-leases:
  - excluding gains and losses on leases,
  - excluding depreciation of right-of-use assets under concession agreements,
  - including decreases in lease liabilities under concession agreements,
  - including interest paid on lease liabilities under concession agreements,
  - including changes in working capital relating to lease liabilities under concession agreements.

(**) Before impairment losses.
(***) Including gains and losses on leases.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

Revenue for the Lagardère group came in at €8,081 million for 2023, up 16.6% as reported and 14.0% like for like.

The difference between reported and like-for-like revenue is essentially attributable to an €83 million negative currency effect (of which €50 million linked to the US dollar and €17 million to the pound sterling). The €242 million positive scope effect was mainly due to the acquisitions of Marché International (€149 million), Costa Coffee Poland (€36 million) and Tastes on the Fly (€27 million) at Lagardère Travel Retail, as well as the acquisition of Welbeck Publishing (€33 million) and the consolidation of Ivory Coast subsidiary NEI-CEDA (€14 million) at Lagardère Publishing.

Revenue for Lagardère Publishing came in at €2,809 million for 2023, up 2.2% as reported and up 1.9% like for like in a generally subdued environment. The difference between reported and like-for-like revenue is attributable to a €50 million positive scope effect linked chiefly to the acquisition of Welbeck Publishing Group and the consolidation of the Côte d'Ivoire subsidiary NEI-CEDA. The €41 million negative currency impact for the period primarily reflected the depreciation of the US dollar (€21 million negative impact) and the pound sterling (€15 million negative impact).

Amid a highly inflationary environment, Lagardère Publishing maintained a very high level of like-for-like revenue.

France posted 6.1% revenue growth, outperforming the market. This strong performance was primarily driven by Illustrated Books, which was boosted by the publication of a new Asterix album (*The White Iris*) as well as an illustrated album (*Astérix et Obélix: L'Empire du Milieu*). A very good year in the Young Adult Dark Romance segment helped drive revenue growth too, including the success of Sarah Rivens' *Captive* trilogy. General Literature also had a bumper year, despite the absence of a new Guillaume Musso title in 2023 (compared with one hardcover title and two paperback titles in 2022), buoyed by another record performance for Le Livre de Poche and some notable hardcover publishing successes, such as Cédric Sapin-Defour's *Son odeur après la pluie* (Stock) and *Le Suppléant* by Prince Harry (Fayard).

Revenue in the United Kingdom advanced 6.1%, spurred in particular by a number of very successful Adult Trade titles (fiction and non-fiction), including the first two volumes of Rebecca Yarros' *The Empyrean* trilogy and two titles by Freida McFadden (*The Housemaid* and *The Housemaid's Secret*). Revenue growth was also driven by impressive backlist sales on the back of the success of Ana Huang's *Twisted* saga and Matthew Perry's autobiography, published at the end of 2022. However, sales in the Young Adult segment were down (no equivalent to last year's *Heartstopper* phenomenon).

Revenue in the United States fell by 6.8% in a declining market. The decline was due in particular to Grand Central Publishing, which had benefited from exceptional sales of Colleen Hoover's *Verity* in 2022, and to Little, Brown Adult, which had been buoyed by the success of *Run, Rose, Run*, a novel co-written by Dolly Parton and James Patterson.

In Spain/Latin America, revenue grew sharply by 17.9%. In Spain, the Education segment enjoyed vigorous growth, with activity benefiting from the peak in the national curriculum reform campaign launched in 2022, while the publication of a new Asterix album lifted the Trade business. In Mexico, growth reflected an excellent year at Trade, led notably by dictionary sales.

Revenue from Partworks was down 7.0%, owing to a less dynamic launch campaign in the first half of 2023, particularly in Japan.

In 2023, digital audiobooks accounted for 4.5% of Lagardère Publishing's total revenue (versus 4.3% in 2022), and e-books accounted for 7.8% of the division's total revenue, stable compared to 2022.

Revenue for Lagardère Travel Retail totalled €5,018 million, up 27.8% as reported and up 23.4% like for like. The difference between reported and like-for-like data was attributable to (i) a €42 million negative currency effect, mainly resulting from the depreciation of the US dollar (€28 million negative impact) and Chinese yuan (€15 million negative impact), and (ii) a €183 million positive scope effect relating to the acquisition of Costa Coffee Poland (€36 million), Marché International (€149 million) and Tastes on the Fly (€27 million).

In France, trading for the division continued to recover, with revenue up 15.9% on the back of robust sales at regional airports.

The EMEA region (excluding France) reported 26.6% growth, driven by the increase in international tourist traffic, as well as by excellent performances in Italy and Poland and network expansion.

The Americas region continued to grow, with revenue advancing 16.3% against an already high comparison basis, benefiting from a favourable local economic environment (particularly in the United States), and the strong rebound in international traffic in Canada.

Asia-Pacific revenue jumped 52.1% from a low 2022 comparison basis in the region following the delayed reopening of borders in China.

Revenue for Other Activities came in at €254 million for the Other Activities segment in 2023, stable as reported and down 3.3% like for like. The difference between reported and like-for-like revenue is due to a €9 million positive scope effect related mainly to the acquisition of Euterpe Promotion at Lagardère Live Entertainment.

Radio was down 8.3%, due to lower audience figures at Europe 1, Europe 2 and RFM, which affected revenues from advertising sales brokerage.

Press revenue retreated 9.4% on account of lower circulation at points of sale and through subscriptions. Revenue from the international Elle brand licences was broadly stable year on year.

Lagardère Live Entertainment reported an 8% rise in revenue owing to a favourable comparison basis in the first half of 2023.

Recurring operating profit of fully consolidated companies amounted to €520 million, up sharply by €82 million on 2022.

Lagardère Publishing reported €301 million in recurring operating profit of consolidated companies in 2023, stable on the same prior-year period. Profitability remained high at 10.7%, well ahead of pre-Covid levels (9.2% in 2019), despite ongoing inflationary pressures on costs. This figure includes the impact of the logistics and IT transformation project costs incurred in France over the year.

Lagardère Travel Retail recurring operating profit of consolidated companies hit an all-time high of €245 million in 2023, a rise of €109 million versus 2022, with all geographic areas reporting growth. This performance was attributable to revenue growth combined with disciplined margin control amid high inflation, government aid in the US and the efficiency gains brought about by the ramp-up of the LEaP operational efficiency plan.

Recurring operating loss of Other Activities amounted to €26 million, €26 million lower than in 2022, due to the Radio and Press businesses and higher specific variable-rate financing costs for sales of trade receivables.

The loss from equity-accounted companies (before impairment losses) came in at €1 million in 2023, versus income of €13 million in 2022. This downturn was mainly attributable to business difficulties and one-off costs incurred by Lagardère Travel Retail on the sale of its joint venture in North Asia. It also reflects a lower contribution from manga sales at Lagardère Publishing in the United States.

Non-recurring/non-operating items included in profit before finance costs and tax represented net expense of €85 million in 2023, comprising:

- €47 million in **write-downs against property, plant and equipment and intangible assets**, including €46 million at Lagardère Publishing, mainly due to the termination of the Polaris logistics and IT infrastructure transformation project in France, the impairment of right-of-use assets in the United States in connection with the streamlining of office space (in particular following the integration of Workman Publishing) and the impairment of Hiboutatillus goodwill;
- €117 million in **amortisation of intangible assets and costs attributable to acquisitions and disposals**, including €103 million for Lagardère Travel Retail, mainly relating to concession agreements in North America (Paradies Lagardère, HBF and Vino Volo), Italy (Rome airport and Airest) and Belgium (IDF); and €13 million for Lagardère Publishing, notably in connection with the amortisation of publishing rights in the United States and United Kingdom;
- €75 million in **restructuring costs**, of which €45 million at Lagardère Publishing, mainly due to the Polaris logistics and IT transformation project in France, reorganisation costs in the United States and the integration of Workman Publishing. Other Activities accounted for €29 million of restructuring costs, mainly relating to the reorganisation of the editorial team at *Le Journal du Dimanche* and the music radio network, as well as costs associated with the takeover of Lagardère SA by Vivendi SE;
- €10 million in **net gains on disposals**, mainly concerning the expiry of warranties granted in connection with disposals carried out in prior periods by the Other Activities and Lagardère Travel Retail segments;
- the impact of **applying IFRS 16 to concession agreements** at Lagardère Travel Retail (including gains and losses on leases), for a positive €144 million, including a non-recurring €90 million gain on lease modifications in connection with the conclusion of an amendment to a concession agreement substituting variable for fixed lease payments. The lease liability and the right-of-use asset were closed out against a gain on lease modifications. The residual impact includes the cancellation of the fixed rental expense for the concession agreements and the depreciation of the right-of-use assets.

In 2022, non-recurring/non-operating items represented a net negative amount of €131 million, including (i) €7 million in net disposal gains; (ii) €38 million in restructuring costs – mainly reorganisation costs and costs relating to Vivendi SE's public offer for Lagardère SA, (iii) €115 million in amortisation of intangible assets and expenses in connection with acquisitions of consolidated companies, of which €97 million at Lagardère Travel Retail relating to concession agreements; (iv) €9 million in impairment losses relating to concession agreements not renewed at Lagardère Travel Retail and (v) the positive €24 million impact of applying IFRS 16 to concession agreements, chiefly at Lagardère Travel Retail.

As a result of the above, **profit before finance costs and tax** came out at €434 million for 2023, versus €320 million one year earlier.

Net finance costs were higher year on year, at €97 million, mainly on account of the rise in interest rates on variable-rate borrowings.

Interest expense on lease liabilities represented €89 million in 2023, versus €61 million in 2022, a rise of €28 million driven by the increase in lease liabilities and discount rates.

In 2023, **income tax expense** rose by €45 million year on year at €78 million, reflecting the business recovery across all geographic areas and the deferred tax effect relating to the gain on lease modifications further to the amendment of a concession agreement.

Profit from discontinued operations in 2023 was €5 million, including the earn-out from the sale of Lagardère Sports, further to the settlement of the dispute with the Confederation of African Football.

Profit attributable to minority interests was €31 million for 2023, versus profit of €26 million in 2022. The year-on-year change chiefly reflects the rebound in Lagardère Travel Retail's earnings, particularly in North Asia.

5.2.2 CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows

(in millions of euros)	2023	2022
Cash flow from operating activities before changes in working capital	**1,070**	858
Decrease in lease liabilities	**(354)**	(241)
Interest paid on lease liabilities	**(99)**	(87)
Changes in working capital relating to lease liabilities	**(6)**	(6)
Cash flow from operations before changes in working capital and income taxes paid	**611**	**524**
Changes in working capital	**(14)**	(73)
Income taxes paid	**(70)**	(57)
Cash flow from operations	**527**	**394**
Cash used in investing activities	**(652)**	(387)
- Purchases of intangible assets and property, plant and equipment	***(269)***	*(177)*
- Purchases of investments	***(383)***	*(210)*
Proceeds from disposals	**37**	42
- Disposals of intangible assets and property, plant and equipment	***3***	*4*
- Disposals of investments	***34***	*38*
Interest received	**14**	7
Net cash used in investing activities	**(601)**	**(338)**
Cash flow from (used in) operations and investing activities	**(74)**	**56**
Net cash from (used in) financing activities excluding lease liabilities	**(291)**	**(183)**
Other movements	**4**	(5)
Change in cash and cash equivalents	**(361)**	**(132)**

5.2.2.1 CASH FLOW FROM OPERATIONS AND INVESTING ACTIVITIES

In 2023, **cash flow from operations before changes in working capital and income taxes paid (operating cash flow)** represented a net cash inflow of €611 million, compared with €524 million in 2022. This sharp rise was mainly attributable to the increase in recurring operating profit of fully consolidated companies.

Changes in working capital represented an outflow of €14 million over the year, compared to an outflow of €73 million in 2022. This improved performance was attributable to Lagardère Publishing (€55 million positive impact), mainly in connection with reduced inventory levels, which had risen sharply in 2022 because of the need to secure supplies, even though changes in the division's working capital during the year continued to represent a net outflow. At Lagardère Travel Retail, changes in working capital represented a net inflow, an improvement on 2022 despite stronger business growth during that year with its favourable impact on trade payables. The improvement in 2023 is due to sound inventory management and action on tax receivables.

Income taxes paid represented €70 million in 2023, €13 million higher than in 2022, due to stronger business levels in 2022 and 2023, chiefly in the United States and Europe.

Taking account of the above items, **cash flow from operations** represented an inflow of €527 million in 2023 versus an inflow of €394 million in 2022.

Purchases of property, plant and equipment and intangible assets represented a net outflow of €269 million – an increase of €92 million year on year, notably at Lagardère Travel Retail (€72 million outflow) in line with the business recovery and investment projects implemented on the back of tender wins, and at Lagardère Publishing (€16 million outflow) in connection with the logistics and IT infrastructure transformation plan in France.

Purchases of investments represented a cash outflow of €383 million in 2023. These mainly relate to Lagardère Travel Retail and include the acquisition of a 49% stake in Extime Duty Free Paris, the acquisitions of Tastes on the Fly and Marché International, and the financing of joint ventures in the Pacific and in Asia. Purchases of investments represented an outflow of €210 million in 2022, mainly corresponding to the acquisition of Creative Table Holdings Ltd and capital increases at Société de Distribution Aéroportuaire and Lagardère & Connexions (Lagardère Travel Retail), as well as to the acquisitions of Welbeck Publishing Group, Paperblanks and Bragelonne (Lagardère Publishing).

Disposals of investments represented an inflow of €34 million and mainly included the collection of the final instalment of the sum negotiated in the settlement with the Confederation of African Football.

In all, **operations and investing activities** represented a net cash outflow of €74 million in 2023, versus a net cash inflow of €56 million one year earlier.

5.2.2.2 NET CASH FROM (USED IN) FINANCING ACTIVITIES

Financing activities in 2023 represented a net cash outflow of €291 million and include:

- €230 million in **dividends paid**, including €183 million by Lagardère SA and €47 million paid to minority shareholders, of which €41 million at Lagardère Travel Retail, particularly in North America, and €6 million at Lagardère Publishing;
- a €53 million **net increase in debt**, corresponding to drawdowns under the loan agreement with Vivendi SE for €270 million and commercial paper issues for €190 million, partly offset by the redemption of bonds issued in 2016 for €350 million and the early repayment of the Schuldschein loan as a result of the change of control clauses for €27 million;
- **interest paid**, representing an outflow of €100 million, including (i) €34 million in coupons on the 2016, 2017, 2019 and 2021 bond issues, (ii) €31 million in interest on bank loans and commercial paper, (iii) an outflow of €14 million relating to currency hedging instruments, and (iv) €13 million paid in interest and fees on the syndicated credit facility.

5.2.3 NET DEBT

Net debt is an alternative performance measure and is calculated based on elements taken from the consolidated financial statements. A reconciliation with those accounting items is presented below:

(in millions of euros)	31 Dec. 2023	31 Dec. 2022
Short-term investments and cash and cash equivalents	**467**	851
Financial instruments designated as hedges of debt with a positive fair value	**7**	3
Non-current debt(*)	**(382)**	(1,647)
Current debt(*)	**(2,191)**	(920)
Net debt	**(2,099)**	**(1,713)**

(*) Current and non-current debt includes financial instruments designated as hedges of debt with a negative fair value, representing €7 million and €2 million, respectively, at 31 December 2023 (negative fair value of €8 million and €19 million, respectively, at 31 December 2022).

Changes in net debt during 2023 and 2022 were as follows:

(in millions of euros)	2023	2022
Net debt at 1 January	**(1,713)**	**(1,535)**
Cash flow used in operations and investing activities	**(74)**	56
Interest paid	**(100)**	(79)
Minority interests' share in capital increases by subsidiaries	**2**	1
(Acquisitions) disposals of treasury shares	**-**	-
(Acquisitions) disposals of minority interests	**(15)**	(1)
Dividends	**(230)**	(105)
Debt related to put options granted to minority shareholders	**8**	(20)
Fair value of financial instruments designated as hedges of debt	**23**	(15)
Effect on cash of changes in exchange rates and other	**-**	(15)
Net debt at 31 December	**(2,099)**	**(1,713)**

5.3 LAGARDÈRE SA CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2023 AFR

Consolidated income statement

(in millions of euros)		2023	2022
Revenue	*(Notes 5 and 6)*	**8,081**	6,929
Other income from ordinary activities		**50**	48
Total income from ordinary activities		**8,131**	**6,977**
Purchases and changes in inventories		**(2,981)**	(2,530)
External charges		**(2,233)**	(1,950)
Payroll costs		**(1,759)**	(1,549)
Depreciation and amortisation other than on acquisition-related intangible assets		**(177)**	(171)
Depreciation of right-of-use assets	*(Note 18)*	**(379)**	(328)
Amortisation of acquisition-related intangible assets and other acquisition-related expenses	*(Note 5)*	**(112)**	(113)
Restructuring costs	*(Note 8)*	**(75)**	(38)
Gains (losses) on disposals of assets	*(Note 8)*	**10**	7
Gains and losses on leases(*)	*(Note 18)*	**94**	41
Impairment losses on goodwill, property, plant and equipment and intangible assets	*(Note 10)*	**(47)**	(9)
Other operating expenses	*(Note 11)*	**(64)**	(91)
Other operating income	*(Note 12)*	**36**	61
Income (loss) from equity-accounted companies	*(Note 20)*	**(10)**	13
Profit before finance costs and tax	*(Note 5)*	**434**	**320**
Financial income	*(Note 13)*	**21**	17
Financial expenses	*(Note 13)*	**(118)**	(91)
Interest expense on lease liabilities	*(Note 18)*	**(89)**	(61)
Profit before tax		**248**	**185**
Income tax expense	*(Note 14)*	**(78)**	(33)
Profit from continuing operations		**170**	**152**
Profit from discontinued operations(**)		**5**	35
Profit for the year		**175**	**187**
Attributable to:			
Owners of the Parent		**144**	161
Minority interests		**31**	26
Earnings per share – Attributable to owners of the Parent:			
Basic earnings (loss) per share (in €)	*(Note 15)*	***1.02***	*1.15*
Diluted earnings (loss) per share (in €)	*(Note 15)*	***1.01***	*1.14*
Earnings per share from continuing operations – Attributable to owners of the Parent:			
Basic earnings (loss) per share (in €)	*(Note 15)*	***0.98***	*0.90*
Diluted earnings (loss) per share (in €)	*(Note 15)*	***0.97***	*0.90*

(*) Including gains and losses on lease modifications and negative variable lease payments (see note 18).
(**) See note 4.3 for more details on the impact of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

Consolidated statement of comprehensive income

(in millions of euros)	2023	2022
Profit for the year (1)	**175**	**187**
Actuarial gains and losses on pensions and other post-employment benefit obligations(*)	**(17)**	(5)
Change in fair value of investments in non-consolidated companies	**-**	-
Other comprehensive income (expense) for the period, net of tax, that will not be reclassified subsequently to profit or loss (2)	**(17)**	**(5)**
Currency translation adjustments	**(32)**	60
Change in fair value of derivative financial instruments(*)	**6**	(26)
Share of other comprehensive income from equity-accounted companies(*)	**-**	-
Other comprehensive income for the year, net of tax, that may be reclassified subsequently to profit or loss (3)	**(26)**	**34**
Other comprehensive income (expense) for the year, net of tax (2)+(3)	**(43)**	**29**
Total comprehensive income for the year (1)+(2)+(3)	**132**	**216**
Attributable to:		
Owners of the Parent	**103**	186
Minority interests	**29**	30

(*) Net of tax.

Consolidated statement of cash flows

(in millions of euros)		2023	2022
Profit from continuing operations		**170**	**152**
Income tax (benefit) expense	*(Note 14)*	**78**	33
Finance costs, net	*(Note 13)*	**186**	135
Profit before finance costs and tax		**434**	**320**
Depreciation and amortisation expense		**663**	608
Impairment losses, provision expense and other non-cash items		**60**	(16)
(Gains) losses on disposals of assets and on leases		**(103)**	(46)
Dividends received from equity-accounted companies		**6**	5
(Income) loss from equity-accounted companies	*(Note 20)*	**10**	(13)
Changes in working capital	*(Note 25)*	**(20)**	(79)
Cash flow from operating activities		**1,050**	**779**
Income taxes paid		**(70)**	(57)
Net cash from operating activities	***(A)***	**980**	**722**
Cash used in investing activities			
- Purchases of intangible assets and property, plant and equipment	*(Note 5)*	**(269)**	(177)
- Purchases of investments	*(Note 4.2 and 5)*	**(383)**	(150)
- Cash acquired through acquisitions	*(Note 5)*	**42**	(15)
- Purchases of other non-current assets	*(Note 5)*	**(42)**	(45)
Total cash used in investing activities	***(B)***	**(652)**	**(387)**
Cash from investing activities			
Proceeds from disposals of non-current assets			
- Disposals of intangible assets and property, plant and equipment	*(Note 5)*	**3**	4
- Disposals of investments	*(Note 4 and 5)*	**24**	21
- Cash transferred on disposals	*(Note 5)*	**-**	(2)
Decrease in other non-current assets	*(Note 5)*	**10**	19
Total cash from investing activities	***(C)***	**37**	**42**
Interest received	*(D)*	**14**	7
Net cash used in investing activities	***(F)=(B)+(C)+(D)***	**(601)**	**(338)**
Net cash from operating and investing activities	***(G)=(A)+(F)***	**379**	**384**
Capital transactions			
- Minority interests' share in capital increases by subsidiaries		**1**	1
- (Acquisitions) disposals of treasury shares		**-**	-
- (Acquisitions) disposals of minority interests		**(15)**	(1)
- Dividends paid to owners of the Parent		**(183)**	(70)
- Dividends paid to minority shareholders of subsidiaries		**(47)**	(35)
Total capital transactions	***(H)***	**(244)**	**(105)**
Financing transactions			
- Increase in debt	*(Note 28.1)*	**810**	74
- Decrease in debt	*(Note 28.1)*	**(757)**	(73)
Total movements in debt	***(I)***	**53**	**1**
Interest paid	*(J)*	**(100)**	(79)
Decrease in lease liabilities	*(Note 18) – (J)*	**(354)**	(241)
Interest paid on lease liabilities	*(Note 18) – (J)*	**(99)**	(87)
Net cash used in financing activities	***(K)=(H)+(I)+(J)***	**(744)**	**(511)**
Other movements			
- Effect on cash of changes in exchange rates		**7**	(7)
- Effect on cash of other movements		**(3)**	2
Total other movements	***(L)***	**4**	**(5)**
Change in cash and cash equivalents	***(M)=(G)+(K)+(L)***	**(361)**	**(132)**
Cash and cash equivalents at beginning of period		**746**	**878**
Cash and cash equivalents at end of period	***(Note 25)***	**385**	**746**

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Consolidated balance sheet

ASSETS (in millions of euros)		31 Dec. 2023	31 Dec. 2022
Intangible assets	*(Note 17)*	**1,099**	986
Goodwill	*(Note 16)*	**1,695**	1,640
Right-of-use assets	*(Note 18)*	**2,070**	1,640
Property, plant and equipment	*(Note 19)*	**740**	661
Investments in equity-accounted companies	*(Note 20)*	**158**	83
Other non-current assets	*(Note 21)*	**184**	183
Deferred tax assets	*(Note 14)*	**275**	310
Total non-current assets		**6,221**	**5,503**
Inventories	*(Note 22)*	**842**	833
Trade receivables	*(Note 23)*	**1,013**	957
Other current assets	*(Note 24)*	**780**	840
Cash and cash equivalents, net	*(Note 25)*	**467**	851
Total current assets		**3,102**	**3,481**
Assets held for sale	***(Note 4.3)***	**-**	**-**
Total assets		**9,323**	**8,984**

Consolidated balance sheet

EQUITY AND LIABILITIES (in millions of euros)		31 Dec. 2023	31 Dec. 2022
Share capital		**861**	861
Share premiums		**-**	-
Reserves and retained earnings		**(34)**	(31)
Profit (loss) for the year attributable to owners of the Parent		**144**	161
Other comprehensive income		**(134)**	(92)
Equity attributable to owners of the Parent		**837**	**899**
Minority interests	*(Note 26)*	**119**	131
Total equity		**956**	**1,030**
Provisions for pensions and other post-employment benefit obligations	*(Note 27)*	**89**	67
Non-current provisions for contingencies and losses	*(Note 27)*	**117**	121
Non-current debt	*(Note 28)*	**382**	1,647
Non-current lease liabilities	*(Note 18)*	**1,947**	1,634
Other non-current liabilities	*(Note 31)*	**42**	54
Deferred tax liabilities	*(Note 14)*	**280**	268
Total non-current liabilities		**2,857**	**3,791**
Current provisions for contingencies and losses	*(Note 27)*	**122**	111
Current debt	*(Note 28)*	**2,191**	920
Current lease liabilities	*(Note 18)*	**425**	388
Trade payables		**1,392**	1,379
Other current liabilities	*(Note 31)*	**1,380**	1,365
Total current liabilities		**5,510**	**4,163**
Liabilities associated with assets held for sale	***(Note 4.3)***	**-**	**-**
Total equity and liabilities		**9,323**	**8,984**

Consolidated statement of changes in equity

(in millions of euros)	Share capital	Share premiums	Other reserves	Treasury shares	Translation reserve	Valuation reserve	Equity attributable to owners of the Parent	Minority interests	Total equity
At 31 December 2021	**861**	**-**	**64**	**(71)**	**8**	**(47)**	**815**	**124**	**939**
Impact of the retrospective application of the IFRIC agenda decision on IAS 38	-	-	(29)	-	-	-	**(29)**	-	**(29)**
At 1 January 2022	**861**	**-**	**35**	**(71)**	**8**	**(47)**	**786**	**124**	**910**
Profit for the year	-	-	161	-	-	-	**161**	26	**187**
Other comprehensive income (expense) for the year[a]	-	-	(5)	-	56	(26)	**25**	4	**29**
Total comprehensive income (expense) for the year	**-**	**-**	**156**	**-**	**56**	**(26)**	**186**	**30**	**216**
Dividends paid	-	-	(70)	-	-	-	**(70)**	(35)	**(105)**
Parent company capital increase/reduction[b]	-	-	(14)	14	-	-	**-**	-	**-**
Minority interests' share in capital increases	-	-	-	-	-	-	**-**	1	**1**
Changes in treasury shares	-	-	-	-	-	-	**-**	-	**-**
Share-based payments	-	-	11	-	-	-	**11**	-	**11**
Effect of transactions with minority interests	-	-	1	-	-	-	**1**	-	**1**
Changes in scope of consolidation and other	-	-	(14)	-	(1)	-	**(15)**	11	**(4)**
At 31 December 2022	**861**	**-**	**105**	**(57)**	**63**	**(73)**	**899**	**131**	**1,030**
Profit for the year	-	-	144	-	-	-	**144**	31	**175**
Other comprehensive income (expense) for the year[a]	-	-	(17)	-	(30)	6	**(41)**	(2)	**(43)**
Total comprehensive income (expense) for the year	**-**	**-**	**127**	**-**	**(30)**	**6**	**103**	**29**	**132**
Dividends paid	-	-	(183)	-	-	-	**(183)**	(47)	**(230)**
Parent company capital increase/reduction[b]	-	-	(3)	3	-	-	**-**	-	**-**
Minority interests' share in capital increases	-	-	-	-	-	-	**-**	1	**1**
Changes in treasury shares	-	-	-	-	-	-	**-**	-	**-**
Share-based payments	-	-	18	-	-	-	**18**	-	**18**
Effect of transactions with minority interests	-	-	5	-	-	-	**5**	(2)	**3**
Changes in scope of consolidation and other	-	-	(4)	-	-	(1)	**(5)**	7	**2**
Balance at 31 December 2023	**861**	**-**	**65**	**(54)**	**33**	**(68)**	**837**	**119**	**956**

(a) See note 26 to the consolidated financial statements.
(b) Capital increase carried out by capitalising reserves and capital reduction carried out by cancelling treasury shares.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(All figures are expressed in millions of euros unless otherwise specified)

NOTE 1 ACCOUNTING POLICIES

In application of European Commission Regulation (EC) 1606/2002 of 19 July 2002, the consolidated financial statements of the Lagardère group have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB).

All IFRS standards and interpretations of the IFRS Interpretation Committee (IFRS-IC) endorsed by the European Union at 31 December 2023 have been applied. They can be viewed on the website of the European Commission at https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en.

The new standards and/or amendments to IFRSs adopted by the European Union that are **effective for periods beginning on or after 1 January 2023**, are as follows:

- Amendments to IAS 1 – Definition of Material as part of the Disclosure Initiative.
- Amendments to IAS 8 – Definition of Accounting Estimates.
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules.

  The Group has started work on applying safeguard measures based on 2022 data on the Lagardère group scope in order to assess its potential exposure when these new regulations take effect, which is expected to be in 2024. However, this analysis must be reviewed and completed taking into account Vivendi's takeover of the Lagardère group.

The Group did not elect to adopt the following new amendments which had been endorsed by the European Union, but which will only be effective subsequent to 1 January 2023:

- Amendments to IAS 1 – Classification of Liabilities as Current or Noncurrent and Noncurrent Liabilities with Covenants.
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback.

The new standards and amendments to existing standards published by the International Accounting Standards Board (IASB) at 31 December 2023 **which have not yet been endorsed** by the European Union and which will be effective subsequent to 2023 are as follows:

- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangement.
- Amendments to IAS 21 – Lack of Exchangeability.

The Group is currently analysing the potential impact on its consolidated financial statements of applying the above amendments.

The consolidated financial statements were approved for issue by the Board of Directors on 27 February 2024 and are subject to the approval of the General Meeting of Shareholders on 25 April 2024.

Measurement principles

The financial statements have been prepared using the historical cost method, except for certain financial assets and liabilities which have been measured at fair value where applicable under IFRS.

Use of estimates and judgements

The preparation of financial statements requires the use of estimates, judgement and assumptions to determine the value of assets and liabilities and contingent amounts at the year-end, as well as the value of income and expenses for the year.

Management's judgement is intended to classify transactions or situations where an item in the financial statements cannot be accurately measured. Significant judgement may relate to the assessment of going concern risk, the level at which certain goodwill is tested for impairment, the highly probable nature of a plan to sell assets or groups of assets and whether or not the assets qualify as discontinued operations, and the recovery period for deferred tax assets.

Significant estimates made relate mainly to:

- valuing the return rights granted to distributors at Lagardère Publishing, based partly on sales forecasts;
- calculating the forecast cash flows and determining the time frame, discount and perpetuity growth rates to be used in impairment tests. Note 10 provides further details of the estimates and judgements used in impairment tests;
- measuring assets, in particular goodwill and intangible assets with regard to their identification and valuation, as well as liabilities acquired in a business combination;
- methods used to amortise intangible assets;
- measuring share-based payment plans (free share plans);
- measuring provisions and liquidity clauses granted to non-controlling interests;
- in the context of the Group's refocusing completed in 2020, measuring earn-outs and vendor warranties arising from disposals of the former Lagardère Active and Lagardère Sports assets. These estimates are reviewed at each reporting date.

Management reviews these estimates and assumptions at regular intervals, based on past experience and various other factors considered as reasonable, which form the basis of its assessment of the carrying amount of assets and liabilities. Actual amounts may differ from these estimates due to changes in assumptions or circumstances. The accounting principles and valuation methods applied by the Group are described in full in note 3.

1.1 FRIENDLY TAKEOVER OF LAGARDÈRE SA BY VIVENDI SE

On 21 February 2022, Vivendi SE filed a friendly public tender offer for Lagardère SA, which ran from April to June 2022 following authorisation from the French financial markets authority (*Autorité des marchés financiers* – AMF). At the end of this public offer, Vivendi SE held 57.35% of Lagardère SA's share capital.

On 9 June 2023, the European Commission approved Vivendi SE's takeover of Lagardère SA, subject to full compliance with the two commitments offered by Vivendi SE (sale of 100% of the capital of Editis and *Gala* magazine to buyers approved by the European Commission).

Following the completion of these two transactions, the link-up between Vivendi SE and Lagardère SA was finalised on 21 November 2023.

Expert, financial and legal fees incurred by Lagardère in the context of the takeover by Vivendi SE, have been recorded as restructuring costs (see note 8) in the financial statements for the year ended 31 December 2023.

1.2 LAGARDÈRE RADIO

On 25 October 2023, Arcom, the French audiovisual regulator, approved the proposal submitted on 29 July 2022 to make the Lagardère group's radio unit (Europe 1, Europe 2, RFM and advertising sales brokerage) autonomous. The Memorandum of Understanding setting out the terms and conditions of this transaction was signed on 26 October 2023 with the authorisation of the Board of Directors.

Lagardère Radio SAS, head of the radio businesses, was converted into a French partnership limited by shares (*société en commandite par actions* – SCA), whose Limited Partners are the three wholly owned Lagardère group companies, and of which Arnaud Lagardère is indirectly General Partner and personally Managing Partner. In this dual capacity, he is solely responsible for supervising the management and teams of the radio division and is the ultimate decision-maker on editorial policy. The move to make the radio unit autonomous is part of the commitment, reiterated many times by Lagardère SA's Board of Directors, to preserve and maintain the Group's integrity, sustainability and managerial continuity.

This transaction is financially neutral for the Lagardère group, as the radio unit remains in the Group's scope of consolidation for tax and accounting purposes. The radio unit also has sufficient cash to finance its business plan through to 2027, corresponding to roughly €145 million at 31 December 2023, This pooled cash is managed by the radio unit.

The Memorandum of Understanding allows Lagardère SA to regain control of Lagardère Radio SCA (within the meaning of article L. 233-3 of the French Commercial Code) and therefore of the radio unit, by acquiring the General Partner for a nominal price as of 2027, subject to prior Arcom approval. The company may also regain control ahead of this time under exceptional circumstances, such as the death or incapacity of Arnaud Lagardère or his resignation as Chairman and Chief Executive Officer of Lagardère SA.

Based on the criteria for analysing control under IFRS 10, Arnaud Lagardère, whose powers as a result of this transaction are in addition to his role as a Lagardère group executive, has the power to direct the relevant activities of the radio unit over a temporary period, and since the Group retains most of the exposure to variable returns, the business continues to be fully consolidated.

1.3 LIQUIDITY

On 21 November 2023, Vivendi SE's takeover of the Lagardère group triggered the change of control clauses included in its bonds (nominal value of €1,300 million) and in its Schuldschein loans (€252.5 million), allowing the lenders to request redemption by 12 January 2024 and 27 December 2023, respectively.

At 31 December 2023, the Group's liquidity stood at €3,079 million, comprising €467 million in cash and cash equivalents and an undrawn revolving credit facility of €982 million granted by a syndicate of the Group's banking partners (see note 29). It also included an undrawn amount under a loan contracted with Vivendi on 12 December 2023 for €1,630 million. The maturity of the revolving credit facility, for an amount of €982 million, was extended to April 2025, with the option of a further extension to April 2026 subject to the agreement of the banks. The loan agreement with Vivendi expires on 31 March 2025.

As part of its review of the financial statements for the year ended 31 December 2023, management examined cash flow forecasts for the next 12 months and assessed the Group's liquidity position in light of its financing requirements over that period – both in relation to funding its operations and repaying €2,191 million in debt falling due (including €1,300 million in bonds, €561 million in commercial paper, and €190.5 million in Schuldschein loans – see note 28).

On 12 January 2024, following a drawdown of €1,210 million on the loan agreement with Vivendi SE, bonds were redeemed for a nominal amount of €1,203.2 million and interest of €7 million.

In light of the loan agreement signed with Vivendi in December 2023 for €1,900 million, the Group believes that it has sufficient liquidity to cover its financing requirements over the next 12 months, both in relation to funding its operations and to repaying its debt (bonds, commercial paper and Schuldschein loans) falling due in 2024.

1.4 CLIMATE CHANGE

In 2022, the Lagardère group conducted a detailed analysis of its exposure to climate risk (physical and transition risk) based on two scenarios of a +1.5°C and 4°C rise in global temperatures by 2030 and 2050. Its work continued in 2023 with a vulnerability analysis to quantify the main risks identified, i.e., two major transition risks, three physical risks and three opportunities. Only the risks have been quantified.

Based on the Group's risk mapping as presented in the chapter on risk factors and internal controls, and the double materiality assessment carried out in 2023 and presented in the Non-financial statement and duty of care plan, this risk is considered to be material and limited overall in terms of the financial implications for the Group.

▸ **Climate risk adaptation: impact of transition risks**

The scenario of a +1.5°C rise in global temperatures involves adopting compulsory measures to reduce greenhouse gas emissions, such as changes in the regulatory, technological or market environment. This could (i) reduce access to resources such as paper owing to conflicts over the use of timber amid probable growing demand from other industries such as construction, and (ii) gradually reduce air traffic on account of regulatory constraints or changes in consumer behaviour.

To reduce its exposure to these risks, the Group identifies and monitors these developments such that it is able, where applicable, to draw up a plan to adapt its business model to these new constraints should they materialise. This work will be carried out during 2024.

Accordingly, for the 2023 financial statements, the business plans prepared annually through to 2028 and the cash flow forecasts used in impairment tests do not take into account these changes.

Nevertheless, the preliminary estimate of the potential financial impact calculated in 2022 was completed by performing sensitivity calculations on the values in use resulting from impairment tests at the end of 2023, taking into account the risks identified in 2022 for the Group's two divisions: (i) the risk of an increase in the price of paper for Lagardère Publishing, and (ii) the risk of a decline in air traffic (based on the "Charlie" air traffic scenario established by The Shift Project) for Lagardère Travel Retail. Only a net zero emissions trajectory (1.5°C) scenario was simulated, as this is the most restrictive scenario for the activities tested. For each of the stress tests on the Group's two divisions, the business plans incorporated cost optimisation and adaptation measures between 2028 and 2050, without modifying the business model or incorporating restructuring, in accordance with IAS 36. Lastly, these tests include the results of the analysis of vulnerability to physical risks, which remain immaterial and do not reduce the values in use calculated.

The **risk of an increase in paper costs** does not have a significant impact on the profitability or cash flows of Lagardère Publishing, even in an adverse scenario of a 20% increase in paper costs that cannot be passed on through price increases between 2028 and 2050. **The result of the test is a decrease in the value in use of all the CGUs tested of less than 5%. This does not trigger any recognition of impairment.**

With regard to the **risk of a decline in air traffic** for the Travel Retail business, the cash flow forecasts for the period 2028 to 2050 take into account – across the entire division – pessimistic "Charlie" scenarios and ADEME (the French Agency for Ecological Transition) scenarios for the aviation sector based on a net zero emissions trajectory (1.5°C) and the assumption that airport revenues halve by 2050 (gradual decline in traffic of up to 5% per annum). Based on these scenarios, there was a significant reduction in the profitability of this business. However, the gradual nature of any such fall in traffic means that a number of measures can be taken to limit its impact (renegotiation of concession agreements, adjustment of leased floor space, etc.), underlining the resilience of the Travel Retail business model. Longer term, the modal shift towards decarbonised forms of transport (i.e., the transfer of traffic from one transportation mode to another or to some other form of locomotion) would enable profitability to remain on target.

The projections calculated for the sensitivity analysis do not take into account the development of non-airport activities, the structural renegotiation of agreements with concession grantors or synergies linked to the probable consolidation of the market in such circumstances. This change in the business model was not factored into quantifying the risk in question, resulting in the maximum possible quantification of the impact of declining air traffic in an already extreme scenario. **The maximum impact measured represents a reduction of around 20% in value in use. This does not trigger the recognition of any impairment, as the headroom is sufficient to absorb the decline in value.**

▸ **Climate change adaptation: impact of physical risks**

The **three main physical risks** relate to:

- an additional risk of an increase in the price of paper due to the pressure exerted by forest fires on timber and pulp production;
- disruption of airport operations due to flooding or storms over several consecutive days, leading to flight cancellations over several days, a drop in traffic or even airport closures;
- damage to buildings caused by flooding or high winds.

The exposure analysis covering nine chronic and acute physical climate hazards (precipitation, heat wave, drought, storm, flood, cold, hail, wind and forest fire) confirms that Lagardère sites are significantly exposed to precipitation, drought and heat waves. The vulnerability analysis carried out in 2023 concludes that the hazards to which Lagardère sites are most vulnerable are (i) high winds and floods due to the resulting damage to buildings, and (ii) storms due to the potential disruption to operations at airports (in the event of airport closures over several days generating a significant drop in airport traffic). The analysis also looked at the potential impacts of an increase in forest fires and heat waves on the availability of timber and consequently pulp. The sites included in the scope of the analysis are the most significant in terms of carrying amount and/or activity. These sites account for more than half of the Group's revenue and nearly 70% of the right-of-use assets and carrying amount of directly owned buildings.

In the two scenarios considered (1.5°C and 4°C), the magnitude of the impacts is comparable until 2050. The expected impacts increase slowly from 2030 onwards. The impacts estimated for 2050 remain modest overall. **In the 4°C scenario, the estimated damage to the assets tested is less than 1% of their carrying amount, i.e., €6 million. The impact of business interruption would represent less than 2% of the Group's revenue,** while the impact of forest fires and heat waves would represent a 3% increase in the price of paper.

▸ **Climate change mitigation**

In 2022 the Group drew up a strategy for reducing its carbon footprint. The Lagardère group's roadmap charts a trajectory in line with the Paris Agreement for all direct and indirect emissions (Scopes 1, 2 & 3). The Group is committed to reducing its greenhouse gas emissions by around 30% by 2030 compared with 2019. The Lagardère group also intends to contribute to achieving net zero emissions by 2050.

The implementation of these objectives did not result in the recognition of any provisions or contingent liabilities at 31 December 2023.

▸ **Accounting for climate risks in the financial statements**

Based on the analyses performed in 2022 and 2023 on the exposure and vulnerability of the Group's activities to climate risks, the Group's balance sheet – notably goodwill but also right-of-use assets under leases or concession agreements and directly owned buildings – has limited vulnerability.

The analyses highlighted the resilience of the Group's activities to these risks, even in the extreme scenarios tested.

At 31 December 2023, given the results of the stress tests, the effects of global warming are not considered to be an indication of impairment.

NOTE 2 SCOPE AND METHODS OF CONSOLIDATION

2.1 SCOPE OF CONSOLIDATION

The consolidated financial statements include the financial statements of the parent company, as well as those of entities controlled by the parent company (subsidiaries), jointly-controlled entities (joint ventures) and entities in which the Group exercises significant influence over their management and financial policy decisions (associates). The Group does not have any unconsolidated structured entities.

In accordance with IFRS 10, subsidiaries are all controlled entities. Control results from the following three elements, regardless of the ownership interest held in an entity: (i) the power to direct the entity's key activities (operating and financial activities), (ii) exposure, or rights, to variable returns from the involvement with the entity, and (iii) the ability to use power over the entity to affect the amount of returns from the investment in the entity. For the purpose of assessing power, only substantive rights and rights that are not protective are considered. Substantive rights, such as those conferred in shareholder agreements, are rights that are exercisable when decisions about the direction of key activities need to be made.

A joint venture is an arrangement over which the Group and another party, or parties, have contractually agreed joint control and have rights to the assets, and obligations for the liabilities, relating to the arrangement. Decisions concerning the key activities of a joint venture are submitted to a unanimous vote of Lagardère and its joint venturers.

Associates are entities over which the Group exercises significant influence, i.e., when it has the power to participate in financial and operating decisions, but does not have control or joint control. Significant influence is presumed to exist when the Group holds, directly or indirectly, 20% or more of the entity's capital.

2.2 CONSOLIDATION METHODS

The consolidation methods used are as follows:

- **Full consolidation** – All subsidiaries controlled by Lagardère are fully consolidated. The full consolidation method consists of combining the financial statements line by line and recognising minority interests in the net assets of each subsidiary on a separate line in equity and on separate lines in the income statement and comprehensive statement of income. Any changes in Lagardère's ownership interest in a subsidiary that does not result in a loss of control is recognised directly in equity (see note 3.7).
- **Equity method** – Joint ventures and associates are accounted for using the equity method. Under this method, the investment is initially recognised at cost and is adjusted thereafter for the post-acquisition change in the Group's share of the entity's net assets. If the Group's share of losses of an equity-accounted entity equals or exceeds its interest in that entity, its interest is reduced to nil. After the Group's interest has been reduced to nil, additional losses are provided for only to the extent that the Group has incurred legal or constructive obligations in relation to such losses.

A list of consolidated companies is provided in note 38 to the consolidated financial statements.

2.3 CLOSING DATES

The financial statements of all consolidated subsidiaries were closed at 31 December.

2.4 TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

The financial statements of foreign subsidiaries are translated into euros as follows:

- balance sheet items are translated using official year-end exchange rates;
- income statement items are translated using average exchange rates for the year.

The resulting exchange differences are recognised as a separate component of equity, under "Translation reserve".

Goodwill and fair value adjustments arising on the acquisition of foreign subsidiaries are considered as assets and liabilities of the subsidiary concerned. They are therefore measured in the subsidiary's functional currency and translated at the year-end exchange rate. When a foreign subsidiary is sold, cumulative exchange differences recognised in equity are reclassified to profit or loss.

2.5 INTRA-GROUP BALANCES AND TRANSACTIONS

Intra-group balances and transactions are eliminated on consolidation. Impairment losses deducted from the carrying amount of investments in and receivables from consolidated companies are cancelled by adjusting equity, and movements for the year are neutralised in the income statement.

NOTE 3 ACCOUNTING PRINCIPLES AND VALUATION METHODS

3.1 REVENUE

Revenue includes sales of products and services resulting from contracts with customers and is recognised whenever control of the promised goods or services is transferred to the customer in an amount that reflects the consideration to which the entity expects to be entitled for those goods or services.

Revenue recognition methods vary depending on the division, as summarised below:

Lagardère Publishing: revenue corresponds mainly to sales of goods and circulation of publications. Revenue is shown net of discounts, commissions paid to digital broadcasters, and return rights. When an entity acts solely as agent, sales represent the net margin.

When a right of return is granted to customers for unsold items, estimates of the amount of returns are recognised as a refund liability within other current liabilities for the portion relating to the decrease in revenue, or as a refund asset within inventories and other current assets, respectively for the portions relating to inventories and advances paid to authors. The refund liability recognised as a deduction from revenue is estimated on the basis of sales during the year and of historical data regarding returns. This estimate is calculated on a statistical basis using the actual rate of returns for the previous year, adjusted for fluctuations in sales volumes and changes in the operating environment during the current year.

Lagardère Travel Retail: revenue mainly comprises retail sales in travel areas and concessions in the Travel Essentials, Duty Free & Fashion and Foodservice segments, as well as retail sales in convenience stores. Revenue is recognised at the point in time of the retail sale. For certain goods and services (sales of prepaid telephone cards, press distribution, etc.), the entity acts as agent and recognises the net commission received as revenue.

Other Activities: revenue mainly comprises sales of advertising space, Magazine Publishing diffusion, income from licences and digital services, income from the production of live shows and the operation of live performance venues, and revenue from a sporting site. For all of these activities, revenue corresponds to advertising receipts, sales of editions, subscriptions and digital services, ticketing sales from shows produced, and fees for the use of live performance venues. Revenue is recognised at the time adverts are broadcast, editions are published, or shows are performed. Revenue from licences for the Press business is recognised when the sale is completed by the licence holder during the period covered by the contract. For certain businesses – for example, Advertising Sales Brokerage and performance venue ticket sales – the division acts as an agent and revenue corresponds solely to the commission received.

3.2 PERFORMANCE MEASURES USED BY THE GROUP

Lagardère uses alternative performance measures which serve as key measures of the Group's operating and financial performance. These indicators are tracked by the Executive Committee in order to assess performance and manage the business, as well as by investors to monitor the Group's operating performance, along with the financial metrics defined by the IASB. These indicators are calculated based on elements taken from the consolidated financial statements prepared under IFRS and a reconciliation with those accounting items is provided either in this financial report or in any other documents in which they are presented.

Recurring operating profit of fully consolidated companies

The Group's main performance measure is recurring operating profit of fully consolidated companies, which is calculated as follows:

Profit before finance costs and tax

Excluding:

- gains (losses) on disposals of assets;
- impairment losses on goodwill, property, plant and equipment, intangible assets and investments in equity-accounted companies;
- net restructuring costs;
- items related to business combinations:
  - acquisition-related expenses,
  - gains and losses resulting from purchase price adjustments and fair value adjustments due to changes in control,
  - amortisation of acquisition-related intangible assets;
- items related to leases and to finance sub-leases:
  - excluding gains and losses on leases,
  - excluding depreciation of right-of-use assets under concession agreements,
  - including decreases in lease liabilities under concession agreements,
  - including interest paid on lease liabilities under concession agreements,
  - including changes in working capital relating to lease liabilities under concession agreements;
- specific major disputes unrelated to the Group's operating performance.

= Recurring operating profit

Less:

- income from equity-accounted companies before impairment losses.

= Recurring operating profit of fully consolidated companies

In the Travel Retail business, fees (rent) paid to concession grantors are either variable, fixed, or variable with a minimum guaranteed amount. Applying IFRS 16 to these contracts distorts the understanding of the division's performance – since it only applies to the fixed portion of rental payments – and therefore the readability of the financial statements in monitoring operations. To ensure that the indicator remains relevant and reflects the economic substance of concession agreements, the Group has decided to neutralise the impact of IFRS 16 on recurring operating profit of fully consolidated companies as regards concession agreements only.

Profit before finance costs and tax includes amortisation of certain intangible assets with finite useful lives which resulted from allocation of the acquisition price of business combinations. The Group neutralises the effects of these items when calculating recurring operating profit and recurring operating profit of fully consolidated companies, so that book amortisation with no effect on cash generated by the businesses acquired is eliminated from the measurement of performance.

The application from 1 January 2010 of the revised versions of IFRS 3 and IAS 27 on business combinations resulted in the recognition in the income statement of the following items that were previously charged to goodwill: acquisition-related expenses and changes in liabilities corresponding to earn-out clauses when such changes occur more than 12 months after the acquisition

date. These items are excluded from the calculation of recurring operating profit.

The reconciliation of recurring operating profit of fully consolidated companies to profit before finance costs and tax for 2023 and 2022 is presented in note 5.

Like-for-like revenue

Like-for-like revenue is used by the Group to analyse revenue trends excluding the impact of changes in the scope of consolidation and exchange rates.

The like-for-like change in revenue is calculated by comparing:

- revenue for the year and revenue for the prior year adjusted for companies consolidated for the first time during the year and consolidated companies divested during the year;
- revenue for the current year and revenue for the previous year, adjusted on the basis of exchange rates applicable in the current year.

The scope of consolidation comprises all fully consolidated entities. Additions to the scope of consolidation (companies consolidated for the first time during the year) correspond to business combinations (acquired investments and businesses), and deconsolidations (consolidated companies divested during the year) correspond to entities over which the Group has ceased to exercise control (full or partial disposals of investments and businesses, such that the entities concerned are no longer included in the Group's financial statements using the full consolidation method).

Like-for-like revenue is set out in note 6.

Free cash flow

Free cash flow is calculated as the sum of cash flow from operating activities, income taxes paid, the decrease in lease liabilities and the related interest paid, plus net cash flow relating to acquisitions and disposals of property, plant and equipment and intangible assets.

The reconciliation between cash flow from operating activities and free cash flow is set out in note 5.

Lease liabilities differ from bank or bond debt and will not therefore be included in the calculation of net debt. Consequently, payments made to decrease the lease liability will be considered within operating and not financial items when calculating free cash flow.

Free cash flow before changes in working capital

Free cash flow before changes in working capital is calculated by deducting changes in working capital from free cash flow.

Free cash flow before changes in working capital is presented in note 5.

Net debt

Net debt is calculated as the sum of the following items:

- short-term investments and cash and cash equivalents;
- financial instruments designated as hedges of debt;
- non-current debt;
- current debt.

= Net debt

As indicated in note 3.9, IFRS 16 eliminates the distinction between finance leases and operating leases. Accordingly, liabilities under finance leases are now excluded from debt and included within lease liabilities.

The reconciliation between balance sheet items and net debt is set out in note 28.

3.3 TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

In the balance sheet, foreign currency receivables and payables are translated into euros at the year-end exchange rate. The resulting exchange differences are recognised in profit or loss, except for those related to long-term financing of the Group's net investment in foreign operations, which are recognised directly in equity.

3.4 SHARE-BASED PAYMENTS

Free shares have been awarded to certain executives and employees of the Group. In accordance with IFRS 2 – Share Based Payment, an expense is recognised in payroll costs representing the benefit granted to beneficiaries as of the grant date, and a matching entry is recognised directly in equity. The fair value of the share-based payment expense is calculated based on the share price less any expected dividends, taking into account the plan's features (exercise price and period) and market factors at the grant date (risk-free interest rate, share price, volatility, projected dividends).

This expense is recorded over the vesting period and may be adjusted during that period if beneficiaries leave the Group or if share grants are forfeited. It is not adjusted to reflect subsequent movements in the share price.

Where a plan provides for a cash-settled share-based payment, a liability is recorded corresponding to the share of the goods or services received, measured at fair value. This liability is remeasured at each reporting date until it is settled, with changes in fair value recognised in the income statement.

3.5 FINANCIAL INCOME AND EXPENSES

These items correspond to interest expenses on borrowings and income from the investment of available cash. They also include gains and losses on derivative instruments related to borrowings, short-term investments, and cash and cash equivalents. Note 3.9 sets out interest expense on lease liabilities.

3.6 DEFERRED TAXES

Deferred taxes are recognised for temporary differences between the carrying amount of assets and liabilities and their tax base. In accordance with the liability method, they are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Adjustments to deferred taxes for changes in tax rates are recognised in profit for the year in which the change is announced. In accordance with IAS 12 - Income Taxes, deferred tax assets and liabilities are not discounted.

At the level of each tax entity (company or tax group), deferred tax assets arising from deductible temporary differences, tax credits and tax loss carryforwards are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised. As a general rule, the amount of deferred tax assets recognised by tax entities that have tax loss carryforwards is capped at the equivalent of the estimated amount of taxes payable for the next three years, as determined based on the earnings forecasts contained in the budgets drawn up at the end of the year.

For investments in equity-accounted companies, when the difference between the carrying amount of the investment and the tax base corresponds to the associate's or joint venture's cumulative undistributed profits from the acquisition date, the related deferred tax is calculated at the tax rate that will be paid by the Group when the profits are distributed.

Temporary differences relating to right-of-use assets and to lease liabilities give rise to the recognition of deferred tax (see note 3.9).

Deferred taxes are recognised as income or an expense and included in profit or loss for the year, except to the extent that they arise from a transaction which is recognised directly in equity, in which case they are credited or charged to equity.

3.7 BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for in accordance with IFRS 3, which has been effective since 1 January 2010, and IFRS 10, which has superseded the part of IAS 27 that addresses the accounting for consolidated financial statements, effective from 1 January 2014.

Goodwill generally corresponds to the excess of the cost of an acquisition over the acquisition-date fair value of the acquirer's interest in the net identifiable assets acquired and liabilities assumed. This is defined as the "partial goodwill" method, as minority interests are measured based on their share in the assets and liabilities of the acquired entity.

Minority interests may also be measured at fair value, which results in the recognition of goodwill on minority interests, as well as goodwill on the portion acquired by the majority shareholder. This is known as the "full goodwill" method. In accordance with IFRS 3, the Group can opt to use either the partial or full goodwill method on a transaction by transaction basis for each business combination.

If the acquirer's interest in the net fair value of the identifiable assets and liabilities exceeds the price paid for the business combination, the excess is recognised immediately in profit or loss.

Where there is a change in ownership interest in a subsidiary that does not result in loss of control, the transaction is accounted for as an equity transaction with owners, leading to a new allocation of equity between owners of the parent and minority interests. Consequently, the goodwill initially recognised when the Group took control of the subsidiary is not remeasured and the difference between the price paid/consideration received for the new transaction and the change in minority interests is recognised directly in equity.

Where a change in ownership interest results in a loss or gain of control of an entity, the Group's interest in the entity concerned prior to the disposal/acquisition is remeasured at fair value and the resulting gain or loss on the disposal/acquisition is recognised in profit or loss.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Acquisition-related expenses are recognised in the income statement in the year in which they are incurred. Any adjustments to the purchase price of a business combination – including earn-out payments – occurring more than 12 months after the acquisition date are recorded in profit or loss.

Goodwill is not amortised, but is tested for impairment at each year-end or whenever there is an indication that its value may be impaired. The method used to test goodwill for impairment is described in note 3.12 below.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the disposal gain or loss.

Goodwill related to equity-accounted companies is included in the carrying amount of the investment.

3.8 INTANGIBLE ASSETS

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. They are amortised over their probable useful life. Intangible assets with an indefinite useful life are not amortised, but are tested regularly for impairment in the same way as goodwill (see note 3.12 below).

No development costs are incurred in the Group's operating activities that meet the capitalisation criteria under IFRS.

Concession agreements in the Travel Retail business acquired through business combinations are valued based on the estimated cash flow forecasts over the residual term of the contract acquired plus any renewal period, in order to take into account the ability of the acquired entity to renew these agreements with the concession grantors.

The value corresponding to the estimated cash flows forecast over the residual term of the contract acquired is amortised over the remaining term of the concession. The value representing the future economic benefits arising from the renewal of the concession is amortised over the term of the renewed concession, as from the effective date of the renewal. If it appears likely that the agreement will not be renewed, the value of the concession is written down. Concessions are amortised over periods ranging from 6 to 30 years, with the average amortisation period being 15 years.

3.9 LEASES

IFRS 16 eliminates the distinction between finance leases and operating leases. As a result, a lease liability is recognised in the lessee's balance sheet, representing the present value of lease payment commitments including fixed lease payments and guaranteed minimum payments for Travel Retail. This lease liability is recognised against a right-of-use asset corresponding to the items under lease (retail premises, office buildings, etc.).

The Group's main leases correspond to concession agreements in transport hubs and hospitals, and to a lesser extent building leases. Vehicles and equipment account for only a small part of leased assets.

The Group has decided not to restate contracts with an initial term of less than 12 months and leases with a low-value underlying asset.

The Group sub-lets retail premises and office space under operating leases in which it acts as lessor. The associated income from sub-leasing such premises continues to be included within other operating income.

In certain cases, sub-leases cover substantially all of the risks and rewards of the principal lease, and are recognised as finance leases. Right-of-use assets relating to the principal lease are derecognised and a financial receivable booked.

Special terms of concession agreements in the Travel Retail business

In the course of its ordinary business operations, Lagardère Travel Retail enters into concession agreements with concession grantors (airports, railway stations, hospitals, etc.). These agreements grant

the concession operator access to certain passenger flows and to the resulting revenue, against the payment of fees (rent) in respect of the leased retail premises and the right to use those premises. These fees are either variable, fixed, or variable with a guaranteed minimum payment. They can be renegotiated with the concession grantor in the event of changes in the economic terms and conditions of the contract or in applicable regulations.

The formulae used to calculate these variable payments are generally based on a percentage of revenue earned by product category and/or on trends in passenger flows and/or on changes in various external indices including inflation.

Guaranteed minimum payments may be fixed by the concession agreement and/or calculated based on a minimum percentage of fees paid in the previous year and may include a minimum amount. In this case, the fees are considered as fixed payments in substance, as despite having a variable component, they are unavoidable.

Measurement of the right-of-use asset and the lease liability

The lease liability and the right-of-use asset are equal at the start of the lease, and adjusted where applicable for:

- prepayments, which are recognised as an increase in the right-of-use asset;
- incentives granted by lessors, which are recognised as a deduction from the right-of-use asset;
- initial direct costs incurred to obtain the contract, which are recognised as an increase in the right-of-use asset;
- penalties due in respect of early termination or non-renewal options, if these options are reasonably certain to be exercised, which are recognised as an increase in the lease liability.

The right-of-use asset is then depreciated on a straight-line basis until the date the contract is reasonably certain to expire. Where ownership of the leased asset is transferred at the end of the lease, or where the lessee has a purchase option, the depreciation period represents the useful life of the underlying asset.

The lease liability is measured and recognised at amortised cost using the effective interest rate method.

Temporary differences relating to the right-of-use asset and to the lease liability give rise to the recognition of deferred tax.

The **date on which lease contracts** are reasonably certain to expire, which is used to calculate the term of the lease, is determined by local management for each individual lease, and is reassessed on the occurrence of a significant event or change in circumstances that is within the entity's control. In December 2019, IFRS-IC published an agenda decision regarding:

- the enforceable period of renewable leases and cancellable leases where either party can give notice to terminate;
- the relationship between the useful life of any related non-removable leasehold improvements and the lease term determined applying IFRS 16.

The agenda decision did not affect the Group's financial statements. The useful lives of non-removable leasehold improvements are generally aligned with the term of the leases to which they relate.

For concession agreements, which account for the bulk of the Group's leases, the term is fixed by the concession grantor. The concession operator (lessee) does not generally have the ability to extend the term of the concession. Similarly, most concessions are extended through a tender process.

The **discount rates** used, calculated at the start of each lease term, reflect the lessee's incremental borrowing rate. Discount rates applied to euro-denominated leases are determined based on the yield curve for EUR swaps plus the financing component. Discount rates applied to foreign currency leases are determined based on the yield curve for the currency concerned, plus the financing component in the same currency. The rate applied for each lease takes into account the lease payment profile.

Lease modifications and remeasurements

In the event of a reduction in the lease term or in the surface area leased, the right-of-use asset and lease liability are reduced accordingly in line with the percentage decrease, with the offsetting entry posted to gains and losses on leases in the income statement. The residual lease liability is then adjusted against the right-of-use asset, after discounting the asset at the discount rate revised as of the date of the modification.

Increases in the lease term or in the surface area leased do not generate gains or losses on lease modifications, but lead to the remeasurement of the lease liability using a discount rate revised as of the date of the modification, recognised against an adjustment to the right-of-use asset.

Changes in the amount of the lease stipulated in the lease contract that do not involve modification of the leased surface area or lease term, will lead to a remeasurement of the lease liability with no revision of the discount rate, recognised against an adjustment to the right-of-use asset.

Presentation in the income statement and in the statement of cash flows

In the income statement, the depreciation charged against right-of-use assets, gains and losses on any lease modifications, and interest expense on lease liabilities are shown on separate lines. The variable portion of lease payments, along with rental expenses under leases with a term of less than 12 months or with a low-value underlying asset, continue to be recorded in the income statement within external charges. When premises are sub-let by the Group, the variable lease payments are recognised in "Other operating expenses", while the income from sub-leasing is included in "Other operating income".

The resulting impact on profit is negative at the commencement of the lease and positive at the end of the lease. The cumulative impact on the lease term is nil in the income statement.

In the consolidated statement of cash flows, the fixed portion of lease payments is presented as a decrease in the lease liability and associated interest expense within net cash flow from financing activities. The variable portion of lease payments is recorded in cash flow from operating activities. IFRS 16 has no impact on the change in net cash and cash equivalents.

3.10 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured using the historical cost method. The Group did not elect to apply the option available under IFRS 1 - First-Time Adoption of International Financial Reporting Standards to measure items of property, plant and equipment at their fair value at the IFRS transition date (1 January 2004). Furthermore, as the Group's assets do not qualify for capitalisation of borrowing costs under IAS 23 (revised), which applies to assets requiring a long period of preparation before they can be used or sold, borrowing costs are directly charged to the income statement.

Depreciation is calculated by the straight-line method over the estimated useful lives of the assets. The ranges of useful lives applied to the main categories of property, plant and equipment are as follows (in years):

Buildings	6 to 50
Machinery and equipment	3 to 20
Other equipment, furniture, fixtures and fittings	2 to 10

The depreciable amount corresponds to the cost of the asset less any residual value at the end of its useful life. With the exception of the Group's registered office building, property, plant and equipment are generally considered as having no residual value.

3.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. The carrying amount of inventories does not include any borrowing costs as they do not meet the requirements for capitalisation under IAS 23 (revised) (see note 3.10).

3.12 IMPAIRMENT TESTS

The Group reviews the carrying amount of property, plant and equipment and intangible assets at least once a year at the reporting date to determine whether there is any indication that their value may be impaired. One such indication is evidence that an asset's economic performance is or will be worse than expected. If such an indication exists, the recoverable amount of the asset is estimated and compared with its carrying amount. The recoverable amount of goodwill and intangible assets with an indefinite useful life is estimated at the end of each reporting period, irrespective of whether there is any indication of impairment. When the recoverable amount of an asset is lower than the carrying amount, an impairment loss is recognised in the income statement. Impairment losses recognised on goodwill are irreversible.

If it is not possible or pertinent to estimate the recoverable amount of an individual asset, the estimate is performed at the level of the cash-generating unit to which the asset belongs.

Recoverable amount corresponds to the higher of:

- value in use calculated using the discounted cash flows method, applied to the individual asset or to the cash-generating unit to which the asset belongs;
- fair value less costs to sell calculated using the market comparables method or a method based on the price of recent transactions involving similar assets.

Cash flow projections are based on business plans drawn up at the reporting date, generally covering a period of five years, and are presented to the Board of Directors. For some Lagardère Travel Retail CGUs, the projection periods used may be extended beyond the five years of the business plan to take into account the term of concession agreements.

They are approved by the Board of Directors. Cash flow projections beyond that period are estimated using a growth rate that reflects the average long-term growth rate observed in the industry (see note 10). This process involves the use of key assumptions and judgements to determine trends in the markets in which the Group operates, and actual future cash flows may differ from the estimates used to calculate value in use.

The discount rates used are post-tax rates determined separately for each business, applied to post-tax cash flows.

3.13 CONTRACT ASSETS AND LIABILITIES

Estimating the amount of revenue earned in a given reporting period results in a time lag between the date the services are rendered and the date the company has the right to receive payment from the customer. This difference results in the recognition of contract assets.

Conversely, payments received from customers before all or part of the corresponding services have been provided give rise to contract liabilities.

3.14 FINANCIAL ASSETS

Investments in non-consolidated companies

Investments in non-consolidated companies are carried at fair value through profit or loss, except for certain equity instruments which may be carried at fair value through other comprehensive income, where at the first-time application date for IFRS 9 or initial recognition, the Group has made an irrevocable election to do so on initial recognition. In this case, changes in fair value carried in other comprehensive income are not reclassified to profit or loss even when the related instruments are sold (only dividend income is included in profit or loss).

Since shares in venture capital funds (FCPR) do not meet the criteria for classification at fair value through other comprehensive income that may not subsequently be reclassified, they are carried at fair value through profit or loss.

Loans and receivables

Loans and receivables are measured at amortised cost, calculated using the effective interest method. Upon initial recognition, impairment is systematically recognised to the extent of any credit losses expected to result from events that could occur in the next 12 months. If there has been a significant deterioration in the counterparty's credit quality, the initial impairment loss is increased to cover the full amount of expected losses over the remaining term of the receivable.

Trade receivables and operating receivables are carried at amortised cost and are impaired based on the IFRS 9 simplified model. Impairment amounts are determined differently for each business:

- individual impairment assessed on a case-by-case basis taking into account (i) the counterparty's risk profile; (ii) historical probabilities of default; (iii) probabilities of default supplied by rating agencies; (iv) any credit insurance; and (v) estimated losses for receivables in respect of which a credit event has been identified;
- collective impairment assessed on a statistical basis (primarily in Lagardère Publishing) using an impairment matrix based on an aged receivables analysis and expected losses.

Cash and cash equivalents

Cash and cash equivalents include:

- cash and demand deposits;
- deposits and loans with maturities of less than three months;
- marketable securities, such as money market funds, that are not exposed to a significant risk of changes in value and are readily convertible into known amounts of cash. These are recognised at fair value through profit or loss.

Shares, bonds, deposits and loans with maturities of more than three months are excluded from cash and cash equivalents and reported in the balance sheet as investments.

3.15 FINANCIAL LIABILITIES

Financial liabilities comprise borrowings, trade payables and other liabilities. They are measured at amortised cost using the effective interest method.

Specific measurement rules apply to financial liabilities hedged by derivative instruments. These rules are described below in note 3.17.

3.16 PUT OPTIONS GRANTED TO MINORITY SHAREHOLDERS

In its operating activities, the Group has granted put options to the minority shareholders of certain fully consolidated subsidiaries for the sale of their investments on defined terms. For some of these options, the exercise price was not fixed at the outset, and will be determined based on independent valuations.

In compliance with IAS 32, the put options are recognised in debt at their estimated present value.

In the income statement, consolidated profit for the year is presented on two separate lines: profit attributable to owners of the Parent and profit attributable to minority interests, based on the legal rights effectively held.

For put options granted prior to 1 January 2010 – the effective date of IFRS 3 (revised) relating to business combinations – any change in the estimated amount of the debt is recognised as an adjustment to goodwill. For put options granted after 1 January 2010, changes in the value of the debt are recorded in equity.

3.17 DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to hedge currency and interest rate risks. These instruments are initially recognised in "Other current assets" or "Other current liabilities" at fair value, which generally corresponds to their acquisition price. They are marked to market at the end of each reporting period and the corresponding fair value remeasurement gains or losses are recognised in the income statement.

However, certain derivative instruments are classified as fair value hedges (mainly of currency and interest rate risks on debt) or cash flow hedges (on future sales and purchases).

These instruments qualify for hedge accounting if the following conditions are met:

- at the inception of the hedge there is formal designation and documentation of the hedging relationship;
- the hedge is expected to be highly effective and its effectiveness can be reliably measured from its inception.

The accounting impacts of applying hedge accounting are described below.

Fair value hedges

Derivative instruments and hedged items are measured at fair value. Changes in the fair value of the derivative instrument and the hedged item are recognised in profit or loss on a symmetrical basis. When the hedge is effective, the change in the fair value of the hedged item offsets an opposite change in the fair value of the hedging instrument.

Cash flow hedges

Derivative instruments used as cash flow hedges are measured at fair value and no specific accounting treatment is applied to the hedged items. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity and the ineffective portion is recognised in profit or loss.

The cumulative gains and losses recognised in equity are reclassified into profit or loss when the hedged transaction takes place.

Net investment hedges

The Group hedges exchange gains and losses generated by certain net investments in foreign operations. The corresponding hedging instruments are measured at fair value. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity and the ineffective portion is recognised in profit or loss.

Cumulative gains and losses recognised in equity are reclassified into profit or loss when the net investment is sold.

3.18 TREASURY SHARES

Lagardère SA shares held by the Company or other Group entities are deducted from consolidated equity. When treasury shares are sold outside the Group, the after-tax gain or loss is also recognised directly in equity.

3.19 PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

The Group recognises provisions to cover the present value of its obligations for benefits payable to employees at the time of their retirement and after retirement, when the plans concerned qualify as defined benefit plans. For defined contribution plans, the Group's obligation consists solely of payment of premiums or contributions to external organisations, and these premiums and contributions are charged to expenses as incurred.

The defined benefit plans to which the Group subscribes are principally pension plans outside France, while in France they cover end-of-career bonuses paid to employees upon their retirement.

The present value of obligations is calculated by the projected unit credit method, under which each period of service gives rise to an additional unit of benefit entitlement.

The Group applied the IFRS IC agenda decision – Attributing Benefit to Periods of Service with effect from 1 January 2021. Employee benefits are attributed taking into account the existing tiers and/or caps in benefit allocation. Under the terms of the benefit plan described in the agenda decision: (i) employees are entitled to a benefit payment when they reach a specified retirement age provided they are employed by the entity when they reach that retirement age, and (ii) the amount of the retirement benefit to which an employee is entitled depends on the length of employee service before the retirement age and is capped at a specified number of years of service.

The method takes into account inputs such as:

- expected salary increases;
- employee turnover;
- mortality rates;
- a financial discount rate.

These calculations are performed in full at least every three years, and updated annually, unless a more in-depth review is required due to exceptional events such as substantial amendments to the terms of the plan, or to the categories of employees covered.

Gains and losses resulting from changes in actuarial assumptions are recognised directly in other comprehensive income in the period in which they arise. The same applies to the difference between the expected return on plan assets – which is recognised in the income statement using the discount rate applied for calculating the obligations – and the actual return on these assets.

3.20 OTHER PROVISIONS

A provision is recognised when (i) the Group has a present obligation as a result of a past event, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and (iii) a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision corresponds to the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Provisions for expected contract losses are recognised when firm commitments given – notably guaranteed minimum payments – are higher than the profit that the contract is expected to generate.

Restructuring provisions are recorded when the Group has a detailed formal plan and has announced details of the plan to the persons concerned.

3.21 ASSETS HELD FOR SALE, ASSOCIATED LIABILITIES AND DISCONTINUED OPERATIONS

An asset or group of assets and directly associated liabilities is considered to be held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale and its sale must be highly probable. When assessing whether a sale is highly probable, the Group takes into account, on a case-by-case basis, the applicable decision-making and authorisation process, whether the price proposed is reasonable and acceptable, the prevailing market conditions and any legal, regulatory or employee-related restrictions.

Such assets or groups of assets and associated liabilities are stated at the lower of their carrying amount and estimated sale price, less costs to sell, and are no longer amortised. Assets held for sale and the associated liabilities are respectively presented on specific lines in the consolidated balance sheet.

When the disposal group held for sale represents a reportable segment or is part of a coordinated plan to sell a reportable segment, it is accounted for as a discontinued operation, with the associated profit or loss and each category of cash flows shown on separate lines of the income statement and statement of comprehensive income.

NOTE 4 MAIN CHANGES IN THE SCOPE OF CONSOLIDATION

4.1 2023

The main changes in the scope of consolidation in 2023 were as follows:

Lagardère Publishing

- First-time consolidation of **Welbeck Publishing Group** in January 2023, acquired and wholly owned by Hachette UK, which specialises in fiction, illustrated non-fiction and children's gift books. Revenue amounted to €33 million in 2023.

  At 31 December 2023, the preliminary allocation of the purchase price led to the recognition of €11 million in provisional goodwill.

Lagardère Travel Retail

- Acquisition in February 2023 by Lagardère Travel Retail SAS of a 100% stake in the **Marché International** group, based in Switzerland. Marché is a well-established international catering company and foodservice provider operating in travel hubs and leisure locations including airports, railway and motorway service stations, zoos and urban shopping centres. The Group comprises nine legal entities with points of sale mainly in Germany, as well as in Austria, Croatia, Czech Republic, Singapore and Slovenia.

  At 31 December 2023, the final purchase price allocation results in goodwill of €16 million following the allocation of €24 million to intangible assets in respect of concession agreements, amortised over periods of between 11 and 16 years. These intangibles include €13 million in brands, leading to the recognition of €8 million in deferred tax liabilities. Revenue included in the 2023 consolidated financial statements since the acquisition date represents €149 million.

- Acquisition in February 2023 of a 100% stake in **Costa Coffee** in **Poland** and **Latvia** by Lagardère Travel Retail Polska and Lagardère Travel Retail SAS. These entities operate 142 Costa Coffee stores. Further to this acquisition, Lagardère Travel Retail has become the chain's master franchise partner in these countries.

  At 31 December 2023, the final allocation of the purchase price did not result in the recognition of any goodwill further to the allocation of €5 million to intangible assets in respect of the concession agreements (amortised over 10 years). Revenue included in the 2023 consolidated financial statements since the acquisition date represents €38 million.

- Acquisition in November 2023 by **HDS Retail North America LLC** of a 100% stake in **Tastes on the Fly**, a highly regarded North American Foodservice operator. Following this integration, Lagardère Travel Retail's North American division strengthens its position as the second-largest player in the North American Travel Retail industry.

  At 31 December 2023, the preliminary allocation of the purchase price led to the recognition of €51 million in provisional goodwill (see note 4.2 hereafter). Revenue included in the 2023 consolidated financial statements since the acquisition date represents €27 million.

4.2 BUSINESS COMBINATIONS

The impacts of the business combinations carried out in 2023 in the consolidated financial statements were as follows:

	Tastes on the Fly	Other(*)	Total
Purchase price (A)	220	81	301
Allocation to identifiable assets and liabilities			
Non-current assets(**)	195	66	**261**
Inventories, trade receivables and other assets	9	17	**26**
Cash and cash equivalents	18	15	**33**
Trade payables and other liabilities	(16)	(39)	**(55)**
Net debt	(7)	-	**(7)**
Leases: right-of-use assets	63	73	**136**
Leases: lease liabilities	(63)	(73)	**(136)**
Deferred taxes, net	(24)	(9)	**(33)**
Minority interests as a proportion of the net assets acquired	(6)	(2)	**(8)**
Total identifiable assets and liabilities (B)	169	48	217
Goodwill (euro equivalent at the acquisition date) (A-B)	51	33	84
Translation adjustments	-	-	**-**
Goodwill (euro equivalent at year-end)	51	33	84

(*) Other business combinations mainly concern Marché International and Welbeck Publishing Group.
(**) Including €200 million in respect of concession agreements, €13 million relating to trademarks and €8 million relating to publishing rights.

The above impacts mainly result from the acquisition of Tastes on the Fly and from acquisitions at Lagardère Travel Retail and Lagardère Publishing that are not material taken individually.

The table below shows a reconciliation between the price paid for business combinations and the amount recorded under "Purchases of investments" in the consolidated statement of cash flows:

	Tastes on the Fly	Other	Total
Price paid for business combinations in 2023	(220)	(62)	**(282)**
Increase in capital at associates and joint ventures		(87)	**(87)**
Price adjustments for prior-period acquisitions, other acquisitions of securities and associated fees		(14)	**(14)**
Purchases of investments recorded under investing activities in the statement of cash flows	(220)	(163)	(383)

Tastes on the Fly

In November 2023, HDS Retail North America LLC acquired 100% of Tastes on the Fly Holdings Inc., a highly regarded North American foodservice operator, for €221 million.

The Tastes on the Fly group includes 15 fully consolidated entities, some of which have minority partners in their capital, in accordance with US regulations (Airport Concessions Disadvantaged Business Enterprises [ACDBE] Program).

At 31 December 2023, the preliminary purchase price allocation results in goodwill of €51 million, notably following the allocation of €170 million to intangible assets in respect of concession agreements in effect and their renewal, amortised over 20 years on average.

4.3 DISCONTINUED OPERATIONS

Profit from discontinued operations of €5 million in 2023 mainly relates to guarantees and warranties that expired on the sale of Lagardère Sports. In 2022, profit from discontinued operations of €35 million included the earn-out on the sale of Lagardère Sports in 2020 further to the agreement reached with the Confederation of African Football (CAF) at the end of 2022 to settle out of court the dispute arising in 2019 following the unilateral termination by CAF of the media and marketing rights deal that had been awarded to Sportfive until 2028.

At 31 December 2023, the receivable relating to the sale of Lagardère Sports amounted to €39 million (including interest), due 31 December 2025.

4.4 2022

The main changes in the scope of consolidation in 2022 were as follows:

Lagardère Publishing

- Acquisition by Hachette UK in January 2022 of Paperblanks, a publisher of notebooks, diaries, journals and other premium stationery.
- Acquisition by Hachette Livre in February 2022 of La Boîte de Jeu, an independent board game publisher. La Boîte de Jeu's current catalogue includes about 20 titles and are mostly aimed at fans of strategy-based games.
- Acquisition by Hachette Livre in February 2022 of the remaining share capital not yet owned in Bragelonne, an independent French board game publisher.

Lagardère Travel Retail

- Acquisition in April 2022 of United Arab Emirates-based Creative Table Holdings Ltd, which has been successfully developing a catering offering at Dubai airport for many years. This acquisition allowed the division to benefit from a foothold in one of the world's most renowned airline hubs and opened up new development prospects at Dubai airport.
- In November 2021, Lagardère Travel Retail and Australian travel retail business AWPL signed an agreement to form a jointly-controlled entity that will combine the Duty Free, Foodservice, Travel Essentials and Specialty operations of both partners in Australia and New Zealand.

The transaction was completed on 1 May 2022 following approval from the local authorities and was accounted for as a disposal of Lagardère Travel Retail's business in Australia and New Zealand, generating a disposal gain of less than €1 million. The share held in the jointly-controlled entity was accounted for as an investment in equity-accounted companies for €10 million.

NOTE 5 SEGMENT INFORMATION

The Group is structured around its two priority divisions (Lagardère Publishing and Lagardère Travel Retail) and also has an "Other Activities" segment.

The Group's internal management reporting is structured around its two core operating divisions (Lagardère Publishing and Lagardère Travel Retail), and "Other Activities":

- **Lagardère Publishing**, which includes the Group's Book Publishing and e-Publishing businesses, covering areas such as Education, General Literature, Illustrated Books, Partworks, Dictionaries, Children and Young Adult, Board Games, Mobile Games, Premium Stationery and Distribution.
- **Lagardère Travel Retail**, which consists of retail operations in transit areas and concessions in three business segments: Travel Essentials, Duty Free & Fashion, and Foodservice.
- **Other Activities**, which includes Lagardère News (*Paris Match*, *Le Journal du Dimanche*, *JDD Magazine*, and the Elle brand licence), Lagardère Radio (Europe 1, Europe 2, RFM and advertising sales brokerage), Lagardère Live Entertainment, Lagardère Paris Racing, and the Group Corporate function. The Corporate function is used primarily to report the effect of financing obtained by the Group and the net operating costs of Group holding companies.

The data presented by division were calculated using the same accounting rules and methods as those used in the consolidated financial statements and described in the accompanying notes. The data include key alternative performance measures.

Transactions between business divisions are carried out on arm's length terms.

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5.1 SEGMENT INFORMATION

2023 income statement

	Lagardère Publishing	Lagardère Travel Retail	Other Activities	Total
Revenue	2,819	5,018	254	**8,091**
Inter-segment revenue	(10)	-	-	**(10)**
Consolidated revenue	**2,809**	**5,018**	**254**	**8,081**
Other income from ordinary activities	11	12	27	**50**
Total income from ordinary activities	**2,820**	**5,030**	**281**	**8,131**
Recurring operating profit (loss) of fully consolidated companies	**301**	**245**	**(26)**	**520**
Income (loss) from equity-accounted companies before impairment losses	3	(4)	-	**(1)**
Restructuring costs	(45)	(1)	(29)	**(75)**
Gains (losses) on disposals	(1)	4	7	**10**
Impairment losses(*)	(46)	(1)	-	**(47)**
Fully consolidated companies	*(46)*	*(1)*	-	***(47)***
Equity-accounted companies	-	-	-	**-**
Amortisation of acquisition-related intangible assets	(15)	(101)	-	**(116)**
Fully consolidated companies	*(15)*	*(92)*	-	***(107)***
Equity-accounted companies	-	*(9)*	-	***(9)***
Expenses related to acquisitions and disposals	-	(4)	(1)	**(5)**
Purchase price adjustment	2	2	-	**4**
Impact of IFRS 16 on concession agreements(**)	-	144	-	**144**
Profit (loss) before finance costs and tax	**199**	**284**	**(49)**	**434**
Items included in recurring operating profit (loss) of fully consolidated companies				
Depreciation and amortisation of property, plant and equipment and intangible assets	(39)	(127)	(11)	**(177)**
Depreciation of right-of-use assets – Buildings and other	(33)	(13)	(22)	**(68)**
Cost of free share plans	(7)	(7)	(4)	**(18)**

(*) Impairment losses on goodwill, property, plant and equipment and intangible assets.
(**) The breakdown of the impact of IFRS 16 on concession agreements and on gains and losses on leases is disclosed in the table below.

	Lagardère Publishing	Lagardère Travel Retail	Other Activities	Total
Impact of IFRS 16 on concession agreements	**-**	**144**	**-**	**144**
Gains and losses on leases	-	94	-	**94**
Depreciation of right-of-use assets	-	(311)	-	**(311)**
Decrease in lease liabilities	-	270	-	**270**
Interest paid on lease liabilities	-	86	-	**86**
Changes in working capital relating to lease liabilities	-	5	-	**5**

2022 income statement

	Lagardère Publishing	Lagardère Travel Retail	Other Activities	Total
Revenue	2,757	3,927	254	**6,938**
Inter-segment revenue	(9)	-	-	**(9)**
Consolidated revenue	**2,748**	**3,927**	**254**	**6,929**
Other income from ordinary activities	9	12	27	**48**
Total income from ordinary activities	**2,757**	**3,939**	**281**	**6,977**
Recurring operating profit of fully consolidated companies	**302**	**136**	**-**	**438**
Income from equity-accounted companies before impairment losses	6	7	-	**13**
Restructuring costs	(4)	-	(34)	**(38)**
Gains (losses) on disposals	4	-	3	**7**
Impairment losses(*)	(1)	(8)	-	**(9)**
Amortisation of acquisition-related intangible assets	(17)	(92)	-	**(109)**
Expenses related to acquisitions and disposals	(1)	(2)	-	**(3)**
Purchase price adjustment	-	(3)	-	**(3)**
Impact of IFRS 16 on concession agreements(**)	2	22	-	**24**
Profit (loss) before finance costs and tax	**291**	**60**	**(31)**	**320**
Items included in recurring operating profit (loss) of fully consolidated companies				
Depreciation and amortisation of property, plant and equipment and intangible assets	(36)	(125)	(10)	(171)
Depreciation of right-of-use assets – Buildings and other	(35)	(13)	(21)	(69)
Cost of free share plans	(5)	(3)	(3)	(11)

(*) Impairment losses on goodwill, property, plant and equipment and intangible assets.
(**) The breakdown of the impact of IFRS 16 on concession agreements and on gains and losses on leases is disclosed in the table below.

	Lagardère Publishing	Lagardère Travel Retail	Other Activities	Total
Impact of IFRS 16 on concession agreements	**2**	**22**	**-**	**24**
Gains and losses on leases	2	39	-	**41**
Depreciation of right-of-use assets	-	(259)	-	**(259)**
Decrease in lease liabilities	-	167	-	**167**
Interest paid on lease liabilities	-	70	-	**70**
Changes in working capital relating to lease liabilities	-	5	-	**5**

2023 statement of cash flows

	Lagardère Publishing	Lagardère Travel Retail	Other Activities and eliminations	Total
Cash flow from (used in) operating activities	**283**	**811**	**(44)**	**1,050**
Decrease in lease liabilities(*)	(47)	(286)	(21)	**(354)**
Interest paid on lease liabilities(*)	(7)	(88)	(4)	**(99)**
Cash flow from (used in) operations before income taxes paid	**229**	**437**	**(69)**	**597**
Income taxes paid	(68)	(18)	16	**(70)**
Cash flow from (used in) operations	**161**	**419**	**(53)**	**527**
Net cash used in investing activities relating to intangible assets and property, plant and equipment	(64)	(194)	(8)	**(266)**
- Purchases	*(64)*	*(196)*	*(9)*	***(269)***
- Disposals	-	*2*	*1*	***3***
Free cash flow	**97**	**225**	**(61)**	**261**
o/w free cash flow before changes in working capital	***159***	***161***	***(45)***	***275***
Net cash from (used in) investing activities relating to investments	3	(379)	27	**(349)**
- Purchases	*3*	*(388)*	*2*	***(383)***
- Disposals	-	*9*	*25*	***34***
Interest received	10	4	-	**14**
(Increase) decrease in short-term investments	-	-	-	**-**
Cash flow from (used in) operations and investing activities	**110**	**(150)**	**(34)**	**(74)**

(*) Cash flows relating to lease liabilities are shown within net cash from financing activities in the consolidated statement of cash flows.

2022 statement of cash flows

	Lagardère Publishing	Lagardère Travel Retail	Other Activities and eliminations	Total
Cash flow from (used in) operating activities	**238**	**566**	**(25)**	**779**
Decrease in lease liabilities(*)	(39)	(184)	(18)	**(241)**
Interest paid on lease liabilities(*)	(9)	(71)	(7)	**(87)**
Cash flow from (used in) operations before income taxes paid	**190**	**311**	**(50)**	**451**
Income taxes paid	(104)	(4)	51	**(57)**
Cash flow from operations	**86**	**307**	**1**	**394**
Net cash used in investing activities relating to intangible assets and property, plant and equipment	(49)	(123)	(1)	**(173)**
- Purchases	*(49)*	*(124)*	*(4)*	***(177)***
- Disposals	-	*1*	*3*	***4***
Free cash flow	**37**	**184**	**-**	**221**
o/w free cash flow before changes in working capital	***155***	***138***	***1***	***294***
Net cash from (used in) investing activities relating to investments	(54)	(127)	9	**(172)**
- Purchases	*(68)*	*(140)*	*(2)*	***(210)***
- Disposals	*14*	*13*	*11*	***38***
Interest received	3	2	2	**7**
(Increase) decrease in short term investments	-	-	-	**-**
Cash flow from (used in) operations and investing activities	**(14)**	**59**	**11**	**56**

(*) Cash flows relating to lease liabilities are shown within net cash from financing activities in the consolidated statement of cash flows.

Balance sheet at 31 December 2023

	Lagardère Publishing	Lagardère Travel Retail	Other Activities and eliminations	Total
Segment assets	3,542	4,586	563	**8,691**
Investments in equity-accounted companies	28	124	6	**158**
Segment liabilities	(1,941)	(3,308)	(545)	**(5,794)**
Capital employed	**1,629**	**1,402**	**24**	**3,055**
Assets held for sale and associated liabilities				**-**
Net cash and cash equivalents (net debt)				**(2,099)**
Equity				**956**

Balance sheet at 31 December 2022

	Lagardère Publishing	Lagardère Travel Retail	Other Activities and eliminations	Total
Segment assets	3,587	3,859	601	**8,047**
Investments in equity-accounted companies	28	48	7	**83**
Segment liabilities	(2,020)	(2,787)	(580)	**(5,387)**
Capital employed	**1,595**	**1,120**	**28**	**2,743**
Assets held for sale and associated liabilities				**-**
Net cash and cash equivalents (net debt)				**(1,713)**
Equity				**1,030**

5.2 INFORMATION BY GEOGRAPHIC AREA

Revenue by geographic area

Revenue by geographic area (by location of sales) is as follows:

	2023	2022
European Union (excl. France)	**2,419**	1,789
United States	**1,911**	1,833
France	**1,890**	1,705
United Kingdom	**570**	545
Asia-Pacific	**595**	496
Other North America (mainly Canada)	**203**	181
Other European countries	**155**	132
Middle East	**114**	68
Other (Africa, Latin America)	**224**	180
Total	**8,081**	**6,929**

Segment assets by geographic area

Segment assets, corresponding to all assets excluding cash and cash equivalents and investments in equity-accounted companies, are presented by geographic area (country or region in which the entities are based) as follows:

	31 Dec. 2023	31 Dec. 2022
United States	**2,671**	2,511
European Union (excl. France)	**2,309**	1,823
France	**2,078**	2,093
United Kingdom	**823**	876
Asia-Pacific	**352**	348
Other European countries	**42**	56
Canada	**100**	73
Middle East	**195**	170
Other (Africa, Latin America)	**121**	97
Total	**8,691**	**8,047**

Investments by geographic area (property, plant and equipment and intangible assets)

Investments in property, plant and equipment and intangible assets by geographic area (country or region in which the entities are based) are presented as follows:

	2023	2022
United States	**94**	49
France	**72**	40
European Union (excl. France)	**67**	44
United Kingdom	**11**	11
Asia-Pacific	**6**	22
Canada	**3**	2
Other European countries	**2**	1
Middle East	**7**	3
Other	**7**	5
Total	**269**	**177**

NOTE 6 REVENUE

Revenue for the Lagardère group totalled €8,081 million in 2023, up 16.6% as reported and up 14.0% at constant scope and exchange rates (like for like).

The like-for-like change in revenue is calculated by comparing:

- 2023 revenue and 2022 revenue adjusted for changes in the scope of consolidation in 2023;
- revenue for 2023 and revenue for 2022 adjusted based on the exchange rates applicable in 2023.

The difference between reported and like-for-like revenue is essentially attributable to an €83 million negative currency effect (of which €50 million linked to the US dollar, €17 million to the pound sterling and €15 million to the Chinese yuan). The €242 million positive scope effect relates mainly to Lagardère Travel Retail with the acquisitions of Marché, Costa Coffee in Poland and Latvia, and Tastes on the Fly, and to the acquisition of Welbeck Publishing by Lagardère Publishing.

E-books accounted for 7.8% of total Lagardère Publishing revenue in 2023 (unchanged from 2022), while digital audiobooks represented 4.5% of revenue (4.3% in 2022).

Revenue breaks down as follows by business and by division:

	2023	2022
Lagardère Publishing	**2,809**	**2,748**
General Literature	**1,193**	1,155
Illustrated Books	**524**	524
Education	**313**	293
Partworks	**256**	282
Other	**523**	494
Lagardère Travel Retail	**5,018**	**3,927**
Travel Essentials	**1,739**	1,521
Duty Free & Fashion	**1,936**	1,511
Foodservice	**1,343**	895
Other Activities	**254**	**254**
Press	**101**	109
Radio	**81**	87
Other	**72**	58
Total	**8,081**	**6,929**

Revenue breaks down as follows by country and by division:

	2023	2022
Lagardère Publishing	**2,809**	**2,748**
United States and Canada	**823**	867
France	**816**	746
United Kingdom, Ireland and Oceania	**541**	552
Spain	**157**	139
Other Europe	**226**	212
Other	**246**	232
Lagardère Travel Retail	**5,018**	**3,927**
Europe, Middle East and Africa (excluding France)	**2,426**	1,727
United States and Canada	**1,328**	1,171
France	**866**	750
China	**335**	235
Other Asia-Pacific	**63**	44
Other Activities	**254**	**254**
France	**209**	210
Asia-Pacific	**17**	16
Western Europe	**12**	13
United States and Canada	**16**	15
Total	**8,081**	**6,929**

NOTE 7 EMPLOYEE DATA

7.1 HEADCOUNT

The average number of employees of fully consolidated companies (excluding seconded employees) breaks down as follows by division:

(in number of employees)	2023	2022
Lagardère Publishing	**7,921**	7,765
Lagardère Travel Retail	**22,034**	18,844
Other Activities	**1,170**	1,320
Total	**31,125**	**27,929**

7.2 PAYROLL COSTS

	2023	2022
Wages and salaries	**1,461**	1,304
Payroll taxes	**280**	234
Share-based payments	**18**	11
Total	**1,759**	**1,549**

7.3 SHARE-BASED PAYMENTS

In accordance with the principles described in note 3.4 "Share-based payments", free shares awarded were measured at fair value at the grant date.

The terms and conditions of outstanding free share award plans are presented below.

Free share award plans

From 2021 to 2023, the Group set up plans to award free shares to its employees and senior executives. The number of shares awarded under these plans was as follows:

- 24 September 2021 plans: 783,000 shares;
- 14 March 2022 plans: 806,800 shares;
- 18 April 2023 plans: 794,600 shares.

In addition, a plan to award 739,700 free shares was set up for employees with a minimum of two years' seniority, who work a minimum of 50% of their working hours for the Group and who were not already beneficiaries of traditional free share plans. The shares awarded vest only after a three-year period, provided employee beneficiaries have remained in the Group's employment throughout that time. In some countries, this plan will be settled in cash based on the value of 64,950 shares at the stock market price at the end of the vesting period.

For Group employees who are beneficiaries of the 24 September 2021, 14 March 2022 and 18 April 2023 plans, these plans do not include any performance conditions. The shares vest definitively only after a three-year period, provided employee beneficiaries have remained in the Group's employment throughout that time.

For the Group's senior executives, who are beneficiaries of the 24 September 2021, 14 March 2022 and 18 April 2023 plans, the shares will only vest subject to:

- the beneficiaries remaining with the Group until at least 25 September 2024, 15 March 2025 and 19 April 2026, respectively, under the 2021, 2022 and 2023 plans;
- and:
  - for the plan awarded in 2021, 80% of the award is subject to the achievement of objectives based on criteria internal to the Group (return on capital employed, free cash flow, proportion of paper certified and/or recycled, percentage of plastic-free Foodservice revenue, and the proportion of women in senior management), with the number of shares awarded reduced accordingly if these objectives are not met. The remaining 20% of the award is subject to meeting criteria linked to market conditions (relative performance of Lagardère SA's Total Shareholder Return), with no adjustment to the corresponding plan expense if these objectives are not met,
  - for the plans awarded in 2022 and 2023, 70% of the award is subject to the achievement of objectives based on financial criteria internal to the Group (return on capital employed, free cash flow and operating margin rate). The remaining 30% of the award is subject to meeting non-financial criteria (proportion of female Top Executives, greenhouse gas emissions per employee, proportion of spending on suppliers presenting a high CSR risk as assessed by EcoVadis). If these criteria are not met, the number of shares awarded will be reduced accordingly.

Assumptions used to calculate fair value

The assumptions underlying the plans for which an expense was recognised in the 2023 and 2022 financial statements were as follows:

	18 April 2023 Plans	14 March 2022 Plans	24 Sept. 2021 Plans
Share price at grant date (€)	23.90	25.38	22.98
Expected dividend payout rate (%)	5.4	4.1	4.5

Share-based payment expense recognised by fully consolidated companies reflects the estimated achievement rate for the performance conditions applicable to the plans.

Share-based payment expense recognised by fully consolidated companies amounted to €18 million in 2023 and €11 million in 2022. For 2023, this expense includes €2 million relating to the share-based payment due to a minority shareholder, which was dependent on the achievement of targets defined when the agreement to acquire the company was signed.

NOTE 8 RESTRUCTURING COSTS

2023

Restructuring costs amounted to €75 million in 2023 and chiefly concern:

- €45 million at Lagardère Publishing, including estimated costs of €21 million relating to the termination of the Polaris logistics and IT infrastructure transformation project in France, €16 million in the United States, mainly concerning staff and management severance and the costs of integrating Workman Publishing;
- €29 million for Other Activities, comprising costs related to the reorganisation of the editorial team at *Le Journal du Dimanche* and of the music radio network, as well as costs associated with Vivendi SE's takeover of Lagardère SA.

2022

In 2022, restructuring costs amounted to €38 million and chiefly concerned:

- €34 million for Other Activities, consisting mainly of costs related to Vivendi's public tender offer for Lagardère SA, as well as costs inherent in the future takeover and severance pay for the departure of an Executive Committee member (see note 35);
- €4 million at Lagardère Publishing, mainly costs related to the consolidation of Workman Publishing, Bragelonne and Maxima.

NOTE 9 CAPITAL GAINS AND LOSSES

2023

In 2023, the Group recorded a net gain of €10 million, mainly concerning the release of warranties on disposals carried out in prior years in Other Activities and at Lagardère Travel Retail.

2022

In 2022, the Group recorded a net gain of €7 million relating to the following key transactions:

- the release of warranties on disposals carried out in previous years for €5 million in Other Activities;
- a €4 million pre-tax gain on the sale of Lagardère Publishing's non-consolidated minority interest in Atticus;
- the balance of a Lagardère Media News receivable held in escrow, representing a loss of €3 million.

NOTE 10 IMPAIRMENT LOSSES ON GOODWILL, PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The impairment losses recorded in 2023 reflect the impairment tests performed as described in note 3.12.

Impairment tests for goodwill and intangible assets with indefinite useful lives are performed at the level of the cash-generating units (CGUs) to which the assets belong. The Group's CGUs represent the level at which the assets concerned are monitored for internal management purposes. A CGU may correspond to a legal entity or a group of legal entities when the businesses conducted are similar and are managed on a combined basis.

The following table sets out the amounts of goodwill and intangible assets with indefinite useful lives at 31 December:

	Number of CGUs/ groups of CGUs		Carrying amount of goodwill		Carrying amount of intangible assets with indefinite useful lives		Total carrying amount of tested assets	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
Lagardère Publishing	**15**	15	**1,116**	1,120	**43**	42	**1,159**	1,162
Lagardère Travel Retail	**14**	12	**445**	393	**61**	49	**506**	442
Other Activities:	**5**	4	**134**	127	**28**	28	**162**	155
– Lagardère News (Press and Radio)	***2***	*2*	***109***	*109*	***21***	*21*	***130***	*130*
– Lagardère Live Entertainment and other	***3***	*2*	***25***	*18*	***7***	*7*	***32***	*25*
Total	**34**	**31**	**1,695**	**1,640**	**132**	**119**	**1,827**	**1,759**

The following table shows the breakdown of the main CGUs and groups of CGUs by division:

	Number of CGUs/ groups of CGUs		Carrying amount of goodwill		Carrying amount of intangible assets with indefinite useful lives		Total carrying amount of tested assets	
	2023	2022	2023	2022	2023	2022	2023	2022
Lagardère Publishing	**15**	**15**	**1,116**	**1,120**	**43**	**42**	**1,159**	**1,162**
Hachette Book Group (United States)	**1**	1	**388**	402	**4**	4	**392**	406
Hachette UK Holding group	**1**	1	**342**	324	**22**	21	**364**	345
Anaya, Larousse and other	**4**	4	**220**	220	**2**	2	**222**	222
Hatier group	**1**	1	**84**	84	**-**	-	**84**	84
Pika Édition	**1**	1	**14**	14	**-**	-	**14**	14
Les Éditions Albert René	**1**	1	**11**	11	**-**	-	**11**	11
Hachette Livre España – Salvat	**1**	1	**3**	3	**-**	-	**3**	3
Other	**5**	5	**54**	62	**15**	15	**69**	77
Lagardère Travel Retail	**14**	**12**	**445**	**393**	**61**	**49**	**506**	**442**
North America	**1**	1	**292**	254	**47**	49	**339**	303
Belgium	**1**	1	**49**	49	**-**	-	**49**	49
Czech Republic	**1**	1	**34**	34	**-**	-	**34**	34
United Arab Emirates	**1**	1	**29**	30	**-**	-	**29**	30
Germany	**1**	1	**20**	4	**14**	-	**34**	4
France	**1**	1	**12**	12	**-**	-	**12**	12
Asia	**1**	1	**8**	8	**-**	-	**8**	8
Other	**7**	5	**1**	2	**-**	-	**1**	2
Other Activities	**5**	**4**	**134**	**127**	**28**	**28**	**162**	**155**
Lagardère News (Press and Radio)	**2**	2	**109**	109	**21**	21	**130**	130
Lagardère Live Entertainment and other	**3**	2	**25**	18	**7**	7	**32**	25
Total	**34**	**31**	**1,695**	**1,640**	**132**	**119**	**1,827**	**1,759**

Impairment tests

The estimated future cash flows used in the impairment tests are based on the internal budgets drawn up at the end of the year. They are determined using key assumptions and assessments that factor in the effects of the economic environment – as identified at the date of the budget – on forecast future cash flows for the coming five years.

For some Lagardère Travel Retail CGUs, the projection periods were extended beyond the five years covered by the business plan (to 2033) to reflect the term of concession agreements, such that cash flows gradually reach a normative level.

In 2023, some CGUs saw business in line with 2019 levels. For other CGUs, barring exceptional cases, the forecast cash flows assume that business will be back at 2019 levels in 2024. These forecasts reflect the Group's best estimates and are corroborated by trends in passenger traffic published by external bodies such as the ACI (Airports Council International) and IATA (International Air Transport Association).

The Lagardère group's financial exposure to the conflict in Ukraine is very low and has no impact on the value of its assets. However, the Group remains vigilant as to the direct or indirect consequences that this conflict could have on its activities.

The cash flows are discounted using a post-tax discount rate specific to each business. A perpetuity growth rate – which is also specific to each business – is used for periods beyond those covered in the budgets. These discount rates were recalculated for the impairment tests carried out in the last quarter of 2023.

The discount rates used for each business were as follows in 2023, 2022 and 2021:

(%)	Discount rate			Perpetuity growth rate		
	2023	2022	2021	**2023**	2022	2021
Lagardère Publishing (*)	**8.00**	**7.60**	**6.00**	**1.50**	**1.50**	**1.50**
Lagardère Travel Retail	**9.80**	**9.10**	**8.00**	**2.50**	**2.50**	**2.50**
Other Activities:						
Lagardère News – Press	**8.28**	7.80	6.64	**0.00**	0.00	0.00
Lagardère News – Radio	**8.06**	8.70	6.51	**1.50**	1.50	1.50
Lagardère Live Entertainment	**9.40**	9.80	7.56	**2.00**	2.00	2.00

(*) A perpetuity growth rate of 2.00% was used for certain Digital activities at Lagardère Publishing.

The discount rates applied are calculated based on the median financial returns observed during the year for samples of companies operating in comparable business sectors. These are provided by an independent financial organisation and may vary, based notably on share prices, debt and the macro- and micro-economic outlook.

The samples used are reviewed and updated every year in order to take account of changes in the competitive environment and market participants. This can lead to an elimination of certain components of the basket whose business models are not judged to be sufficiently correlated to the Group's, and inversely, to the addition of new components. The samples were fine-tuned for Lagardère Travel Retail in 2023 to take account of market concentration in this business. In 2022, the samples were adjusted and expanded for the Publishing, Press and Live Entertainment businesses.

Recognised impairment losses

Total impairment losses recognised by consolidated companies in 2023 amounted to €47 million, including €7 million for goodwill, €21 million for intangible assets and €19 million for right-of-use assets and property, plant and equipment.

The main impairment losses break down as follows:

- €19 million for intangible assets and €7 million for property, plant and equipment due to the termination of the French logistics and IT infrastructure transformation project (Polaris) at Lagardère Publishing in France;
- €14 million for right-of-use assets in the United States at Lagardère Publishing as a result of the streamlining of office space, in particular following the integration of Workman Publishing;
- €9 million for Hiboutatillus goodwill at Lagardère Publishing.

Impairment losses recognised in 2022 amounted to €9 million, including €1 million for goodwill, €7 million for intangible assets and €1 million for property, plant and equipment at Lagardère Travel Retail. The main impairment losses broke down as follows:

- €7 million for intangible assets and €1 million for property, plant and equipment at Lagardère Travel Retail in the United States, owing to the termination of certain concessions;
- €1 million for La Plage goodwill at Lagardère Publishing.

Sensitivity of impairment tests to changes in key budget assumptions

The operating forecasts contained in the Group's budgets are based on assumptions. Changes in these assumptions directly impact the calculation of value in use and may give rise to the recognition of impairment losses or influence the amount of any impairment recognised.

The key assumptions used for the forecasts relate to expected developments in the following main areas:

- Lagardère Publishing: market trends, market share and profit margins; manufacturing and overhead rates determined based on established action plans.
- Lagardère Travel Retail: trading expected to get back in line with 2019 levels in 2024 for areas still not wholly back at this level in 2023; passenger volumes and average spend per customer for each platform (airports, train stations, etc.); lease payments for retail stores.
- Other Activities: advertising market trends and market share for all media (radio, press and Internet); market trends for the magazine publishing business in France, including the impact on advertising revenue; changes brought about by the switch to digital; the cost of paper; and the brand licensing market.

These assumptions incorporate differentiated levels of risk that depend on the degree of visibility and the ability to anticipate the impact of changes in the economic environment on the future performance of the Group's different businesses.

- **Inflation**

The inflation observed in 2022 and 2023 in the cost of goods and raw materials such as paper for the Publishing and Magazine Publishing businesses was adjusted to a normative level in the business plan.

- **Brand licensing revenue**

For the period beyond the five years covered by the business plan, a change corresponding to an annual decrease of 2% in Elle brand licensing revenue compared with the assumptions used at end-2023 would not lead the Group to recognise impairment against goodwill for the Lagardère News Press CGU.

Sensitivity of impairment tests to changes in discount rates and perpetuity growth rates

The following tables show the potential effects on impairment losses of an increase or decrease in the discount rates and perpetuity growth rates applied to test the value of assets at 31 December 2023.

The tables include sensitivity to a maximum 2% increase in the discount rate, which is higher than the increases observed for 2022 and 2021.

Lagardère Publishing: (Increase) decrease in impairment losses

(in millions of euros)	Change in discount rate(*)								
Change in perpetuity growth rate	-2%	-1.5%	-1%	-0.5%	0%	+0.5%	+1%	+1.5%	+2%
-1%	-	-	-	(3)	(13)	(24)	(33)	(52)	(100)
-0.5%	-	-	-	-	(6)	(16)	(27)	(36)	(65)
0%	-	-	-	-	-	(8)	(19)	(29)	(38)
+0.5%	-	-	-	-	-	-	(10)	(21)	(32)
+1%	-	-	-	-	-	-	(2)	(13)	(24)

(*) The discount rate used for the 2023 impairment tests was 8.00%.

At 31 December 2023, a two-point increase in the discount rate combined with a one-point decrease in the perpetuity growth rate would lead to the recognition of an additional impairment loss of €47 million for Hachette Book Group, €42 million for the Anaya-Bruño group, €6 million for Le Livre Scolaire and €3 million for Hatier.

Lagardère Travel Retail: (Increase) decrease in impairment losses

(in millions of euros)	Change in discount rate(*)									
Change in perpetuity growth rate	-2%	-1.5%	-1%	-0.5%	0%	+0.5%	+1%	+1.5%	+2%	+2.5%
-1%	-	-	-	-	-	-	-	-	-	-
-0.5%	-	-	-	-	-	-	-	-	-	-
0%	-	-	-	-	-	-	-	-	-	-
+0.5%	-	-	-	-	-	-	-	-	-	-
+1%	-	-	-	-	-	-	-	-	-	-

(*) The discount rate used for the 2023 impairment tests was 9.80%. The test now also measures sensitivity to a 2.5% increase in the discount rate.

Other Activities: (Increase) decrease in impairment losses

(in millions of euros)	Change in discount rate(*)								
Change in perpetuity growth rate	-2%	-1.5%	-1%	-0.5%	0%	+0.5%	+1%	+1.5%	+2%
-1%	-	-	-	-	-	-	-	-	-
-0.5%	-	-	-	-	-	-	-	-	-
0%	-	-	-	-	-	-	-	-	-
+0.5%	-	-	-	-	-	-	-	-	-
+1%	-	-	-	-	-	-	-	-	-

(*) The discount rates used for the 2023 impairment tests were 8.28% for the Press CGU, 8.06% for the Radio CGU and 9.40% for the Lagardère Live Entertainment CGU.

NOTE 11 OTHER OPERATING EXPENSES

	2023	2022
Net change in asset impairment losses	**(50)**	(67)
Financial expenses other than interest	**(8)**	(2)
Foreign exchange losses	**(1)**	(11)
Other operating expenses	**(5)**	(11)
Total	**(64)**	**(91)**

The net change in asset impairment losses includes impairment losses for Lagardère Publishing taken against advances paid to authors totalling €40 million in 2023 and €37 million in 2022.

Other asset impairment losses relate to changes in impairment losses on trade receivables and inventories at Lagardère Publishing, Lagardère Travel Retail and Other Activities, representing €8 million in 2023 and €30 million in 2022.

Other operating expenses consist mainly of software deployment costs of €7 million in 2022 in the Lagardère Publishing division.

NOTE 12 OTHER OPERATING INCOME

	2023	2022
Net reversals of provisions for contingencies and losses	**20**	25
Operating subsidies	**6**	11
Audiovisual tax credit	**-**	-
Other tax credits	**-**	13
Other operating income	**10**	12
Total	**36**	**61**

Other operating income includes net reversals of provisions for risks and liabilities totalling €20 million in 2023 versus €25 million in 2022. These reversals mainly relate to risks that have been extinguished as of 31 December 2023 at Lagardère Publishing and within Other Activities.

In 2022, other tax credits correspond to government aid obtained in connection with Covid-19 at Lagardère Travel Retail, excluding support for furlough measures, which is recorded as a deduction from payroll costs. Government aid was mainly granted in France, Germany, the United States and Poland.

NOTE 13 NET FINANCE COSTS

	2023	2022
Interest income on loans	**5**	3
Investment income and gains on sales of marketable securities	**9**	5
Gain arising on changes in the fair value of financial assets	**5**	8
Other financial income	**2**	1
Financial income	**21**	**17**
Interest expense on borrowings	**(94)**	(69)
Loss arising on changes in the fair value of financial assets	**(15)**	(12)
Other financial expenses	**(9)**	(10)
Financial expenses	**(118)**	**(91)**
Total	**(97)**	**(74)**

Net finance costs amounted to €97 million for 2023, an increase of €23 million on the prior year. This change was mainly due to an increase in interest rates on variable-rate borrowings such as commercial paper, on part of the Schuldschein loans and on drawdowns made under the Group's syndicated credit facility during 2023.

Note 18 sets out interest expense on lease liabilities.

NOTE 14 INCOME TAX

14.1 ANALYSIS OF INCOME TAX

Income tax breaks down as follows:

	2023	2022
Current taxes	**(62)**	(63)
Deferred taxes	**(16)**	30
Total	**(78)**	**(33)**

In 2023, the Group recorded an income tax expense of €78 million, €45 million higher than the 2022 figure, chiefly reflecting:

- a decrease of €31 million in deferred taxes on tax loss carryforwards. In 2022, many of Lagardère Travel Retail's geographic areas had recognised deferred tax assets on tax loss carryforwards as a result of the upturn in business. In 2023, deferred tax income recognised in respect of tax loss carryforwards was lower;
- a negative €17 million resulting from movements in non-recurring deferred taxes relating to IFRS 16, including a negative €13 million in respect of the €90 million gain on lease modifications at Lagardère Travel Retail (see note 18) and a negative €4 million relating to impairment recognised against right-of-use assets in the United States at Lagardère Publishing.

14.2 TAX PROOF

The following table reconciles income tax reported in the income statement to the theoretical income tax expense for 2023 and 2022:

	2023	2022
Profit before tax	**248**	185
(-) (Income) loss from equity-accounted companies	**10**	(13)
Profit of fully consolidated companies before tax	**258**	**172**
Theoretical tax expense(*)	**(67)**	(44)
Effect on theoretical tax expense of:		
Different tax bases for capital gains and losses(**)	**2**	1
Different tax bases for impairment losses on goodwill and other intangible assets	**1**	-
Different tax rates on earnings of foreign subsidiaries	**22**	13
Tax credits and tax incentives	**2**	4
Limitation on deferred taxes	**10**	43
Effect of changes in tax rates on deferred taxes	**-**	(1)
Tax loss carryforwards used (recognised) in the year(***)	**(28)**	(27)
Impact of discontinued operations	**-**	(2)
Permanent differences and other items	**(20)**	(20)
Effective income tax expense	**(78)**	**(33)**

(*) Calculated at the French standard rate (25.83% in 2023 and 2022).
(**) Differences between disposal gains for tax purposes and book disposal gains.
(***) Tax losses for which no deferred tax assets were recognised.

14.3 DEFERRED TAXES RECOGNISED IN THE BALANCE SHEET

Deferred taxes recognised at 31 December 2023 and 2022 concerned the following assets and liabilities:

	31 Dec. 2023	31 Dec. 2022
Intangible assets	**(239)**	(209)
Property, plant and equipment	**(23)**	(31)
Non-current financial assets	**(13)**	(20)
Inventories	**52**	27
Provisions for pension benefit obligations	**22**	20
Right-of-use assets and lease liabilities	**74**	83
Other provisions	**64**	77
Other working capital items	**97**	151
Temporary differences (gross amount)	**34**	**98**
Tax loss carryforwards	**242**	202
Deferred taxes before limitation	**276**	**300**
Limitation on deferred tax assets	**(281)**	(259)
Net deferred tax asset (liability)	**(5)**	**42**
Deferred tax assets	**275**	310
Deferred tax liabilities	**(280)**	(268)

Tax losses carried forward relating to the US tax group represent the main component of deferred tax assets on Group tax loss carryforwards. At 31 December 2023, the tax base of US federal tax loss carryforwards relating to this tax group amounted to €74 million and can be carried forward indefinitely. The timeframe for utilising these losses has been assessed in light of the deferred tax liabilities recognised for this tax group (net deferred tax liability position), and of the outlook for taxable income based on the profits of Lagardère Publishing and Lagardère Travel Retail.

At 31 December 2023, the Group also had unused tax loss carryforwards with a tax base of more than €506 million arising in the French tax group. Tax losses in France can be carried forward indefinitely.

14.4 CHANGES IN DEFERRED TAXES

	2023	2022
Net deferred tax asset (liability) at 1 January	**42**	**7**
Income tax expense recognised in the income statement	**(16)**	30
Deferred tax recognised directly in equity	**1**	8
Reclassification as assets held for sale and associated liabilities	**-**	-
Effect of change in scope of consolidation and exchange rates	**(32)**	(3)
Net deferred tax asset (liability) at 31 December	**(5)**	**42**

Deferred taxes recognised directly in equity can be analysed as follows:

	31 Dec. 2023	31 Dec. 2022
Investments in non-consolidated companies	**-**	-
Cash flow hedges	**2**	7
Actuarial gains and losses on pensions and other post-employment benefit obligations	**11**	19
Total	**14**	**26**

NOTE 15 EARNINGS PER SHARE

Basic earnings per share

Earnings per share are calculated by dividing profit attributable to owners of the Parent by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares. Changes in the number of shares as a result of employees exercising their share options (movements throughout the year) are included using the average of opening and closing balances for the year.

Diluted earnings per share

The only dilutive category of shares is free shares. Free shares with a performance condition are only taken into account to calculate dilution when the achievement rate of the performance conditions is known at the reporting date. In view of the loss from continuing operations (attributable to the Parent), there was no dilutive effect. The loss from discontinued operations (attributable to the Parent) was, however, impacted by the dilutive effect.

	2023	2022
Profit for the year attributable to owners of the Parent (in millions of euros)	**144**	**161**
Number of shares making up the share capital at 31 December	**141,133,286**	141,133,286
Treasury shares	**(332,921)**	(451,768)
Number of shares outstanding at 31 December	**140,800,365**	140,681,518
Average number of shares outstanding during the year	**140,740,942**	**140,327,651**
Basic earnings per share – Attributable to owners of the Parent (in euros)	**1.02**	**1.15**
Free shares	**1,821,600**	909,570
Average number of shares including dilutive share options and free shares	**142,562,542**	**141,237,221**
Diluted earnings per share – Attributable to owners of the Parent (in euros)	**1.01**	**1.14**

Profit from continuing operations – Attributable to owners of the Parent (in millions of euros)	**138**	**127**
Basic earnings per share from continuing operations – Attributable to owners of the Parent (in euros)	**0.98**	0.90
Diluted earnings per share from continuing operations – Attributable to owners of the Parent (in euros)	**0.97**	0.90

Profit from discontinued operations – Attributable to owners of the Parent (in millions of euros)	**5**	**35**
Basic earnings per share from discontinued operations – Attributable to owners of the Parent (in euros)	**0.04**	0.25
Diluted earnings per share from discontinued operations – Attributable to owners of the Parent (in euros)	**0.04**	0.24

NOTE 16 GOODWILL

	2023	2022
At 1 January	**1,640**	**1,614**
Gross amount	**1,819**	1,791
Accumulated impairment losses	***(179)***	*(178)*
Acquisitions(*)	**84**	27
Goodwill written off following disposal or deconsolidation(**)	**-**	(28)
Impairment losses(***)	**(7)**	(1)
Translation reserve	**(18)**	28
Classification within assets held for sale	**-**	-
Other movements	**(4)**	-
At 31 December	**1,695**	**1,640**
Gross amount	**1,881**	1,819
Accumulated impairment losses	**(186)**	(179)

(*) Including for 2023: Tastes on the Fly for €51 million, Marché International for €16 million and Welbeck Publishing Group for €11 million.
Including for 2022: Creative Table Holdings Ltd for €27 million, John Catt for €8 million, Paperblanks for €2 million, Bragelonne for €5 million, La Boîte de Jeu for €1 million, along with final adjustments in the purchase price accounting for Workman Publishing (negative €14 million).
(**) Including for 2022: disposal of Lagardère Travel Retail's business in Australia and New Zealand for €28 million.
(***) Including for 2023: Hiboutatillus for €9 million.
Including for 2022: La Plage for €1 million.

See note 10 for a breakdown of goodwill by CGU or groups of CGUs.

NOTE 17 INTANGIBLE ASSETS

Cost

	Intangible assets with indefinite useful lives		Intangible assets with finite useful lives		
	Publication titles	Other	Concession agreements	Other	Total
At 1 January 2022	**8**	**140**	**1,154**	**548**	**1,850**
Acquisitions	-	5	-	20	**25**
Changes in scope of consolidation	-	-	64	17	**81**
Disposals/Derecognition	-	-	(12)	(6)	**(18)**
Impact of IFRIC agenda decision on IAS 38(*)	-	-	-	(45)	**(45)**
Reclassifications	-	1	-	40	**41**
Translation adjustments	-	-	34	15	**49**
At 31 December 2022	**8**	**146**	**1,240**	**589**	**1,983**
Acquisitions	-	14	-	16	**30**
Changes in scope of consolidation	-	-	200	21	**221**
Disposals/Derecognition	-	-	(12)	(15)	**(27)**
Reclassifications	-	-	38	(30)	**8**
Translation adjustments	-	-	(22)	(3)	**(25)**
At 31 December 2023	**8**	**160**	**1,444**	**578**	**2,190**

(*) Pursuant to the IFRIC's agenda decision on IAS 38, €45 million of gross intangible assets and €11 million of amortisation were cancelled against opening equity at 1 January 2022, representing a net impact of €29 million after tax.

Amortisation and impairment losses

	Intangible assets with indefinite useful lives		Intangible assets with finite useful lives		
	Publication titles	Other	Concession agreements	Other	Total
At 1 January 2022	**(3)**	**(32)**	**(563)**	**(281)**	**(879)**
Amortisation	-	-	(92)	(35)	**(127)**
Impairment losses	-	-	(7)	-	**(7)**
Changes in scope of consolidation	-	-	-	3	**3**
Disposals/Derecognition	-	-	12	6	**18**
Impact of IFRIC agenda decision on IAS 38(*)	-	-	-	11	**11**
Reclassifications	-	-	5	(6)	**(1)**
Translation adjustments	-	-	(12)	(3)	**(15)**
At 31 December 2022	**(3)**	**(32)**	**(657)**	**(305)**	**(997)**
Amortisation	-	-	(90)	(38)	**(128)**
Impairment losses	-	-	(2)	(19)	**(21)**
Changes in scope of consolidation	-	-	-	-	**-**
Disposals/Derecognition	-	-	12	14	**26**
Reclassifications	-	-	(20)	43	**23**
Translation adjustments	-	-	7	(1)	**6**
At 31 December 2023	**(3)**	**(32)**	**(750)**	**(306)**	**(1,091)**

(*) Pursuant to the IFRIC's agenda decision on IAS 38, €45 million of gross intangible assets and €11 million of amortisation were cancelled against opening equity at 1 January 2022, representing a net impact of €29 million after tax.

Carrying amounts

At 31 December 2022	**5**	**114**	**583**	**284**	**986**
At 31 December 2023	**5**	**128**	**694**	**272**	**1,099**

See note 10 for a breakdown by CGU of intangible assets with indefinite useful lives.

NOTE 18 LEASES

When the Group acts as lessee, the present value of lease payment commitments that are fixed or fixed in substance and due under concession agreements in transport hubs and hospitals, building leases or leases of other equipment, are recognised within lease liabilities against a corresponding right-of-use asset.

The variable portion of lease payments under concession agreements, based on passenger flows or revenue earned by retail outlets, continues to be shown in external charges or in other operating expenses. In application of the full retrospective method, lease liabilities are discounted at the rate set at the start of each agreement. The discount is updated to take account of any modifications, notably as regards the leased premises or lease term. The discount rates applied range from 0.05% to 12.56%.

Changes in right-of-use assets and lease liabilities were as follows in 2023 and 2022:

Right-of-use assets

	Gross amount			Depreciation and impairment losses			Carrying amount		
	Concession agreements	Buildings and other	Total	Concession agreements	Buildings and other	Total	Concession agreements	Buildings and other	Total
At 1 January 2023	**3,065**	**730**	**3,795**	**(1,767)**	**(388)**	**(2,155)**	**1,298**	**342**	**1,640**
New leases	388	29	**417**				388	29	**417**
Depreciation				(311)	(68)	**(379)**	(311)	(68)	**(379)**
Impairment losses				-	(14)	**(14)**	-	(14)	**(14)**
Translation adjustments	(19)	(3)	**(22)**	8	2	**10**	(11)	(1)	**(12)**
Lease modifications	11	35	**46**	-	-	**-**	11	35	**46**
Lease remeasurements	231	-	**231**	-	-	**-**	231	-	**231**
Changes in scope of consolidation	139	1	**140**	-	-	**-**	139	1	**140**
Terminated leases	(347)	(28)	**(375)**	347	28	**375**	-	-	**-**
Other	(2)	4	**2**	-	(1)	**(1)**	(2)	3	**1**
At 31 December 2023	**3,466**	**768**	**4,234**	**(1,723)**	**(441)**	**(2,164)**	**1,743**	**327**	**2,070**

	Gross amount			Depreciation and impairment losses			Carrying amount		
	Concession agreements	Buildings and other	Total	Concession agreements	Buildings and other	Total	Concession agreements	Buildings and other	Total
At 1 January 2022	**2,802**	**744**	**3,546**	**(1,605)**	**(358)**	**(1,963)**	**1,197**	**386**	**1,583**
New leases	187	21	**208**				187	21	**208**
Depreciation				(259)	(69)	**(328)**	(259)	(69)	**(328)**
Impairment losses				-	-	**-**	-	-	**-**
Translation adjustments	62	8	**70**	(35)	(5)	**(40)**	27	3	**30**
Lease modifications	(8)	(2)	**(10)**	-	-	**-**	(8)	(2)	**(10)**
Lease remeasurements	113	2	**115**	-	-	**-**	113	2	**115**
Changes in scope of consolidation	59	3	**62**	(6)	(2)	**(8)**	53	1	**54**
Terminated leases	(144)	(46)	**(190)**	144	46	**190**	-	-	**-**
Other	(6)	-	**(6)**	(6)	-	**(6)**	(12)	-	**(12)**
At 31 December 2022	**3,065**	**730**	**3,795**	**(1,767)**	**(388)**	**(2,155)**	**1,298**	**342**	**1,640**

Lease liabilities

	Non-current lease liabilities			Current lease liabilities			Total lease liabilities		
	Concession agreements	Buildings and other	Total	Concession agreements	Buildings and other	Total	Concession agreements	Buildings and other	Total
At 1 January 2023	**1,277**	**357**	**1,634**	**311**	**77**	**388**	**1,588**	**434**	**2,022**
New leases	383	29	**412**	-	-	**-**	383	29	**412**
Interest expense	-	-	**-**	76	13	**89**	76	13	**89**
Decreases from gains on leases(*)	(93)	-	**(93)**	(1)	-	**(1)**	(94)	-	**(94)**
Lease payments	-	-	**-**	(356)	(97)	**(453)**	(356)	(97)	**(453)**
Reclassifications(**)	(339)	(87)	**(426)**	339	87	**426**	-	-	**-**
Translation adjustments	(8)	(2)	**(10)**	(3)	(1)	**(4)**	(11)	(3)	**(14)**
Lease modifications	11	35	**46**	-	-	**-**	11	35	**46**
Lease remeasurements	258	-	**258**	(27)	-	**(27)**	231	-	**231**
Changes in scope of consolidation	125	-	**125**	14	-	**14**	139	-	**139**
Other	-	1	**1**	(4)	(3)	**(7)**	(4)	(2)	**(6)**
At 31 December 2023	**1,614**	**333**	**1,947**	**349**	**76**	**425**	**1,963**	**409**	**2,372**

(*) Including gains and losses on lease modifications and negative variable lease payments.
(**) Reclassifications relate to the current portion of lease liabilities, reclassified within current lease liabilities.

	Non-current lease liabilities			Current lease liabilities			Total lease liabilities		
	Concession agreements	Buildings and other	Total	Concession agreements	Buildings and other	Total	Concession agreements	Buildings and other	Total
At 1 January 2022	**1,191**	**411**	**1,602**	**237**	**72**	**309**	**1,428**	**483**	**1,911**
New leases	183	21	**204**	-	-	**-**	183	21	**204**
Interest expense	-	-	**-**	48	13	**61**	48	13	**61**
Decreases from gains on leases(*)	(39)	(2)	**(41)**	-	-	**-**	(39)	(2)	**(41)**
Lease payments	-	-	**-**	(239)	(89)	**(328)**	(239)	(89)	**(328)**
Reclassifications(**)	(192)	(73)	**(265)**	192	73	**265**	-	-	**-**
Translation adjustments	29	4	**33**	6	1	**7**	35	5	**40**
Lease modifications	(8)	(2)	**(10)**	-	-	**-**	(8)	(2)	**(10)**
Lease remeasurements	85	2	**87**	28	-	**28**	113	2	**115**
Changes in scope of consolidation	31	-	**31**	36	1	**37**	67	1	**68**
Other	(3)	(4)	**(7)**	3	6	**9**	-	2	**2**
At 31 December 2022	**1,277**	**357**	**1,634**	**311**	**77**	**388**	**1,588**	**434**	**2,022**

(*) Including gains and losses on lease modifications and negative variable lease payments.
(**) Reclassifications relate to the current portion of lease liabilities, reclassified within current lease liabilities.

The main movements in right-of-use assets and lease liabilities **at 31 December 2023** were as follows:

- an increase in lease liabilities recognised against right-of-use assets for **€46 million** (**lease modifications**) corresponding to:
  - a decrease in lease terms and in premises leased, representing a negative €57 million,
  - an increase in lease terms and in premises leased, representing a positive €128 million,
  - lease modifications representing a negative €15 million,
  - the impact of discounting future lease payments at a revised discount rate, representing a negative €10 million;
- an increase in lease liabilities against right-of-use assets for **€231 million (lease remeasurements**), corresponding mainly to revised guaranteed minimum payments under concession agreements in connection with the recovery in air traffic;
- the conclusion of an amendment to a concession agreement substituting variable for fixed lease payments with effect from 1 January 2023, which resulted in the derecognition of the associated lease liability for €110 million and right-of-use asset for €20 million, thereby generating a **€90 million gain on lease modifications**;
- the recognition of a **€14 million impairment loss on right-of-use assets** at Lagardère Publishing (see note 10).

Interest expense on lease liabilities amounted to €89 million in 2023, compared to €61 million in 2022, an increase of €28 million mainly attributable to the increase in discount rates between 2022 and 2023.

Lease payments represented €453 million at 31 December 2023, compared with €328 million at 31 December 2022.

Certain leases do not give rise to a right-of-use asset or a lease liability. These are leases **with variable lease payments, with a term of less than 12 months, or with a low-value underlying asset.** The corresponding rental expenses, representing €632 million in 2023 (€455 million in 2022), continue to be shown in external charges or in other operating expenses, including €613 million in respect of variable lease payments under concession agreements.

In the Group's segment information (see note 5), the rental expense reclassified in recurring operating profit of fully consolidated companies amounts to €361 million for concession agreements in 2023 (€242 million in 2022).

The table below shows the maturity of undiscounted lease liabilities at 31 December 2023 and 2022:

Lease liabilities	31 Dec. 2024	31 Dec. 2025	31 Dec. 2026	31 Dec. 2027	31 Dec. 2028	Beyond 5 years	Total
Concession agreements	427	375	330	285	221	694	**2,332**
Buildings and other	88	75	68	67	62	86	**446**
2023	**515**	**450**	**398**	**352**	**283**	**780**	**2,778**

Lease liabilities	31 Dec. 2023	31 Dec. 2024	31 Dec. 2025	31 Dec. 2026	31 Dec. 2027	Beyond 5 years	Total
Concession agreements	354	335	280	227	169	455	**1,820**
Buildings and other	88	80	69	63	58	117	**475**
At 31 December 2022	**442**	**415**	**349**	**290**	**227**	**572**	**2,295**

At 31 December 2023, **the residual weighted average term of concession agreements** and **building leases** was eight years and seven years, respectively.

Concession agreements and building leases signed at 31 December 2023 but not yet effective, represented total undiscounted lease payment commitments of €1 million.

The Group sub-lets retail premises and office space under operating leases in which it acts as lessor. The associated income from sub-leasing such premises continues to be included within other operating income.

In certain cases, sub-leases cover substantially all of the risks and rewards of the principal lease, and are recognised as finance leases. Right-of-use assets relating to the principal lease are derecognised and a financial receivable booked for €20 million at 31 December 2023, versus €29 million at end-December 2022.

NOTE 19 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment break down as follows by category:

2023 - Cost

	At 1 Jan. 2023	Acquisitions	Changes in scope of consolidation	Disposals	Reclassifications	Assets held for sale	Translation reserve	At 31 Dec. 2023
Land	48	-	3	-	-	-	-	51
Buildings	755	33	49	(10)	36	-	(10)	853
Machinery and equipment	703	59	47	(35)	5	-	(1)	778
Other	292	31	14	(16)	18	-	(1)	338
Assets under construction(*)	79	115	5	(1)	(83)	-	(2)	113
Total	**1,877**	**238**	**118**	**(62)**	**(24)**	**-**	**(14)**	**2,133**

(*) Assets under construction include property, plant and equipment and intangible assets.

2023 - Depreciation and impairment losses

	At 1 Jan. 2023	Depreciation	Impairment losses(**)	Changes in scope of consolidation	Disposals	Reclassifications	Assets held for sale	Translation reserve	At 31 Dec. 2023
Land	-	-	-	-	-	-	-	-	-
Buildings	(462)	(70)	(7)	(37)	10	(7)	-	6	(567)
Machinery and equipment	(541)	(61)	-	(30)	35	14	-	(1)	(584)
Other	(213)	(26)	(1)	(8)	18	(12)	-	-	(242)
Assets under construction(*)	-	-	-	-	-	-	-	-	-
Total	**(1,216)**	**(157)**	**(8)**	**(75)**	**63**	**(5)**	**-**	**5**	**(1,393)**
Carrying amounts	**661**	**81**	**(8)**	**43**	**1**	**(29)**	**-**	**(9)**	**740**

(*) Assets under construction include property, plant and equipment and intangible assets.
(**) See note 10 for a breakdown of property, plant and equipment impairment.

2022 – Cost

	At 1 Jan. 2022	Acquisitions	Changes in scope of consolidation	Disposals	Reclassifications	Assets held for sale(**)	Translation reserve	At 31 Dec. 2022
Land	49	-	-	(1)	-	-	-	48
Buildings	675	23	3	(24)	62	1	15	755
Machinery and equipment	621	49	4	(38)	60	-	7	703
Other	352	15	1	(11)	(68)	-	3	292
Assets under construction(*)	75	62	-	(1)	(58)	1	-	79
Total	**1,772**	**149**	**8**	**(75)**	**(4)**	**2**	**25**	**1,877**

(*) Assets under construction include property, plant and equipment and intangible assets.
(**) Classification of Lagardère Travel Retail Australia and New Zealand within assets held for sale (see note 4.3).

2022 – Depreciation and impairment losses

	At 1 Jan. 2022	Depreciation	Impairment losses(**)	Changes in scope of consolidation	Disposals	Reclassifications	Assets held for sale(***)	Translation adjustments	At 31 Dec. 2022
Land	-	-	-	-	-	-	-	-	-
Buildings	(380)	(67)	(1)	(3)	25	(26)	(1)	(9)	(462)
Machinery and equipment	(474)	(62)	(1)	(1)	36	(33)	-	(6)	(541)
Other	(245)	(23)	(1)	-	14	44	-	(2)	(213)
Assets under construction(*)	-	-	-	-	-	-	-	-	-
Total	**(1,099)**	**(152)**	**(3)**	**(4)**	**75**	**(15)**	**(1)**	**(17)**	**(1,216)**
Carrying amounts	**673**	**(3)**	**(3)**	**4**	**-**	**(19)**	**1**	**8**	**661**

(*) Assets under construction include property, plant and equipment and intangible assets.
(**) See note 10 for a breakdown of property, plant and equipment impairment.
(***) Classification of Lagardère Travel Retail Australia and New Zealand within assets held for sale (see note 4.3).

NOTE 20 INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

Investments in **associates and joint ventures** are accounted for under the equity method in the Group's consolidated financial statements. The Group's main equity-accounted companies are as follows:

	Joint shareholder	Main business	% interest		Balance sheet		Income statement	
			31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022	2023	2022
Lagardère & Connexions	SNCF Gares & Connexions	Travel Retail	**50%**	50%	**11**	14	**3**	6
Lagardère AWPL	AWPL	Travel Retail	**50%**	50%	**1**	5	**(8)**	(8)
Other					**7**	4	**2**	1
Joint ventures					19	23	(3)	(1)
Extime Duty Free Paris (formerly Société de Distribution Aéroportuaire)	Groupe ADP	Travel Retail	**44%**	45%	**78**	6	**(10)**	1
Relay@ADP	Groupe ADP	Travel Retail	**50%**	50%	**10**	4	**8**	6
Inmedio	Eurocash	Travel Retail	**49%**	49%	**12**	12	**-**	-
Yen Press	Kadokawa Corporation	Publishing	**49%**	49%	**24**	25	**3**	6
Saddlebrook International Sports	Saddlebrook International Tennis. Inc	Sports	**30%**	30%	**5**	5	**-**	-
Other					**10**	8	**(8)**	1
Total associates					139	60	(7)	14
Total investments in equity-accounted companies					158	83	(10)	13

	2023			2022		
	Total	Joint ventures	Associates	Total	Joint ventures	Associates
Investments in equity-accounted companies at beginning of year	83	23	60	46	4	42
Dividends paid	**(6)**	**(2)**	**(4)**	(5)	(1)	(3)
Share in profit (loss)	**(1)**	**(3)**	**2**	13	(1)	14
Impairment losses and amortisation	**(9)**	**-**	**(9)**	-	-	-
Change in other comprehensive income	**-**	**-**	**-**	2	-	2
First-time consolidations/ Acquisitions	**79**	**1**	**78**	10	10	1
Deconsolidation/Disposals	**-**	**-**	**-**	-	-	-
Other(*)	**12**	**-**	**12**	16	12	4
Investments in equity-accounted companies at end of year	158	19	139	83	23	60

(*) This includes the reclassification of a positive €15 million within liabilities relating to provisions for the share of losses of equity-accounted companies in 2023 (negative €20 million in 2022). It also includes capital increases of €35 million for investments in equity-accounted companies in 2022.

Joint ventures

As part of its business operations, Lagardère Travel Retail manages certain travel retail contracts in the form of 50/50 joint ventures entered into with concession grantors. The main joint ventures set up by Lagardère Travel Retail with its partners are (i) Lagardère & Connexions, with SNCF Gares & Connexions, (ii) Lagardère AWPL, with AWPL, (iii) SVRLS@LAREUNION, with Servair, and (iv) Lyon Duty Free, with Lyon airport authorities.

Total revenue generated by these Travel Retail joint ventures (on a 100% basis) amounted to €759 million in 2023 versus €510 million in 2022. Fully consolidated entities invoiced joint ventures amounts of €22 million in 2023 and €16 million in 2022.

	Figures on a 100% basis		Lagardère's share (50%)	
	2023	2022	2023	2022
Total revenue	**759**	**510**	**379**	**256**
Group revenue with joint ventures	***(22)***	*(16)*	***(11)***	*(7)*
Adjusted revenue	**737**	494	**368**	247
Recurring operating profit (loss)	**8**	**13**	**4**	**7**
Profit before finance costs and tax	**8**	2	**4**	1
Profit before tax	**(8)**	(4)	**(4)**	(2)
Profit (loss) for the period	**(6)**	**(2)**	**(3)**	**(1)**
Net debt	**(19)**	**1**	**(9)**	**1**

Associates

As part of its business operations, Lagardère Travel Retail also manages certain travel retail contracts with associates. The main associates set up by Lagardère Travel Retail with its partners are Relay@ADP and Société de Distribution Aéroportuaire with the ADP group (until 31 December 2022). On 1 January 2023, following a public tender, Lagardère Travel Retail was selected by the ADP group to become the 49% joint shareholder in Extime Duty Free Paris (formerly Société de Distribution Aéroportuaire), which operates nearly 140 beauty, gourmet, technical and fashion stores at Paris-Charles de Gaulle and Paris-Orly airports, and invested €84 million in the company, which was recorded as an increase in Extime Duty Free equity-accounted shares.

Total revenue generated by these Travel Retail associates (on a 100% basis) amounted to €914 million in 2023 versus €766 million in 2022. Fully consolidated entities invoiced associates amounts of €151 million in 2023 and €124 million in 2022.

	Figures on a 100% basis		Lagardère's share (50%)	
	2023	2022	2023	2022
Total revenue	**914**	**766**	**457**	**383**
Group revenue with associates	***(151)***	*(124)*	***(76)***	*(62)*
Adjusted revenue	**763**	642	**382**	321
Recurring operating profit	**21**	**18**	**10**	**9**
Profit before finance costs and tax	**16**	18	**8**	9
Profit before tax	**15**	17	**8**	8
Profit for the year	**13**	**15**	**6**	**7**
Net debt	**(36)**	**(35)**	**(18)**	**(17)**

NOTE 21 OTHER NON-CURRENT ASSETS

OTHER NON-CURRENT ASSETS

Other non-current assets break down as follows:

Carrying amount	31 Dec. 2023	31 Dec. 2022
Investments in non-consolidated companies	**29**	44
Loans and receivables	**155**	139
Derivative financial instruments(*)	**-**	-
Total	**184**	**183**

(*) See note 30.1.

INVESTMENTS IN NON-CONSOLIDATED COMPANIES

Investments in non-consolidated companies include the following:

Carrying amount	31 Dec. 2023		31 Dec. 2022	
	Carrying amount	% interest	Carrying amount	% interest
FCPI Idinvest Digital Fund II	**11**	**7%**	11	7%
Other	**18**	**-**	33	-
Total	**29**		**44**	

The above investments are classified as investments in non-consolidated companies. No fair value adjustments were recognised in equity in respect of investments in non-consolidated companies in 2023. Cumulative fair value adjustments on investments in non-consolidated companies at 31 December 2023 amounted to a negative €1 million.

LOANS AND RECEIVABLES

Loans and receivables can be analysed as follows:

Loans and receivables	31 Dec. 2023	31 Dec. 2022
Gross amount	**203**	212
Accumulated impairment losses	**(48)**	(73)
Carrying amount	**155**	**139**

Analysis of impairment losses	2023	2022
At 1 January	**(73)**	**(62)**
Impairment losses (recognised) reversed in the year	**(9)**	(5)
Other movements and translation adjustments(*)	**34**	(6)
At 31 December	**(48)**	**(73)**

(*) Other movements include a cancellation of the gross amount and impairment of a loan written down in full at 31 December 2023 in an amount of €30 million.

Loans and receivables included in non-current financial assets mainly comprise deposits, loans and receivables with an estimated maturity of more than one year. At 31 December 2023, the receivable relating to the sale of Lagardère Sports amounted to €39 million (including interest) and is due 31 December 2025 (see note 4.3). Loans and receivables also include financial receivables resulting from finance sub-leases for €20 million at 31 December 2023 versus €29 million at 31 December 2022.

NOTE 22 INVENTORIES

Inventories break down as follows:

	31. Dec. 2023	31. Dec. 2022
Lagardère Publishing	**672**	691
Lagardère Travel Retail	**486**	442
Other Activities	**3**	3
Gross amount	**1,161**	**1,136**
Accumulated impairment losses	**(319)**	(303)
Carrying amount	**842**	**833**

Analysis of impairment losses	2023	2022
At 1 January	**(303)**	**(250)**
Impairment losses (recognised) reversed in the year	**(10)**	(42)
Other movements and translation adjustments	**(6)**	(11)
At 31 December	**(319)**	**(303)**

NOTE 23 TRADE RECEIVABLES

Trade receivables and their realisable value can be analysed as follows:

	31. Dec. 2023	31. Dec. 2022
Trade receivables (gross amount)	**1,114**	**1,059**
Accumulated impairment losses	**(101)**	(102)
Carrying amount	**1,013**	**957**
Of which:		
- not yet due	***827***	*853*
- less than six months past due	***173***	*91*
- more than six months past due	***13***	*13*
Total	**1,013**	**957**

Analysis of impairment losses	2023	2022
At 1 January	**(102)**	**(115)**
Impairment losses (recognised) reversed in the year	**2**	12
Other movements and translation adjustments	**(1)**	1
At 31 December	**(101)**	**(102)**

Factoring and sale of trade receivables

Receivables sold and deconsolidated under the factoring and discounting programmes totalled €262 million at 31 December 2023 versus €244 million at end-December 2022.

The sums to be repaid to the banks in respect of the receivables collected within the scope of debt collection procedures, as well as the share of the risk retained on the receivables sold, represented a payable of €42 million at 31 December 2023 versus €58 million at end-December 2022.

Lagardère is also exposed to a residual risk on the transferred receivables, represented mainly by the guarantee fund and the reserve fund set up by the bank in the amount of €3 million at 31 December 2023 versus €2 million at 31 December 2022.

NOTE 24 OTHER CURRENT ASSETS

	31 Dec. 2023	31 Dec. 2022
Receivable from authors	**299**	344
Recoverable taxes and payroll taxes	**201**	213
Prepaid expenses	**80**	75
Receivable from suppliers	**70**	85
Advances paid	**55**	59
Derivative financial instruments(*)	**9**	7
Loans	**3**	24
Other	**74**	94
Total	**791**	**901**
Accumulated impairment losses	**(11)**	(61)
Carrying amount	**780**	**840**

(*) See note 30.1 for more details on derivative financial instruments.

Analysis of impairment losses	2023	2022
At 1 January	**(61)**	**(49)**
Impairment losses (recognised) reversed in the year	**(41)**	(37)
Other movements and translation adjustments	**91**	25
At 31 December	**(11)**	**(61)**

NOTE 25 CASH AND CASH EQUIVALENTS, NET

	31 Dec. 2023	31 Dec. 2022
Cash and cash equivalents	**467**	851
Short-term bank loans and overdrafts	**(82)**	(105)
Cash and cash equivalents, net	**385**	**746**

Cash and cash equivalents break down as follows:

	31 Dec. 2023	31 Dec. 2022
Bank accounts	**337**	848
Money market funds	**121**	1
Term deposits and current accounts maturing in less than three months	**9**	2
Cash and cash equivalents	**467**	**851**

Changes in working capital as reported in the statement of cash flows can be analysed as follows:

	2023	2022
Change in inventories	**(15)**	(182)
Change in trade receivables	**(33)**	93
Change in trade payables	**(3)**	53
Change in other receivables and payables	**37**	(37)
Change in lease liabilities	**(6)**	(6)
Changes in working capital(*)	**(20)**	**(79)**

(*) Including changes in working capital relating to lease liabilities representing a negative €6 million, of which a negative €5 million in respect of concession agreements in 2023, unchanged from 2022.

Changes in working capital represented an outflow of €20 million, compared to an outflow of €79 million in 2022.

This improved performance was attributable to Lagardère Publishing (€55 million positive impact), mainly in connection with reduced inventory levels, which had risen sharply in 2022 because of issues in securing supplies, even though changes in the division's working capital during the year continued to represent a net outflow.

At Lagardère Travel Retail, changes in working capital represented a net inflow, an improvement on 2022 despite stronger business growth during that year which had a favourable impact on trade payables. The improvement in 2023 is due to sound inventory management and action on tax receivables.

NOTE 26 EQUITY

26.1 SHARE CAPITAL

At 31 December 2023, the share capital of Lagardère SA amounted to €860,913,044.60, represented by 141,133,286 shares with a par value of €6.10 each, all ranking *pari passu* and fully paid up.

26.2 TREASURY SHARES

Changes in the number of shares held in treasury over the last two years were as follows:

	2023	2022
Number of treasury shares held at 1 January	**451,768**	**1,159,503**
Purchases of treasury shares	**173,612**	41,933
Sales of treasury shares	**(149,839)**	(37,369)
Awards	**(6,200)**	-
Capital reduction by cancellation of treasury shares	**(136,420)**	(712,299)
Number of treasury shares held at 31 December	**332,921**	**451,768**

At 31 December 2023, shares held in treasury represented 0.24% of Lagardère SA's share capital and were allocated for the following purposes:

- 304,584 shares for future allocation to employees;
- 28,337 shares for market-making purposes.

In 2023, as part of the liquidity agreement signed with Exane for the purposes of market-making, Lagardère SA purchased 173,612 treasury shares for a total cost of €3 million and sold 149,839 treasury shares for a total of €3 million.

In addition, the Group carried out a capital reduction by cancelling 136,420 treasury shares for an amount of €3 million. These operations took place following capital increases carried out by capitalising reserves and involving the same number of shares. The newly-issued shares were allocated in 2023 to the Group's Co-Managing Partners and salaried employees who are beneficiaries under the 8 April 2019 plan.

In 2022, the agreement signed in 2008 with Crédit Agricole Cheuvreux was terminated by Lagardère SA, as a result of which 157,643 shares and €2.3 million were returned to Lagardère SA.

On 1 October 2022, a new liquidity agreement came into force with Exane, to which Lagardère SA allocated a total of €1 million.

As part of the liquidity agreement signed with Exane for the purposes of market-making, Lagardère SA purchased 41,933 treasury shares for a total cost of €1 million and sold 37,369 treasury shares for a total of €1 million.

As well as cancelling 157,643 shares from the former liquidity agreement, the Group also carried out a number of capital reductions by cancelling 554,656 treasury shares for €14 million. These operations took place following capital increases carried out by capitalising reserves and involving the same number of shares. The newly-issued shares were allocated in 2022 to the Group's senior managers and salaried employees who are beneficiaries under the 16 April 2018, 8 April 2019, 14 May 2019 and 10 October 2019 plans.

26.3 OTHER RESERVES

Translation reserve

The translation reserve corresponds to cumulative exchange differences arising on translation of the financial statements of foreign subsidiaries whose functional currency is not the euro.

Valuation reserve

The valuation reserve comprises cumulative gains and losses arising on changes in value of:

- derivative financial instruments used as cash flow hedges; and
- investments in non-consolidated companies.

26.4 MINORITY INTERESTS

Minority interests do not represent a material amount in the Group's consolidated financial statements. Minority interests in the net assets and profits of consolidated companies break down as follows:

	Minority interests in subsidiaries		Balance sheet		Income statement		Dividends paid to minority shareholders of subsidiaries	
	31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022	**2023**	2022	**2023**	2022
Lagardère Publishing			**43**	42	**8**	7	**6**	6
o/w Librairie Générale Française	**40%**	40%	**25**	24	**5**	4	**4**	3
o/w Pika Éditions	**33.33%**	33.33%	**8**	8	**1**	1	**1**	1
o/w Le Livre Scolaire	**5%**	30%	**1**	4	**-**	-	**-**	-
Lagardère Travel Retail			**76**	89	**23**	19	**41**	29
o/w Paradies, HBF and Tastes on the Fly sub-groups(*)	**N/A**	N/A	**55**	52	**35**	34	**36**	29
o/w Lagardère Travel Retail Asia sub-group(**)	**23.55%**	23.55%	**-**	15	**(16)**	(19)	**-**	-
o/w Creative Table Holdings Ltd	**20%**	20%	**11**	12	**(1)**	(1)	**-**	-
o/w Lagardère Duty Free SAS (Aelia) sub-group	**9.96%**	9.96%	**-**	12	**-**	(1)	**-**	-
o/w Airest sub-group	**50%**	50%	**14**	1	**5**	-	**4**	-
Other Activities			**-**	-	**-**	-	**-**	-
Total			**119**	**131**	**31**	**26**	**47**	**35**

(*) The Paradies, Hojeij Branded Foods and Tastes on the Fly groups include the minority interests resulting from the acquisition of Paradies on 22 October 2015, Hojeij Branded Foods on 19 November 2018 and Tastes on the Fly on 1 November 2023. In accordance with US legislation (Airport Concessions Disadvantaged Business Enterprises [ACDBE] Program), the Travel Retail activities in North America are operated in numerous airports by legal entities that include minority partners. The percentages of minority interests are different in each of the sub-group's subsidiaries.
(**) In 2021, JD.com, JIC and CICC took a €103 million minority stake in Lagardère Travel Retail Asia as part of a strategic partnership in the region.

Liquidity clauses granted to minority partners

The agreements signed by Lagardère Travel Retail Asia with minority investors, JD.com, JIC and CICC, in September and December 2021 include liquidity clauses allowing the investors to exit the capital of Lagardère Travel Retail Asia, subject to certain conditions and events. These clauses include put options exercisable by the minority investors between 2026 and 2028 requiring the Lagardère group to buy out the minority investments:

- Two agreements provide for a cash-only settlement of these buy-out clauses, resulting in the recognition of non-current debt at 31 December 2021. At 31 December 2023, the non-current debt carried in the balance sheet represents €20 million;
- The third agreement makes the exercise of this liquidity clause by the investor conditional on there being no "qualified" initial public offering of Lagardère Travel Retail Asia shares before 30 June 2027. In this case, the amount to be remitted to the investor in the event the liquidity option is exercised will be based on the fair value of the shareholding at that date. This third agreement also provides for the Lagardère group to opt for a settlement of the liquidity clause either in cash or in a variable number of shares of Lagardère SA (the Group's controlling entity). As this alternative may be exercised on Lagardère's initiative, the instruments were classified as equity. To date, the Lagardère group has not identified any obstacles to the completion of the "qualified" initial public offering by 30 June 2027.

26.5 CAPITAL MANAGEMENT

As all Lagardère SA shares are held in registered form, the Group has good knowledge of its ownership structure and of the changes in shareholdings over time.

Lagardère SA's shareholding structure changed significantly in 2023 with (i) the acquisition by Vivendi SE of 3,018,584 shares *via* the exercise of transfer rights obtained under the subsidiary tender offer, and (ii) the completion of the link-up between the two groups on 21 November 2023. At 31 December 2023, Vivendi held 59.80% of the Company's share capital and 50.72% of its exercisable voting rights.

The four largest shareholders held more than 90% of the share capital at end-2023.

In 2008, the Group put in place a liquidity agreement for the purpose of ensuring a liquid market for its shares and stabilising the share price. In September 2022, the Company entered into a liquidity agreement with Exane SA, effective 1 October 2022. Following the merger of Exane SA into BNP Paribas Arbitrage, on 23 October 2023 all of Exane SA's rights and obligations under the liquidity agreement were transferred to BNP Paribas Arbitrage, renamed BNP Paribas Financial Markets at the end of 2023.

Lagardère has not raised capital on the market for several years and has a policy of regularly paying out dividends. To reward shareholder stability, the Company has granted double voting rights for shares registered in the name of the same shareholder for at least four years.

As part of its long-term development strategy, the Group optimises its debt/equity ratio.

The shares due to be remitted to executives and employees under the free share plans are generally new shares created through a capital increase by capitalising reserves. An equivalent number of treasury shares is cancelled in order to neutralise the resulting dilutive impact on shareholders. As part of these operations, the Company may be required to purchase shares on the market.

Also, in April 2022, the Group signed an amendment to its syndicated credit facility, extending its maturity to April 2025 on 28 June 2023, with a further one-year extension option to April 2026. This amendment contains default clauses which include a covenant along with specific rules on dividend payments until 2025 and sums allocated to share buybacks outside the scope of the liquidity agreement (see note 29).

26.6 OTHER COMPREHENSIVE INCOME (EXPENSE)

The components of **other comprehensive income (expense)** can be analysed as follows:

	2023			2022		
	Attributable to owners(*)	Minority interests	Total equity	Attributable to owners(*)	Minority interests	Total equity
Translation reserve	**(30)**	**(2)**	**(32)**	**56**	**4**	**60**
- Currency translation adjustments	*(30)*	*(2)*	*(32)*	*55*	*4*	*59*
- Share of other comprehensive income (expense) of equity-accounted companies, net of tax	-	-	-	*1*	-	*1*
Valuation reserve	**6**	**-**	**6**	**(26)**	**-**	**(26)**
Change in fair value of derivative financial instruments	**6**	**-**	**6**	**(26)**	**-**	**(26)**
- Unrealised gains (losses) recognised directly in equity	*11*	-	*11*	*(31)*	-	*(31)*
- Amounts reclassified from equity to profit or loss	-	-	-	-	-	-
- Tax effect	*(5)*	-	*(5)*	*5*	-	*5*
Change in fair value of investments in non-consolidated companies	**-**	**-**	**-**	**-**	**-**	**-**
- Unrealised gains (losses) recognised directly in equity	-	-	-	-	-	-
- Amounts reclassified from equity to profit or loss	-	-	-	-	-	-
- Tax effect	-	-	-	-	-	-
Other reserves	**(17)**	**-**	**(17)**	**(5)**	**-**	**(5)**
Change in provisions for pensions and other post-employment benefit obligations	**(17)**	**-**	**(17)**	**(5)**	**-**	**(5)**
- Actuarial gains and losses on pensions and other post-employment benefit obligations	*(22)*	-	*(22)*	*(8)*	-	*(8)*
- Tax effect	*5*	-	*5*	*3*	-	*3*
Other comprehensive income (expense) for the year, net of tax	**(41)**	**(2)**	**(43)**	**25**	**4**	**29**

(*) Equity attributable to owners of the Parent.

Currency translation adjustments recognised within attributable other comprehensive income (expense) relate mainly to the following currencies:

	31 Dec. 2023	31 Dec. 2022
US dollar	(47)	74
Pound sterling	13	(23)
Other	4	5
Total	**(30)**	**56**

NOTE 27 PROVISIONS

27.1 PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

In application of the principles set out in note 3.19 "Provisions for pensions and other post-employment benefit obligations", provisions are recognised to cover the Group's obligations under defined benefit plans.

The provision recognised at 31 December represents the value of beneficiaries' accumulated rights less the related plan assets. The Group's main obligations concerning pensions and other post-employment benefits relate to plans in the United Kingdom and France.

In France, the law on pension reform enacted in April 2023 stipulates that the retirement age will be gradually raised as from 1 September 2023 to reach 64 in 2030. The reform also extends the length of the pay-in period to be eligible for a full pension to 43 years as from 2027 (instead of 2035) and abolishes certain special pension schemes for new recruits (gas and oil industries, etc.).

The impacts of this reform were recognised as a past service cost taken immediately to the income statement at the date the amendment materialises. The impact on the Group's financial statements is not material.

United Kingdom

The Group's pension plans in the United Kingdom are closed to new entrants and current members may no longer accrue any future benefits. The pension benefits payable under these plans are based on beneficiaries' career average salaries. The plans are funded by plan assets, and in accordance with the applicable law are subject to minimum funding requirements. A Board of Trustees – made up of an equal number of representatives of the employer and employees/retirees – is responsible for ensuring that the plans are properly managed from both an administrative and financial perspective. At 31 December 2023, the plans in effect in the United Kingdom represented an aggregate obligation of €169 million (62% of the Group's total obligation) and plan assets amounted to €157 million (85% of the Group's total plan assets).

France

The most significant plans in place in France relate to end-of-career bonuses paid to employees in accordance with the specific requirements of each entity's collective bargaining agreement. Employees are paid this bonus when they retire and its amount is calculated based on the employee's length of service and the terms and conditions specified in the relevant collective bargaining agreement. End-of-career bonuses are not covered by funded plans and are not subject to any minimum funding requirements. At 31 December 2023, they represented an aggregate obligation of €48 million (18% of the Group's total obligation).

The tables below give details of the assumptions used for measuring the Group's pension and other post-employment benefit obligations as well as movements in their value and the related provisions recognised:

Change in present value of benefit obligation

	2023	2022
Present value of benefit obligation at beginning of year	**245**	**365**
Current service cost	**6**	7
Plan amendments/Curtailments	**2**	2
Settlements	**(2)**	(2)
Interest expense	**10**	5
Employee contributions	**-**	-
Benefits paid	**(12)**	(19)
Actuarial (gains) and losses from changes in demographic assumptions	**-**	-
Actuarial (gains) and losses from changes in financial assumptions	**12**	(114)
Actuarial (gains) and losses from experience adjustments	**6**	8
Changes in scope of consolidation and assets held for sale	**2**	(1)
Translation adjustments and other	**4**	(6)
Present value of benefit obligation at end of year	**273**	**245**
Present value of benefit obligation at end of year for funded plans	**213**	192
Present value of benefit obligation at end of year for unfunded plans	**60**	53

Change in fair value of plan assets

	2023	2022
Fair value of plan assets at beginning of year	**180**	**305**
Interest income	**9**	5
Effect of remeasurements	**(4)**	(114)
Employee contributions	**-**	-
Employer contributions	**6**	4
Benefits paid	**(10)**	(11)
Settlements	**-**	-
Changes in scope of consolidation	**-**	-
Translation adjustments and other	**3**	(9)
Fair value of plan assets at end of year	**184**	**180**

Asset allocation at 31 December

	2023	2022
Shares	**19%**	5%
Bonds	**49%**	57%
Real estate	**2%**	2%
Money market instruments	**9%**	6%
Other	**21%**	30%

Calculation of net benefit obligation at 31 December

	2023	2022	2021	2020	2019
Present value of benefit obligation	**273**	245	365	380	365
Fair value of plan assets	**(184)**	(180)	(305)	(280)	(268)
Unrecognised past service cost	**-**	-	-	-	-
Net amount recognised as a provision	**89**	**65**	**60**	**100**	**97**

Movements in the provision recognised in the balance sheet

	2023	2022
Provision at beginning of year	**65**	**60**
Net expense for the year	**7**	7
Actuarial (gains) and losses recognised in equity	**22**	8
Employer contributions	**(6)**	(4)
Benefits paid by the employer	**(2)**	(8)
Changes in scope of consolidation and assets held for sale	**2**	(1)
Translation adjustments and other	**1**	3
Provision at end of year	**89**	**65**

Calculation of net expense for the year

	2023	2022
Current service cost	**6**	7
Plan amendments/Curtailments	**2**	2
Settlements	**(2)**	(2)
Interest expense	**1**	-
Actuarial gains and losses on other employee benefits	**-**	-
Net expense (income) recognised in the income statement	**7**	**7**
Actuarial (gains) and losses from changes in demographic assumptions	**-**	-
Actuarial (gains) and losses from changes in financial assumptions	**12**	(114)
Actuarial (gains) and losses from experience adjustments	**6**	8
Excess of actual return on plan assets	**4**	114
Effect of asset ceiling	**-**	-
Remeasurement of the net liability recognised in equity	**22**	**8**
Net expense for the year	**29**	**15**

Actuarial assumptions used to calculate benefit obligations

	2023	2022
Discount rate: weighted average for all countries including:	**4.02%**	4.45%
- Eurozone(*)	***3.20%***	*3.70%*
- United Kingdom(*)	***4.40%***	*4.70%*
Average expected rate of benefit increase	**2.95%**	2.90%
Average expected rate of salary increase	**2.11%**	2.12%
Expected rate of healthcare cost inflation:		
- initial	***N/A***	*N/A*
- ultimate	***N/A***	*N/A*
- year in which ultimate rate is expected to be reached	***N/A***	*N/A*

(*) Discount rates are derived from market rates on high quality corporate bonds (rated AA) with maturities that approximate those of the estimated future payments under the plans. The benchmark index used for the eurozone is the iBoxx Corporate AA.

Experience gains and losses recognised in other comprehensive income

	2023	2022
Difference between actual and expected return on plan assets		
Gains (losses)	**(4)**	(114)
Percentage of plan assets at year-end	**-2.24%**	-63.18%
Experience adjustments		
Losses (gains)	**6**	8
Percentage of present value of plan liabilities at year-end	**2.09%**	3.22%

Sensitivity of the obligation at 31 December 2023 to changes in the discount rate

	0.5% increase	0.5% decrease
Impact on present value of benefit obligation	(16)	(13)
Weighted average duration of obligations	13 years	

Employer contributions

	2023	2022
Expected employer contributions to defined benefit pension plans	**5**	3

Also, contributions to defined contribution plans amounted to €15 million in 2023, unchanged from 2022.

Actuarial gains and losses recognised directly in other comprehensive income

	2023	2022
Actuarial gains (losses) at 1 January	**(114)**	**(26)**
Change during the year:		
- in value of benefit obligation	***(18)***	*106*
- in fair value of plan assets	***(4)***	*(114)*
Actuarial gains (losses) at 31 December	**(136)**	**(34)**
Deferred tax impact	**5**	3
Actuarial gains (losses), net of tax at 31 December	**(131)**	**(31)**

27.2 OTHER PROVISIONS

Current and non-current provisions for contingencies and losses primarily cover the following:

	31 Dec. 2023	31 Dec. 2022
Restructuring and withdrawal costs	**38**	16
Claims and litigation	**21**	27
Other contingencies	**179**	189
Total	**239**	**232**
Of which:		
- non-current provisions	***117***	*121*
- current provisions	***122***	*111*

2023	At 1 Jan. 2023	Translation adjustments	Changes in scope of consolidation	Charges	Utilisations	Releases of surplus provisions	Reclassifications	At 31 Dec. 2023
Restructuring and withdrawal costs	**16**	-	4	31	(7)	(4)	(2)	**38**
Claims and litigation	**27**	-	-	4	(4)	(6)	-	**21**
Other contingencies	**189**	-	(8)	38	(21)	(31)	13	**180**
Total	**232**	**-**	**(4)**	**73**	**(32)**	**(41)**	**11**	**239**

2022	At 1 Jan. 2022	Translation adjustments	Changes in scope of consolidation	Charges	Utilisations	Releases of surplus provisions	Reclassifications	At 31 Dec. 2022
Restructuring and withdrawal costs	24	-	-	6	(6)	(10)	2	16
Claims and litigation	37	-	-	9	(4)	(12)	(3)	27
Other contingencies	226	1	(7)	35	(23)	(24)	(19)	189
Total	**287**	**1**	**(7)**	**50**	**(33)**	**(46)**	**(20)**	**232**

Provisions for claims and litigation cover risks identified at the end of the reporting period and are based on the estimated amount of potential losses for the Group.

Amounts shown under "Other contingencies" comprise items not directly attributable to the specific categories listed, and relating to generally small individual transactions carried on in the ordinary course of business and concerning all consolidated entities.

NOTE 28 DEBT

28.1 BREAKDOWN OF DEBT

The **Group's total debt** breaks down as follows:

	31 Dec. 2023	31 Dec. 2022
Bonds	-	1,292
Bank loans	39	256
Debt related to put options granted to minority shareholders	55	65
Medium-term notes (NEU MTN(*))	-	-
Other debt	286	15
Non-current debt excluding financial instruments designated as hedges of debt	**380**	**1,628**
Financial instruments designated as hedges of debt	2	19
Non-current debt	**382**	**1,647**
Bonds	1,300	350
Bank loans	189	3
Syndicated credit facility	-	-
Debt related to put options granted to minority shareholders	-	1
Medium-term notes (NEU MTN(*))	-	5
Commercial paper (NEU CP(**))	561	371
Other debt	134	182
Current debt excluding financial instruments designated as hedges of debt	**2,184**	**912**
Financial instruments designated as hedges of debt	7	8
Current debt	**2,191**	**920**
Total debt	**2,573**	**2,567**

(*) Negotiable Euro Medium-Term Notes.
(**) Negotiable European Commercial Paper.

The main movements in debt during 2023 were as follows:

- redemption on 13 April 2023 of €350 million worth of the remaining 2016 bond issue. This bond pays interest at 2.75%;
- on 21 November 2023, Vivendi SE's takeover of the Lagardère group triggered the change of control clauses included in its bond and Schuldschein loan documentation, allowing the lenders to request redemption 45 days after notice was given on 22 November 2023 for the three bonds (representing a total nominal amount of €1,300 million), and for the Schuldschein loans (representing €252.5 million);
- on 12 December 2023, Lagardère SA signed a loan agreement with Vivendi SE for drawing rights up to €1,900 million. At 31 December 2023, the amount drawn down was €270 million. This loan agreement matures on 31 March 2025;
- on 27 December 2023, the triggering of the change of control clauses on the Schuldschein loans resulted in the early repayment of €27 million on the interest payment date. Of the balance, €190.5 million falls due on 26 June 2024 and €35 million on 26 June 2026;
- the syndicated credit facility was drawn down between April 2023 and December 2023 for a maximum amount of €350 million. No amounts have been drawn down from the total of €982 million available at 31 December 2023;
- continuation of the commercial paper programme with a ceiling of €850 million. Issuance represented €561 million at 31 December 2023 (of which €511 million denominated in euros and €50 million in US dollars), versus €371 million at 31 December 2022.

At 31 December 2023, the outstanding balance on the bonds was classified as current debt in the amount of €1,300 million, in view of the fact that the early redemption option for the lenders remained open until 5 January 2024.

Further to the expiry of the early redemption period, on 12 January 2024:

- a nominal amount of €1,203.2 million and €7 million in interest was redeemed. Of the outstanding balance of €96.8 million, €39.5 million matures in 2024, €48.8 million in 2026 and €8.5 million in 2027;
- an additional €1,210 million was drawn down under the loan agreement with Vivendi SE, bringing the total amount drawn down and maturing on 31 March 2025 to €1,480 million. The undrawn balance of this agreement amounts to €420 million.

Movements in **liabilities arising from financing activities** – which include the breakdown of movements in debt presented in the statement of cash flows – can be analysed as follows:

	31 Dec. 2022	Cash flows	Changes in scope of consolidation	Effect of changes in exchange rates	Changes in fair value	Other movements	31 Dec. 2023
Bonds	1,292	-	-	-	-	(1,292)	**-**
Bank loans	256	-	-	-	-	(217)	**39**
Medium-term notes (NEU MTN(*))	-	-	-	-	-	-	**-**
Other debt	15	271	-	-	-	-	**286**
Financial instruments designated as hedges of debt	19	-	-	-	(17)	-	**2**
Non-current liabilities arising from financing activities	**1,582**	**271**	**-**	**-**	**(17)**	**(1,509)**	**327**
Bonds	350	(350)	-	-	-	1,300	**1,300**
Bank loans	3	(30)	-	(1)	-	217	**189**
Syndicated credit facility	-	-	-	-	-	-	**-**
Commercial paper and debt securities (NEU MTN(*) and NEU CP(**))	376	185	-	-	-	-	**561**
Other debt	60	(23)	-	6	-	-	**43**
Financial instruments designated as hedges of debt	8	-	-	-	(1)	-	**7**
Current liabilities arising from financing activities	**797**	**(218)**	**-**	**5**	**(1)**	**1,517**	**2,100**
Total liabilities arising from financing activities(***)	**2,379**	**53**	**-**	**5**	**(18)**	**8**	**2,427**
Debt related to put options granted to minority shareholders	66	-	-	(1)	4	(14)	**55**
Short-term bank loans and overdrafts	105	(13)	-	(10)	-	-	**82**
Accrued interest	17	(6)	-	-	8	(10)	**9**
Total debt	**2,567**	**34**	**-**	**(6)**	**(6)**	**(16)**	**2,573**

(*) Negotiable Euro Medium-Term Notes.
(**) Negotiable European Commercial Paper.
(***) Net cash flows of total liabilities arising from financing activities for €53 million correspond to increases (€810 million) and decreases (€757 million) shown in the consolidated statement of cash flows.

Net debt breaks down as follows:

(in millions of euros)	31 Dec. 2023	31 Dec. 2022
Short-term investments and cash and cash equivalents	**467**	851
Financial instruments designated as hedges of debt with a positive fair value	**7**	3
Non-current debt(*)	**(382)**	(1,647)
Current debt(*)	**(2,191)**	(920)
Net debt	**(2,099)**	**(1,713)**

(*) Current and non-current debt includes financial instruments designated as hedges of debt with a negative fair value, representing €7 million and €2 million, respectively, at 31 December 2023 (negative fair value of €8 million and €19 million, respectively, at 31 December 2022).

28.2 ANALYSIS OF DEBT BY MATURITY

Debt can be analysed as follows by maturity at **31 December 2023**:

	2024(*)	2025	2026	2027	2028	Beyond 5 years	Total
Bonds	1,300	-	-	-	-	-	**1,300**
Bank loans	189	-	35	1	-	3	**228**
Financial instruments designated as hedges of debt	7	-	2	-	-	-	**9**
Debt related to put options granted to minority shareholders	-	6	1	1	23	24	**55**
Commercial paper(**)	561	-	-	-	-	-	**561**
Other debt(***)	134	278	2	-	-	6	**420**
At 31 December 2023	**2,191**	**286**	**40**	**2**	**22**	**32**	**2,573**

(*) Debt due within one year is reported in the consolidated balance sheet under "Current debt".
(**) Commercial paper and medium-term notes.
(***) Other debt includes the amount drawn down under the cash facility agreement with Vivendi SE for €270 million at 31 December 2023. This facility falls due on 31 March 2025.

Debt could be analysed by maturity as follows at **31 December 2022**:

	2023(*)	2024	2025	2026	2027	Beyond 5 years	Total
Bonds	350	299	-	496	496	-	**1,642**
Bank loans	3	187	1	65	1	2	**259**
Financial instruments designated as hedges of debt	8	13	-	7	-	-	**27**
Syndicated credit facility	-	-	-	-	-	-	**-**
Debt related to put options granted to minority shareholders	1	3	2	1	2	56	**66**
Commercial paper(**)	376	-	-	-	-	-	**376**
Other debt	182	7	2	1	-	5	**197**
At 31 December 2022	**920**	**509**	**5**	**571**	**499**	**63**	**2,567**

(*) Debt due within one year is reported in the consolidated balance sheet under "Current debt".
(**) Commercial paper and medium-term notes.

28.3 CHARACTERISTICS OF BONDS AND MAIN BANK LOANS

The following tables provide an analysis of bonds and bank loans:

31 Dec. 2023	Carrying amount	Value of hedging instruments(*)	Total	Effective interest rate(**)
21 June 2017 seven-year bond issue, for €300 million	300	6	**306**	1.81%
16 October 2019 seven-year bond issue, for €500 million	500	2	**502**	2.26%
7 October 2021 six-year bond issue, for €500 million	500		**500**	1.96%
Bonds	**1,300**	**8**	**1,308**	
Other debt	228	-	**228**	
Bank loans	**228**	**-**	**228**	
Total	**1,528**	**8**	**1,536**	

(*) Fair value of derivative instruments designated as hedges of debt.
(**) The effective interest rate on bonds includes the amortisation of the bond issue costs.

31 Dec. 2022	Carrying amount	Value of hedging instruments(*)	Total	Effective interest rate(**)
13 April 2016 seven-year bond issue for €500 million, of which €150 million was redeemed in October 2021	350	(8)	**342**	2.90%
21 June 2017 seven-year bond issue, for €300 million	299	(12)	**287**	1.81%
16 October 2019 seven-year bond issue, for €500 million	498	(7)	**491**	2.26%
7 October 2021 six-year bond issue, for €500 million	495	-	**495**	1.96%
Bonds	**1,642**	**(27)**	**1,615**	
Other debt	259	-	**259**	
Total	**1,901**	**(27)**	**1,874**	

(*) Fair value of derivative instruments designated as hedges of debt.
(**) The effective interest rate on bonds includes the amortisation of the bond issue costs.

28.4 ANALYSIS OF DEBT BY CURRENCY

The following table provides a breakdown of current- and non-current debt by currency before and after hedging:

31 Dec. 2023	Before hedging		After hedging	
		%		%
Eurozone	2,411	93.7%	1,637	63.6%
US dollar	74	2.9%	630	24.5%
Pound sterling	-	0.0%	6	0.3%
Australian dollar	-	0.0%	73	2.8%
Canadian dollar	2	0.1%	28	1.1%
Chinese yuan	80	3.1%	80	3.1%
Hong Kong dollar	-	0.0%	45	1.7%
Other	6	0.2%	74	2.9%
Total	**2,573**	**100.0%**	**2,573**	**100.0%**

Debt after hedging as shown above is impacted by currency swaps and by cross-currency swaps converting borrowings in euros to foreign currencies.

NOTE 29 EXPOSURE TO MARKET RISKS (LIQUIDITY, INTEREST RATE, EXCHANGE RATE AND EQUITY RISKS) AND CREDIT RISKS

29.1 MARKET RISKS

29.1.1 EXPOSURE

Liquidity risks

The Group's liquidity risk is controlled as it has a cash to debt ratio of 124% (calculated by dividing its available liquidity reserves – i.e., cash and cash equivalents, short-term investments and confirmed undrawn credit lines – by gross debt maturing in less than two years). Gross debt maturing within two years amounts to €2,477 million, while total liquidity reserves represent €3,079 million (€467 million in cash and cash equivalents and short-term investments and €2,612 million in confirmed undrawn credit lines, corresponding to the syndicated credit facility (€982 million) and the loan agreement signed with Vivendi SE (€1,630 million).

Liquidity reserves are based on (i) the syndicated credit facility taken out in May 2015 for €1,250 million and (ii) the loan agreement signed with Vivendi SE on 12 December 2023 for €1,900 million and maturing on 31 March 2025.

A further amendment to the syndicated credit facility was signed on 21 April 2022, adjusting the amount of the facility to €1,042 million and extending its maturity from March 2023 to April 2024 for an amount of €982 million. In June 2023, the option to extend maturity to April 2025 was exercised. The facility also features an option to further extend maturity to April 2026, subject to the agreement of the banks.

This amendment includes a financial covenant (financial leverage), which must be less than 3.5x as of 31 December 2023.

On 12 January 2024, an additional amount of €1,210 million was drawn down on the loan agreement with Vivendi SE in order to redeem ahead of term €1,210 million of bonds (including €7 million in interest), bringing the undrawn amount available to €420 million.

The fair value of any derivatives hedging debt is included in the calculation of net debt (see note 28.3.).

Risks arising from the application of default clauses on covenants

The €1,250 million syndicated credit agreement entered into in May 2015 and maturing in May 2022, contains a covenant relating to the leverage ratio of net debt to adjusted EBITDA.

Net debt is defined in note 3.2 and is calculated as set out in note 28.

Adjusted EBITDA is defined as recurring operating profit of fully consolidated companies and discontinued operations (recurring EBIT), less depreciation, amortisation and impairment of property, plant and equipment and intangible assets, amortisation of signing fees, depreciation of right-of-use assets under building leases, cancellation of the fixed lease expense relating to buildings and other leases, plus dividends received from equity-accounted companies.

Since 1 January 2019, date of the first-time application of IFRS 16, recurring operating profit of fully consolidated companies (see definition in note 3.2) excludes the impact of this standard on concession agreements only. Since lease liabilities are not considered to be borrowings, they are not included in the calculation of net debt. The syndicate behind the €1,250 million facility accepted the adjustment to the covenant in June 2019.

Breaching this ratio would entitle the lenders to demand early repayment of the loans granted.

The ratio is calculated every six months over a rolling 12-month period, on the basis of the published consolidated financial statements.

Following the signature of the agreement to amend and extend the syndicated credit facility dated 21 April 2022, this ratio is applicable with effect from 30 June 2022. At 31 December 2023, the ratio must be less than 3.5x.

The €1.30 per-share payout cap can be waived for 2023 if the leverage ratio is below 3.5x.

There is also a ceiling of €5 million per annum on share buybacks carried out outside the scope of the liquidity agreement for as long as the leverage ratio remains above 3.5x.

At 31 December 2023, the leverage ratio is 2.97x.

Interest rate risks

Following the early redemption of bonds on 12 January 2024, 8% of current and non-current debt (excluding liabilities related to minority puts and accrued interest) are at fixed rates.

Following the early redemption on 12 January 2024, the €39.5 million worth of bonds maturing in 2024 bear interest at a fixed rate (effective interest rate of 1.81%). The €48.8 million worth of bonds maturing in 2026 also bear interest at a fixed rate (effective interest rate of 2.26%). The €8.5 million worth of bonds issued in 2021 and maturing in 2027 also bear interest at a fixed rate (effective interest rate of 1.96%).

The Group regularly issues commercial paper and medium-term notes with maturities of between 1 and 24 months, the frequency and maturities of which adjust the reference rates applied. In addition, the rate applied to the portfolio as a whole varies throughout the year. The Group's other bank debt is mainly at variable interest rates.

Cash and cash equivalents totalled €467 million at 31 December 2023. Based on the amounts indicated above, at 31 December 2023 a sudden rise in interest rates would have a very significant impact on the Group's net finance costs.

At 31 December 2023, the Group did not hold any interest rate derivatives altering the breakdown of fixed- and variable-rate debt.

The Group's pensions and other post-employment benefit obligations are sensitive to changes in interest rates, as are the corresponding plan assets invested in bonds and money market instruments, although inversely so. The outstanding amounts of these obligations and assets are set out in note 27.1.

Exchange rate risks

At 31 December 2023, the foreign currency hedges set up for all of the Group's divisions – in the form of direct forward agreements – amounted to €99 million (sales) and €63 million (purchases).

The Group does not hedge the income statement translation risk. Its main exposures in this respect are given below.

The percentage of 2023 consolidated revenue represented by the main currencies can be analysed as shown below (revenue reported by entities in the official currency of the country in which they are based):

▸ Euro	43%
▸ US dollar	23%
▸ Pound sterling	9%
▸ Other	25%
Total	100%

Based on accounting data for 2023, the sensitivity of recurring operating profit of fully consolidated companies to a 10% decline in the respective exchange rates for the main foreign currencies against the euro over a full year, expressed in monetary terms before any adjustments, is as follows:

Currency	Impact on 2023 recurring operating profit (loss)
US dollar(*)	€(21)m
Pound sterling(**)	€(9)m

(*) Recurring operating profit of fully consolidated companies whose functional currency is the US dollar.
(**) Recurring operating profit of fully consolidated companies whose functional currency is the pound sterling.

In general, ordinary business operations are financed through short-term, variable-rate borrowings denominated in the local currency in order to avoid exchange rate risks. These represented €479 million at 31 December 2023.

For long-term investments including acquisitions, the Group may set up medium-term borrowings in the investment currency. At 31 December 2023, instruments classified as net investment hedges represented an amount of €287 million, denominated mainly in US dollars.

Equity risks

The Group's principal direct and indirect investments in listed companies are:

Equities	Number of shares held	Percent shareholding	Share price at 31 Dec. 2023	Market capitalisation at 31 Dec. 2023
Lagardère SA	332,921	0.24%	€18.38	€6,119,088
Pension plan assets invested in equities				€35,580,613

Treasury shares are initially recognised at cost and are deducted from consolidated equity. Subsequent changes in value have no impact on the consolidated financial statements.

The fair value of pension plan assets totalled €184 million at 31 December 2023, of which 19%, or €35 million, is invested in equities (see note 27.1).

29.1.2 MARKET RISK MANAGEMENT

The Group has implemented a policy aimed at reducing market risks by applying procedures that help identify and quantify these risks. Derivatives are used exclusively for non-speculative hedging transactions.

The derivatives portfolio can be analysed as follows:

Category of hedging instrument	Type of hedge	Nominal amount		Fair value		Other comprehensive income	
		31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022	**2023**	2022
Cross-currency swaps designated as hedges of debt(*)	Net investment	**241**	405	**(8)**	(27)	**19**	(19)
Currency swaps designated as hedges of debt(*)	Fair value	**816**	513	**6**	4		-
Operating currency hedges (forward purchases and sales)	Cash flows and fair value	**162**	200	**(1)**	(1)		-
Total		**1,219**	**1,118**	**(3)**	**(24)**	**19**	**(19)**

(*) The change in the fair value of financial instruments designated as hedges of debt represented a negative €20 million at 31 December 2023 and related to cross-currency swaps. It is recognised in other comprehensive income.

Details of the cross-currency swaps hedging debt at 31 December 2023 are as follows:

Nominal amounts represent USD 265 million, with maturities at June 2024 and June 2026. At 31 December 2022, these contracts represented USD 430 million with the same maturities and USD 165 million due April 2023.

The maturity of the cross-currency swaps is aligned with the maturities of the underlying bonds and Schuldscheindarlehen German law private placement. From an economic standpoint, the derivatives enable the Group to convert fixed-rate euro-denominated bonds into fixed-rate US dollar-denominated debt.

The maturity of other derivatives is within one year.

Interest rate risks

The Group does not use daily active interest rate management techniques in relation to any of its financial assets or liabilities.

Cash investments are made in fixed-income instruments selected for their high-quality issuer entities and with maturities appropriate to the planned duration of the investments. Speculative or high-risk investments are not permitted.

There are no derivatives related to these investments.

29.2 CREDIT AND COUNTERPARTY RISKS

Credit and counterparty risk represents the risk of financial loss for the Group in the event of default by a customer or debtor on its contractual obligations. This risk mainly relates to trade receivables.

29.2.1 EXPOSURE

The Group's exposure to credit and counterparty risk arises principally from:

- customer receivables and commitments received in connection with commercial contracts;
- investments made to deposit surplus cash and/or to cover pension and other post-employment benefit obligations;
- hedging contracts in which the counterparties are financial institutions.

Total customer receivables represented €1,013 million at 31 December 2023. The counterparties for the most significant customer receivables are distributors of Group products. Both in and outside France, receivables generally concern local customers and no single customer represents a high percentage of the sales concerned.

The proportions of consolidated revenue deriving from business with the Group's largest, five largest and ten largest customers were as follows:

(%)	**2023**	2022
Largest customer	**7.0**	7.7
Five largest customers	**11.3**	12.4
Ten largest customers	**13.4**	15.4

The Group's short-term investments and cash and cash equivalents totalled €467 million at 31 December 2023. In addition to bank account balances, the majority of these resources are invested in instruments with leading lenders.

Assets managed in connection with post-employment benefits amounted to €184 million (including €157 million in the United Kingdom). A total of 49% of these assets are invested in bonds.

Hedging contracts are primarily entered into to hedge foreign exchange risks. Their notional amount was €1,219 million at 31 December 2023. The economic risk associated with these contracts depends on currency and interest rate fluctuations, and only represents a fraction of this notional amount. The counterparties in these contracts are leading banks.

The Group's counterparties are exposed to risks associated with the general economic environment, and as a result the possibility of default cannot be ruled out.

29.2.2 CREDIT AND COUNTERPARTY RISK MANAGEMENT

Each division is responsible for managing its own credit risk in a decentralised way, as appropriate to the specificities of its market and customer base.

For new customers with the potential for large volumes of business with the Group, analyses are carried out and information (such as external credit ratings or bank references) is sought before entering into transactions, and specific guarantees or credit insurance may

be arranged as a result. Counterparty-specific credit limits may also be set.

In newly-consolidated activities, measures are taken to progressively introduce monitoring procedures that are appropriate for the types of credit risk faced by the entity concerned.

The Group has set up periodic reporting on counterparty risks to monitor its overall risk exposure to its principal counterparties, the variations in accumulated receivables, and the level of related provisions, and to oversee the measures put in place for managing this type of risk. The Financial Risk Committee periodically reviews these reports.

The Group Funding and Treasury Department is responsible for ensuring that the financial institutions with which the Group does business are of good quality.

NOTE 30 FINANCIAL INSTRUMENTS

30.1 CARRYING AMOUNT OF DERIVATIVE FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value consist of the following derivative instruments:

	31 Dec. 2023	31 Dec. 2022
Derivative financial instruments with a positive fair value – Assets	**9**	**7**
- Financial instruments designated as hedges of debt	**7**	4
- Currency swaps (effective portion)	**2**	3
Derivative financial instruments with a negative fair value – Liabilities	**(11)**	**(31)**
- Financial instruments designated as hedges of debt	**(9)**	(27)
- Currency swaps (effective portion)	**(2)**	(4)
Total (net)	**(2)**	**(24)**

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30.2 FINANCIAL INSTRUMENTS RECOGNISED IN THE BALANCE SHEET

	31 Dec. 2023		Breakdown by category of instrument[1]				
	Carrying amount	Fair value	Amortised cost	Fair value through other comprehensive income subsequently reclassified to profit or loss	Fair value through other comprehensive income not subsequently reclassified to profit or loss	Fair value through profit or loss	Derivative financial instruments
Investments in non-consolidated companies	29	29			29		
Other non-current financial assets	155	155	155				
Trade receivables	1,013	1,013	1,013				
Derivative financial instruments	9	9					9
Other current financial assets	771	771	771				
Short-term investments	-	-			-		
Cash equivalents	121	121				121	
Cash and cash equivalents	346	346	346				
Assets	**2,444**	**2,444**	**2,285**		**29**	**121**	**9**
Bonds and bank loans	1,528	1,526	1,528				
Other debt	1,036	1,036	1,036				
Other non-current financial liabilities	27	27	27				
Trade payables	1,392	1,392	1,392				
Derivative financial instruments	11	11					11
Other current financial liabilities	1,378	1,378	1,378				
Liabilities	**5,372**	**5,370**	**5,361**				**11**

(1) There were no reclassifications between categories of financial instruments in 2023.

	31 Dec. 2022		Breakdown by category of instrument[1]				
	Carrying amount	Fair value	Amortised cost	Fair value through other comprehensive income subsequently reclassified to profit or loss	Fair value through other comprehensive income not subsequently reclassified to profit or loss	Fair value through profit or loss	Derivative financial instruments
Investments in non-consolidated companies	45	45			45		
Other non-current financial assets	139	139	139				
Trade receivables	957	957	957				
Derivative financial instruments	7	7					7
Other current financial assets	833	833	833				
Short-term investments	-	-					
Cash equivalents	1	1				1	
Cash and cash equivalents	850	850	850				
Assets	**2,832**	**2,832**	**2,779**		**45**	**1**	**7**
Bonds and bank loans	1,901	1,848	1,901				
Other debt	639	639	639				
Other non-current financial liabilities	40	40	40				
Trade payables	1,379	1,379	1,379				
Derivative financial instruments	31	31					31
Other current financial liabilities	1,361	1,361	1,361				
Liabilities	**5,351**	**5,298**	**5,320**				**31**

(1) There were no reclassifications between categories of financial instruments in 2022.

30.3 FINANCIAL INSTRUMENTS – FAIR VALUE HIERARCHY

The revised version of IFRS 7 - Financial Instruments – Disclosures, sets out the methods to be used in determining fair value by reference to a fair value hierarchy which has the following levels:

Level 1: instruments listed in an active market.

Level 2: instruments valued using techniques based on observable market data.

Level 3: instruments valued using techniques based on unobservable data.

In addition, certain investments are carried at acquisition cost if the Group does not have sufficiently reliable information for valuation, particularly when there is no active market for an instrument (see note 3.14 above).

Lagardère's financial instruments are classified as follows under this hierarchy:

	Category of instrument[1]			Fair value hierarchy[2]			
31 Dec. 2023	Fair value through other comprehensive income not subsequently reclassified to profit or loss	Fair value through profit or loss	Derivative financial instruments	Level 1	Level 2	Level 3	Acquisition cost
Investments in non-consolidated companies	29						29
- FCPI Idinvest Digital Fund II	*11*						*11*
- Other	*18*						*18*
Derivative financial instruments with a positive fair value			9		9		
Short-term investments	-			-			
- Shares	-			-			
- Bonds	-			-			
Cash equivalents		121		121			
- Marketable securities		*121*		*121*			
Total financial instruments with a positive fair value	**29**	**121**	**9**	**121**	**9**		**29**
Derivative financial instruments with a negative fair value			10		10		
Total financial instruments with a negative fair value			**10**		**10**		

(1) There were no reclassifications between categories of financial instruments in 2023.
(2) There were no reclassifications between fair value hierarchy levels in 2023.

	Category of instrument[1]			Fair value hierarchy[2]			
31 Dec. 2022	Fair value through other comprehensive income not subsequently reclassified to profit or loss	Fair value through profit or loss	Derivative financial instruments	Level 1	Level 2	Level 3	Acquisition cost
Investments in non-consolidated companies	44						44
- FCPI Idinvest Digital Fund II	*11*						*11*
- Other	*33*						*33*
Derivative financial instruments with a positive fair value			7		7		
Short-term investments	-			-			
- Shares	-			-			
- Bonds	-			-			
Cash equivalents		1		1			
- Marketable securities		*1*		*1*			
Total financial instruments with a positive fair value	**44**	**1**	**7**	**1**	**7**		**44**
Derivative financial instruments with a negative fair value			31		31		
Total financial instruments with a negative fair value			**31**		**31**		

(1) There were no reclassifications between categories of financial instruments in 2022.
(2) There were no reclassifications between fair value hierarchy levels in 2022.

NOTE 31 OTHER LIABILITIES

Other liabilities break down as follows:

	31 Dec. 2023	31 Dec. 2022
Due to suppliers of non-current assets	**16**	21
Total contract liabilities	**15**	15
Other liabilities	**11**	18
Other non-current liabilities	**42**	**54**
Accrued taxes and payroll costs	**445**	440
Refund liabilities	**265**	315
Due to authors	**300**	305
Total contract liabilities	**3**	4
Due to customers	**144**	115
Deferred income	**56**	50
Advances and prepayments	**9**	9
Derivative financial instruments(*)	**2**	4
Sundry payables	**156**	123
Other current liabilities	**1,380**	**1,365**
Total other liabilities	**1,422**	**1,419**

(*) See note 30.1.

Refund liabilities – sales with a right of return

As part of its business of selling publications, Lagardère Publishing grants a right of return to distributors for unsold products. The estimated amount of these returns is recognised as a deduction from revenue and represents a refund liability. This estimate is calculated on a statistical basis using the actual rate of returns for the previous year, adjusted for fluctuations in sales volumes and changes in the operating environment during the current year.

At 31 December 2023, the estimated amount of returns recognised within refund liabilities was €265 million, versus €315 million at 31 December 2022.

NOTE 32 CONTRACTUAL OBLIGATIONS

The table below summarises Lagardère's **contractual obligations**. Future payments other than payments related to financial liabilities are reported at non-discounted nominal value.

	Payments expected			Total	
	Within 1 year	1 to 5 years	Beyond 5 years	31 Dec. 2023	31 Dec. 2022
Bonds, bank loans and syndicated credit facilities (net of derivatives)	1,496	40	1	**1,537**	1,928
Other debt	697	310	29	**1,036**	639
Other non-current financial liabilities	2	11	14	**27**	40
Trade payables	1,392	-	-	**1,392**	1,379
Currency swaps	2	-	-	**2**	4
Other current financial liabilities	1,378	-	-	**1,378**	1,361
Total financial liabilities	**4,967**	**361**	**44**	**5,372**	**5,351**
Expected bank interest on debt(*)	113	32	-	**145**	112
Commitments for future capital expenditure	2	5	-	**7**	8
Total contractual obligations excluding lease liabilities	**5,082**	**398**	**44**	**5,524**	**5,471**

(*) Variable-rate interest payable has been calculated based on the rates in force at 31 December 2023. It is reported excluding accrued interest already included in debt in the balance sheet.

The lease liability repayment schedule is presented separately in note 18.

Guaranteed minimum payments and sports rights marketing contracts

There are no longer any commitments or significant guaranteed minimum payments.

Lagardère Travel Retail

In accordance with IFRS 16, minimum guaranteed payments under concession agreements give rise to the recognition of a right-of-use asset and lease liability in the balance sheet.

NOTE 33 OFF-BALANCE SHEET COMMITMENTS

The information below relates to subsidiaries controlled and fully consolidated by Lagardère.

	31 Dec. 2023	31 Dec. 2022
Commitments given in the normal course of business	**735**	**602**
Guarantees and performance bonds	**416**	338
Guarantees given to third parties and non-consolidated companies	**210**	173
Other commitments given	**46**	48
Commitments on assets	**60**	40
Commitments to purchase shares (estimated amount, excluding put options granted to minority shareholders of fully consolidated subsidiaries)	**3**	3
Commitments received	**42**	**85**
Counter-guarantees of commitments given	**38**	81
Other commitments received	**4**	4
Confirmed, unused lines of credit	**2,612**	**1,042**
Of which unused lines on the syndicated credit facility	***982***	***1,042***
Of which undrawn amounts available under the loan agreement with Vivendi SE	***1,630***	**-**

NOTE 34 LITIGATION

In the normal course of its business, the Group is involved in a number of disputes. The main disputes currently in progress are described below. Where necessary, the Group sets aside adequate provisions to cover risks arising from both general and specific disputes. The total amount of these provisions is set out in note 27.2.

Investigation by the Swiss Competition Commission

Following the rejection – by way of a referendum on 11 March 2012 – of measures to introduce a single price for books in Switzerland, the Swiss Competition Commission (Comco) reopened an investigation into imports of French-language books by distributors.

Subsequent to the investigation procedure, Comco made a final decision on 27 May 2013 under which Diffulivre (a subsidiary of Hachette Livre) was held liable for territorial exclusivity practices with the intention or effect of partitioning the Swiss French-language publishing market. Under this decision, the infringement concerned services provided to publishers of the Hachette group, services provided by Hachette, and Swiss third-party publishers.

This decision was upheld by the Swiss Administrative Court on 30 October 2019.

On 13 January 2020, Diffulivre filed an appeal with the Federal Court, which suspended the effects of the Administrative Court's ruling.

In a decision handed down on 3 August 2022, the Federal Court partially accepted Diffulivre's appeal, considering that only the agreements between Diffulivre and the Swiss publishers, as well as an agreement between Diffulivre and the publisher Harlequin, infringed Swiss competition law. It referred the case back to the Swiss Administrative Court for an attendant reduction of the fine imposed by the Comco in 2013. The Court then significantly reduced the fine. The payment of the reduced fine by Diffulivre on 20 November 2023 effectively terminated this dispute.

Competition investigations in the school textbook market in Spain

Following a complaint filed by a publisher, the Spanish competition authority (CNMC) carried out searches at the premises of the ANELE (the school textbook publishers' trade association) and three publishers (including Anaya, a subsidiary of Hachette Livre), and subsequently launched a sanction procedure in October 2017.

On 30 May 2019, the CNMC issued its ruling which followed the recommendation of its investigating officers, and ordered Anaya and a number of its subsidiaries to pay total damages of approximately €8 million for:

- discussions held between publishers – with a view to promoting ethical behaviour and ensuring buyers' independence – about providing for a special clause in an ANELE Code of Conduct that limits the bonuses and gifts offered by publishers to buyers' organisations when those organisations order textbooks;
- discussions between publishers about the terms and conditions for selling digital versions of textbooks when negotiations are carried out with certain regions.

Anaya has filed an appeal against this decision with the Spanish national court (*Audiencia Nacional*), which had the effect of suspending payment of the fine.

A decision is expected in 2024.

Class action against Hachette Book Group

In 2021 in the United States, class action suits were brought against Amazon and certain **printed book** and **e-book** publishers, including Hachette Book Group ("HBG"). The plaintiffs allege that some of the publishers' agreements with Amazon constitute price-fixing arrangements in breach of US anti-trust law. The defendants, including HBG, dispute these allegations, along with the admissibility of the class action. These motions to dismiss were granted by a decision dated 29 September 2022, with the judge considering that the appeals lacked sufficient evidence to succeed. However, as they were dismissed "without prejudice", the plaintiffs can amend and re-file their class actions.

Amended appeals were therefore filed on 21 November 2022, reiterating the arguments already put forward and attempting to resolve the problems identified in the 29 September 2022 ruling. The defendants, including HBG, have again filed motions to dismiss.

With regard to the action brought by the plaintiffs concerning **printed books**, all their claims were dismissed on 15 August 2023. The plaintiffs did not contest the decision, thereby extinguishing the corresponding risk for HBG.

As regards the action brought by the plaintiffs in relation to **digital books**, the defendants, including HBG, were exonerated on 31 July 2023. The judge allowed the plaintiffs to pursue their case against Amazon alone, a decision that the plaintiffs and Amazon are contesting. The challenge to the judge's decision is pending.

Tax reassessments at Lagardère Duty Free and LS Travel Retail Italia

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

In December 2019, LS Travel Retail Italia received a "Report of Verification" (tax reassessment notice) relating to fiscal year 2016. The notice disputes the tax deductibility of notional interest on equity at the time of the €230 million capital increase carried out upon the acquisition of the company. The tax inspection has been extended to cover fiscal years 2014 to 2018. The total amount in dispute for the five years is estimated at €20.86 million, including taxes and penalties. LS Travel Retail Italia is contesting the tax reassessment, considering the arguments put forward by the Italian tax authorities to be legally unfounded.

A first instance decision was handed down in favour of LS Travel Retail Italia on 28 March 2023 in respect of the 2016 fiscal year. An appeal has been lodged against this decision by the Italian tax authorities.

Monla/Lagardère Travel Retail & Chalhoub arbitration

Between end-2016 and early 2017, Lagardère Travel Retail ("LTR"), Monla Group SAL Holding ("Monla") and Chalhoub Group Limited ("Chalhoub") began talks regarding a potential joint response to a request for proposals for a Duty Free concession at Beirut airport.

On 10 May 2017, Monla had filed an arbitration claim against LTR and Chalhoub with the International Chamber of Commerce, asserting wrongful behaviour in the conduct and suspension of their three-party discussions. Monla was seeking damages (plus miscellaneous expenses) from the respondents for the alleged harm caused, in particular to its image, and for loss of opportunity. The decision handed down by the arbitration tribunal at the end of December 2019 dismissed all of Monla's claims and ordered it to repay the costs incurred by LTR and Chalhoub in the arbitration. LTR has initiated proceedings to enforce the decision, which Monla is trying to resist. LTR considers that Monla can no longer lodge an action for annulment of this decision in view of the time that has elapsed.

Lagardère Travel Retail obtained an *exequatur* order (a judicial decision authorising the enforcement of a decision handed down by a foreign court or arbitration tribunal) in Lebanon. Monla lodged an appeal against this order on 12 April 2021, which was dismissed on 9 January 2024 by the Beirut Court of Appeal. An appeal may be lodged against this ruling within two months of its notification by the Court.

Class action against The Paradies Shops

The Paradies Shops was the victim of a cyberattack on the company's computer servers in October 2020, which resulted in a breach of the personal data of tens of thousands of employees and customers. The parties concerned were informed and were offered credit monitoring services. One of the individuals involved initiated a class action filed in the United States in July 2021. The Paradies Shops filed a motion to dismiss the class action, which was granted by the judge in August 2022. The plaintiff has appealed this decision.

In June 2023, the judge dismissed the argument that Paradies Lagardère had breached its contractual obligations, but found that it had been negligent. The parties were referred back to the competent court.

Litigation with photographers

Disputes are in process with freelance and salaried photographers who contributed to magazines published by the Group. Most of these disputes concern returns of analogue photographic archives and retaining photographs, as well as the resulting operating losses.

In 2022, a final appeal decision in favour of the Group has marked the end of one of these proceedings, in which very high claims for compensation were made against the Group.

In 2023, a favourable ruling was handed down by the Court of Appeal in another of these cases. No appeal was lodged with the Supreme Court against this ruling, but the parties were referred back to the Court of Appeal on some of the grievances raised by the plaintiff.

In a final case, the plaintiffs appealed to the French Supreme Court on 20 February 2023 against an unfavourable appeal ruling.

The proceedings are still ongoing and are therefore progressing in a manner generally favourable to the Group.

Last ongoing dispute that continues to be managed by the Group following the sale of the Sports division to H.I.G. Capital

- **WSG India and WSG Mauritius/Indian Premier League contracts**

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

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

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

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

On 13 October 2010, the BCCI filed a criminal complaint with the Chennai police authorities in India against seven individuals, including the former President of the IPL and four managers of WSG India, alleging breaches of the Indian criminal code in connection with the attribution to WSG India in March 2009 of certain IPL media rights for the 2009-2017 seasons. The investigation has not progressed since 2010.

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

Lastly, as part of an investigation by the Indian authorities into money-laundering allegations concerning the former managers of the BCCI and its commercial partners in the IPL, on 24 May 2016 WSG Mauritius received a notification from Mauritius' Attorney General requesting it to provide certain documents. The hearings before the Attorney General took place in July 2016. WSG India's managers have since received requests for information and documentation, to which WSG India has responded.

WSG India and WSG Mauritius are subsidiaries of Lagardère Participation. They are not part of the scope sold to H.I.G. Capital.

Tax authorities and Lagardère

A number of the Group's companies have received tax reassessment notices – relating to several different fiscal years – as part of the routine tax audits carried out by the French and foreign tax authorities. Provision has been made to take account of the reassessments accepted by the companies, and also for the amount estimated as the risk corresponding to disputes over challenged reassessments.

Other than those described above, the Group is not aware of any dispute in process that concerns amounts which could have a significant impact on the consolidated financial statements.

NOTE 35 RELATED PARTIES

Lagardère's related parties are the corporate officers and the members of the Executive Committee of Lagardère SA, in addition to other related parties including:

- fully consolidated companies: intra-group transactions are eliminated on consolidation;
- companies over which Lagardère exercises significant influence and which are accounted for using the equity method;
- all companies in which the corporate officers or close family members hold significant voting rights;
- the related parties of the Vivendi and Bolloré groups, as a result of the consolidation of Lagardère in the consolidated financial statements of Vivendi on 21 November 2023, and of the latter by the Bolloré group.

35.1 MANAGEMENT REMUNERATION

The total gross remuneration awarded to the members of Lagardère SA's Executive Committee for 2023 amounted to €12.8 million and to €20 million including related charges, including provisions recorded in respect of supplementary pension plans for Executive Committee members. As for each year, these amounts include variable and extraordinary remuneration, the payment of which – in the case of executive corporate officers – is conditional on the approval of shareholders at the 2024 General Meeting in accordance with "say on pay" legislation.

In 2022, these amounts were respectively €13.6 million and €39.8 million. The latter figure included provisions recorded in respect of supplementary pension plans for Executive Committee members, as well as (ii) contractual severance (€17 million including related charges) paid to a member of the Executive Committee in respect of the termination of his duties in 2022.

In 2023, an amount of €47,500 was awarded to Arnaud Lagardère in respect of his role as Chairman of the Board of Directors of Lagardère SA. In 2022, he had been awarded an amount of €85,413 in respect of his role as Chairman of the Board of Directors and member of the Board's *ad hoc* Committee. No attendance fees or other directors' compensation was awarded by a Group entity to any of the other individuals concerned. Executive Committee members were awarded 116,000 free shares in 2023. Executive Committee members were awarded 165,000 free shares in 2022.

35.2 RELATED-PARTY TRANSACTIONS

Service agreement

Lagardère Management – which is controlled and chaired by Arnaud Lagardère, who is also Chairman and Chief Executive Officer of Lagardère SA, provides an array of management resources and skills to the Group.

To fulfil this role, Lagardère Management employs the members of the Executive Committee, whose role is to assist General Management in their duties, i.e., to determine the Group's strategy and lead its development, and to take the resulting necessary management decisions and implement them globally at parent company level and in the Group's different business activities. Lagardère Management bears the entire salary costs of its executives as well as some fees related to its duties.

Lagardère Management carries out its mission within the framework of a service agreement, which was originally entered into in 1988. Since 2020, this agreement has concerned Lagardère Management and Lagardère Ressources, which is responsible for managing all of the Group's corporate resources. This agreement, subject to rules on "regulated" related-party agreements where appropriate, is reviewed annually by the Audit Committee and by the Board of Directors and is also referred to in the Statutory Auditors' special report.

Since the 2004 amendment to the agreement authorised by the Supervisory Board on 12 March 2004 following the Audit Committee review, remuneration under the service agreement had equalled the amount of expenses incurred in carrying out its mission, plus a margin of 10%, capped in absolute value terms at €1 million.

Pursuant to an amendment signed on 28 December 2022 after authorisation by the Board of Directors on 9 December 2022, Lagardère Management's remuneration under the Service Agreement was amended with immediate effect from 2022. Under the new amendment, Lagardère Management's remuneration reflects the sole expenses it incurs in performing the services concerned, with no margin applied.

These expenses incurred by Lagardère Management are examined each fiscal year by the Audit Committee, which issues an opinion on their changes and developments before submitting them to the Board of Directors.

The maximum fees due under the service agreement for 2023 total €12.5 million (€34.23 million for 2022). This amount includes a maximum provision accrued for variable and extraordinary remuneration payable to members of the Executive Committee. As it concerns remuneration payable to the executive corporate officers, payment of this variable remuneration plus, where applicable, its inclusion in the basis for calculating the fees to be invoiced under the service agreement, will be submitted to the 2024 General Meeting for approval.

The amendment entered into on 28 December 2022 also provides for (i) the definitive and unconditional waiver by Lagardère Management of its claim against the Lagardère group for the payment of sums due under the conditional benefit pension plan closed in 2019 and (ii) Lagardère Management's undertaking to use its best efforts to obtain the refund of any surplus sums that may remain in the pension plan's collective fund after having settled the pension benefits owed to the last beneficiary, and to repay any such sums to Lagardère Ressources.

Loan agreement between Vivendi SE and Lagardère SA

On 12 December 2023, Vivendi SE granted Lagardère SA a loan for a maximum amount of €1,900 million maturing on 31 March 2025 in order to enable Lagardère SA to meet the repayments generated by the triggering of the change of control clauses. At 31 December 2023, the amount drawn down under this loan was €270 million.

At 12 January 2024, further to the redemption of the bondholders and lenders who had exercised the clause, the amount drawn down was €1,480 million At 26 February 2024, this amount was €1,520 million. The undrawn balance of this agreement therefore amounts to €380 million.

Memorandum of Understanding concerning Lagardère Radio SCA

On 26 October 2023, the Memorandum of Understanding setting out the terms and conditions for making the Lagardère group's radio unit (Europe 1, Europe 2 and RFM) autonomous was signed, with the authorisation of the Board of Directors of Lagardère SA further to Arcom approval, between Arnaud Lagardère and Lagardère Active, Lagardère Média and Lagardère Média News, in the presence of Lagardère Radio, Lagardère Commandité and Lagardère SA. In application of the Memorandum of Understanding, Lagardère Radio SAS, the head company of the radio unit, was converted into a French partnership limited by shares (*société en commandite par actions*), of which Arnaud Lagardère is indirectly General Partner and personally Managing Partner. In this dual capacity, Arnaud Lagardère is now solely responsible for supervising the management and teams of the radio division and is the ultimate decision-maker on editorial policy. The radio unit also has sufficient cash to finance its business plan through to 2027.

The Memorandum of Understanding allows Lagardère SA to regain control of Lagardère Radio SCA (within the meaning of article L. 233-3 of the French Commercial Code) and therefore of the radio unit, by acquiring the General Partner, Lagardère Commandité, for a nominal price as of 2027, subject to prior Arcom approval. The company may also regain control ahead of this time under exceptional circumstances, such as the death or incapacity of Arnaud Lagardère or his resignation as Chairman and Chief Executive Officer of Lagardère SA.

This transaction is financially neutral for the Lagardère group, as the radio unit remains in the Group's scope of consolidation for tax and accounting purposes.

Other transactions

The other transactions with related parties in 2023 undertaken in the normal course of business took place under arm's length conditions. In particular, Lagardère SA has not identified any agreements, other than those relating to normal business operations and conducted under arm's length conditions, entered into in 2023 directly or *via* an intermediary, between (i) any members of the Executive Committee, any members of the Board of Directors, or any shareholders of Lagardère SA that own more than 10% of the voting rights and (ii) any subsidiaries more than 50%-owned by Lagardère SA directly or indirectly.

NOTE 36 EVENTS AFTER THE REPORTING PERIOD

Early redemption of bonds

Following the completion of the link-up between Lagardère SA and Vivendi SE on 21 November 2023, bondholders exercised the redemption option triggered by the change of control. On 12 January 2024, Lagardère SA redeemed bonds ahead of term representing a nominal value of €1,203 million and interest of €7 million. Of the outstanding balance of €97 million, €39 million matures in 2024, €49 million in 2026 and €9 million in 2027.

At the same time, an amount of €1,210 million was drawn down under the loan agreement with Vivendi SE, in addition to the €270 million already drawn on 12 December 2023, bringing the total amount drawn down to €1,480 million, due 31 March 2025. The undrawn balance of this agreement amounts to €420 million.

Prospects of *Paris Match* magazine

Lagardère SA has received from the LVMH group an offer to acquire magazine title *Paris Match*.

At its meeting of 27 February 2024, the Board of Directors decided to enter into exclusive discussions with the LVMH group.

The employee representative bodies would be consulted on the mooted disposal in due course.

NOTE 37 FEES PAID TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

(in thousands of euros)	2023			
	Mazars	%	Deloitte	%
Statutory audit, certification, review of individual and consolidated financial statements	3,213	90.7	3,598	94.2
- Lagardère SA	*314*	*8.9*	*314*	*8.2*
- Fully consolidated subsidiaries	*2,899*	*81.8*	*3,284*	*86.0*
Sub-total	**3,213**	**90.7**	**3,598**	**94.2**
Non-audit services	329	9.3	222	5.8
- Lagardère SA	*-*	*-*	*78*	*2.0*
- Fully consolidated subsidiaries	*329*	*9.3*	*145*	*3.8*
Sub-total	**329**	**9.3**	**222**	**5.8**
Total	**3,542**	**100.0**	**3,820**	**100.0**

(in thousands of euros)	2022			
	Mazars	%	Ernst & Young et Autres	%
Statutory audit, certification, review of individual and consolidated financial statements	3,966	89.8	2,528	71.0
- Lagardère SA	*308*	*7.0*	*294*	*8.3*
- Fully consolidated subsidiaries	*3,658*	*82.8*	*2,234*	*62.8*
Sub-total	**3,966**	**89.8**	**2,528**	**71.0**
Non-audit services	452	10.2	1,031	29.0
- Lagardère SA	*-*	*-*	*634*	*17.8*
- Fully consolidated subsidiaries	*452*	*10.2*	*398*	*11.2*
Sub-total	**452**	**10.2**	**1,031**	**29.0**
Total	**4,418**	**100.0**	**3,559**	**100.0**

Non-audit services include services required as part of the statutory audit in accordance with the laws and regulations, as well as services provided at the request of the entity.

Services provided at the request of the entity notably include the audit of the non-financial statement, engagements related to various acquisitions and tax matters (tax compliance, in particular), as well as the issuance of various attestations and reports required by applicable laws and regulations.

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NOTE 38 LIST OF CONSOLIDATED COMPANIES AT 31 DECEMBER 2023

Companies controlled and fully consolidated at 31 December 2023:

SUBSIDIARIES	REGISTERED OFFICE	REG. NO.	% interest	% control
LAGARDÈRE PUBLISHING				
HACHETTE LIVRE	VANVES (FRANCE)	602 060 147	100.00	100.00
AUDIOLIB	PARIS (FRANCE)	499 165 694	59.99	100.00
BIBLIO PARTICIPATIONS	VANVES (FRANCE)	377 627 583	100.00	100.00
BLACKROCK GAMES	ROMAGNAT (FRANCE)	493 708 317	89.00	89.00
BRAGELONNE	PARIS (FRANCE)	849 689 997	100.00	100.00
CALMANN LÉVY	PARIS (FRANCE)	572 082 279	84.92	84.92
CATCH UP GAMES SAS	LYON (FRANCE)	808 076 954	60.00	60.00
CENTRE DE TRAITEMENT DES RETOURS	LONGJUMEAU (FRANCE)	381 737 519	100.00	100.00
CYBERTERRE	VANVES (FRANCE)	434 661 419	50.00	100.00(*)
DIFFULIVRE	SAINT SULPICE (SWITZERLAND)		100.00	100.00
DILIBEL	ALLEUR (BELGIUM)		100.00	100.00
DUNOD ÉDITEUR	MALAKOFF (FRANCE)	316 053 628	100.00	100.00
EDELSA	MADRID (SPAIN)		100.00	100.00
ÉDITIONS ALBERT RENÉ	VANVES (FRANCE)	950 026 757	100.00	100.00
ÉDITIONS JEAN-CLAUDE LATTÈS	PARIS (FRANCE)	682 028 659	100.00	100.00
ÉDITIONS LAROUSSE	PARIS (FRANCE)	451 344 170	100.00	100.00
ÉDITIONS STOCK	PARIS (FRANCE)	612 035 659	100.00	100.00
ÉDUCATION MANAGEMENT	MALAKOFF (FRANCE)	582 057 816	100.00	100.00
FAYARD FACTORY	PARIS (FRANCE)	881 893 739	100.00	100.00
GIGAMIC	WIMEREUX (FRANCE)	382 915 882	100.00	100.00
GROUPE HATIER INTERNATIONAL	MALAKOFF (FRANCE)	572 079 093	100.00	100.00
GRUPO EDITORIAL PATRIA S.AŸ DE C.V.	MEXICO CITY (MEXICO)		100.00	100.00
HL 93	VANVES (FRANCE)	390 674 133	99.99	100.00
HL FINANCES	MALAKOFF (FRANCE)	384 562 070	99.99	100.00
HATCHET BOARDGAMES BENELUX	ANS (BELGIUM)		100.00	100.00
HACHETTE BOARDG GAMES UK Ltd	LONDON (UNITED KINGDOM)		100.00	100.00
HACHETTE BOARDGAMES USA	MONTREAL (CANADA)		75.01	100.00
HACHETTE CANADA INC	MONTREAL (CANADA)		100.00	100.00
HACHETTE COLLECTIONS	VANVES (FRANCE)	395 291 644	100.00	100.00
HACHETTE COLLECTIONS JAPON	TOKYO (JAPAN)		100.00	100.00
OOO HACHETTE KOLLEKTSIA (HACHETTE COLLECTION LLC)	MOSCOW (RUSSIA)		100.00	100.00
HACHETTE FASCICOLI	MILAN (ITALY)		100.00	100.00
HACHETTE JEUX INC	MONTREAL (CANADA)		100.00	100.00
HACHETTE LIVRE ESPANA	MADRID (SPAIN)		100.00	100.00
HACHETTE LIVRE USA INC	NEW YORK (UNITED STATES)		100.00	100.00
HACHETTE PARTWORKS LTD	LONDON (UNITED KINGDOM)		100.00	100.00
HACHETTE POLSKA	WARSAW (POLAND)		100.00	100.00
HACHETTE UK HOLDING LTD	LONDON (UNITED KINGDOM)		100.00	100.00
HIBOUTATILLUS	PARIS (FRANCE)	808 683 718	90.00	100.00
ICE PARTCIPATIONS	VANVES (FRANCE)	829 164 110	98.42	100.00
ISCOOL ENTERTAINMENT	PARIS (FRANCE)	435 269 170	98.42	100.00
KWYK	PARIS (FRANCE)	537 961 369	100.00	100.00

(*) The limited partnership confers control to Lagardère Publishing.

SUBSIDIARIES	REGISTERED OFFICE	REG. NO.	% interest	% control
LA DIFF	VANVES (FRANCE)	429 980 857	100.00	100.00
LA BOÎTE DE JEU SAS	ARCEAU (FRANCE)	798 675 047	56.67	100.00
LA PLAGE	VANVES (FRANCE)	445 282 163	100.00	100.00
LAROUSSE	PARIS (FRANCE)	401 457 213	100.00	100.00
LAROUSSE EDITORIAL SL	BARCELONA (SPAIN)		100.00	100.00
LELIVRESCOLAIRE.FR ÉDITIONS	LYON (FRANCE)	524 383 585	94.54	94.54
LIBRAIRIE ARTHÈME FAYARD	PARIS (FRANCE)	562 136 895	100.00	100.00
LIBRAIRIE GÉNÉRALE FRANÇAISE (LGF)	PARIS (FRANCE)	542 086 749	59.99	100.00
NEI-CEDA	ABIDJAN (CÔTE D'IVOIRE)		71.37	71.37
OSMOSE	WIMEREUX (FRANCE)	449 308 675	100.00	100.00
PIKA ÉDITION	VANVES (FRANCE)	428 902 704	66.67	100.00
SAMAS	MALAKOFF (FRANCE)	775 663 321	100.00	100.00
STUDIO 58	VANVES (FRANCE)	831 212 527	100.00	100.00
SOCIÉTÉ DES ÉDITIONS GRASSET ET FASQUELLE	PARIS (FRANCE)	562 023 705	99.08	100.00
SCORPION MASQUE INC	MONTREAL (CANADA)		51.00	51.00
HATIER GROUP				
LES ÉDITIONS HATIER	PARIS (FRANCE)	352 585 624	100.00	100.00
LIBRAIRIE PAPETERIE NATIONALE	CASABLANCA (MOROCCO)		100.00	100.00
RAGEOT ÉDITEUR	PARIS (FRANCE)	572 022 978	100.00	100.00
SCI ASSAS RASPAIL	PARIS (FRANCE)	315 844 431	100.00	100.00
SCI DU 63 BOULEVARD RASPAIL	PARIS (FRANCE)	315 830 034	100.00	100.00
SCI DU 8-8 BIS RUE D'ASSAS	PARIS (FRANCE)	315 844 423	100.00	100.00
SALVAT GROUP				
EDITORIAL SALVAT SL	BARCELONA (SPAIN)		100.00	100.00
ANAYA GROUP				
GRUPO ANAYA SA	MADRID (SPAIN)		100.00	100.00
ALGAIDA EDITORES SA	SEVILLE (SPAIN)		100.00	100.00
ALIANZA EDITORIAL SA	MADRID (SPAIN)		99.82	99.82
COMMERCIAL GRUPO ANAYA SA	MADRID (SPAIN)		100.00	100.00
EDITORIAL BARCANOVA SA	BARCELONA (SPAIN)		100.00	100.00
EDICIÓNES XERAIS DE GALICIA SA	VIGO (SPAIN)		100.00	100.00
GRUPO EDITORIAL BRUNO SL	MADRID (SPAIN)		100.00	100.00
ORION GROUP				
ORION PUBLISHING GROUP LTD	LONDON (UNITED KINGDOM)		100.00	100.00
HACHETTE UK GROUP				
HACHETTE UK LTD	LONDON (UNITED KINGDOM)		100.00	100.00
ANDRE DEUTSCH LTD	LONDON (UNITED KINGDOM)		100.00	100.00
ALLIANCE DISTRIBUTION SERVICES PTY LTD	SYDNEY (AUSTRALIA)		100.00	100.00
BOOKPOINT LTD	LONDON (UNITED KINGDOM)		100.00	100.00
CARLTON BOOKS LTD	LONDON (UNITED KINGDOM)		100.00	100.00
DEBEN PUBLISHING LIMITED	LONDON (UNITED KINGDOM)		100.00	100.00
HACHETTE AUSTRALIA PTY LTD	SYDNEY (AUSTRALIA)		100.00	100.00
HACHETTE BOOK PUBLISHING INDIA PRIVATE LTD	NEW DELHI (INDIA)		100.00	100.00
HACHETTE NEW ZEALAND LTD	AUCKLAND (NEW ZEALAND)		100.00	100.00

SUBSIDIARIES	REGISTERED OFFICE	REG. NO.	% interest	% control
HACHETTE SINGAPORE PRIVATE LTD	SINGAPORE (REPUBLIC OF SINGAPORE)	201528472W	100.00	100.00
HACHETTE UK PENSION TRUST LTD	LONDON (UNITED KINGDOM)		100.00	100.00
HEADLINE BOOK PUBLISHING LTD	LONDON (UNITED KINGDOM)		100.00	100.00
HACHETTE UK DISTRIBUTION LTD	LONDON (UNITED KINGDOM)		100.00	100.00
HODDER & STOUGHTON LTD	LONDON (UNITED KINGDOM)		100.00	100.00
ILLUMINATE PUBLISHING LIMITED	LONDON (UNITED KINGDOM)		100.00	100.00
JESSICA KINGSLEY (PUBLISHERS) LTD	LONDON (UNITED KINGDOM)		100.00	100.00
LAURENCE KING PUBLISHING LTD	LONDON (UNITED KINGDOM)		100.00	100.00
LAURENCE KING VERLAG GMBH	BERLIN (GERMANY)		100.00	100.00
JOHN CATT EDUCATIONAL LTD	LONDON (UNITED KINGDOM)		100.00	100.00
JOHN CATT PUBLICATIONS LLC	CLERTWATER (UNITED STATES)		100.00	100.00
MORTIMER BOOKS LTD	LONDON (UNITED KINGDOM)		100.00	100.00
NEON PLAY LTD	CIRENCESTER (UNITED KINGDOM)		69.53	69.53
PAPERBLANKS LIMITED	DUBLIN (IRELAND)		100.00	100.00
PAPERBLANKS JOURNALS LIMITED	VANCOUVER (CANADA)		100.00	100.00
QUERCUS EDITIONS LTD	LONDON (UNITED KINGDOM)		100.00	100.00
STORYFIRE LTD	LONDON (UNITED KINGDOM)		100.00	100.00
WATTS PUBLISHING GROUP LTD	LONDON (UNITED KINGDOM)		100.00	100.00
WELBECK CHILDREN'S LTD	LONDON (UNITED KINGDOM)		100.00	100.00
WELBECK FICTION LTD	LONDON (UNITED KINGDOM)		100.00	100.00
WELBECK NON FICTION LTD	LONDON (UNITED KINGDOM)		100.00	100.00
WELBECK PUBLISHING PTY LTD	LONDON (UNITED KINGDOM)		100.00	100.00
WELBECK PUBLISHING GROUP SERVICES LTD	LONDON (UNITED KINGDOM)		100.00	100.00
WELBECK PUBLISHING GROUP LTD	LONDON (UNITED KINGDOM)		100.00	100.00
HACHETTE BOOK GROUP				
HACHETTE BOOK GROUP INC	NEW YORK (UNITED STATES)		100.00	100.00
BELLWOOD BOOKS INC	NEW YORK (UNITED STATES)		100.00	100.00
DIGITAL PUBLISHING INNOVATIONS LLC	NEW YORK (UNITED STATES)		100.00	100.00
HACHETTE BOOK GROUP CANADA LTD	TORONTO (CANADA)		100.00	100.00
HACHETTE BOOK GROUP HOLDINGS INC (DELAWARE)	NEW YORK (UNITED STATES)		100.00	100.00
HACHETTE DIGITAL INC	NEW YORK (UNITED STATES)		100.00	100.00
PERSEUS BOOKS LLC	NEW YORK (UNITED STATES)		100.00	100.00
LITTLE, BROWN BOOK GROUP				
LITTLE, BROWN BOOK GROUP LTD	LONDON (UNITED KINGDOM)		100.00	100.00
HOW TO BOOKS LTD	LONDON (UNITED KINGDOM)		100.00	100.00
MANDEVILLE PUBLISHING LTD	LONDON (UNITED KINGDOM)		100.00	100.00
SWAPEQUAL LTD	LONDON (UNITED KINGDOM)		100.00	100.00
TRANSITA LTD	LONDON (UNITED KINGDOM)		100.00	100.00
VIRAGO PRESS LTD	LONDON (UNITED KINGDOM)		100.00	100.00
STOREY PUBLISHING LLC	NORTH ADAMS (UNITED STATES)		100.00	100.00
TIMBER PRESS, INC	PORTLAND (UNITED STATES)		100.00	100.00
WORKMAN PUBLISHING CO. INC	NEW YORK (UNITED STATES)		100.00	100.00
WPC HOLDING, INC	NEW YORK (UNITED STATES)		100.00	100.00

SUBSIDIARIES	REGISTERED OFFICE	REG. NO.	% interest	% control
LAROUSSE GROUP MEXICO				
EDICIONES LAROUSSE SA DE CV	MEXICO CITY (MEXICO)		100.00	100.00
DIFUSORA LAROUSSE MEXICO SA DE CV	MEXICO CITY (MEXICO)		100.00	100.00
OCTOPUS GROUP				
OCTOPUS PUBLISHING GROUP LTD	LONDON (UNITED KINGDOM)		100.00	100.00
SHORT BOOKS LTD	LONDON (UNITED KINGDOM)		100.00	100.00
SUMMERSDALE PUBLISHERS LTD	LONDON (UNITED KINGDOM)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL				
LAGARDÈRE TRAVEL RETAIL	LEVALLOIS-PERRET (FRANCE)	330 814 732	100.00	100.00
AELIA NOUVELLE CALÉDONIE	NOUMEA (FRANCE)	103 551 800	59.43	66.00
AÉROBOUTIQUE FRANCE	LEVALLOIS-PERRET (FRANCE)	380 193 938	90.04	100.00
AMADEO PRAHA SRO	PRAGUE (CZECH REPUBLIC)		100.00	100.00
BIG DOG BV	AMSTERDAM (NETHERLANDS)		90.04	100.00
LAGARDÈRE TRAVEL RETAIL METRO	PRAGUE (CZECH REPUBLIC)		100.00	100.00
NYAKA FRUITS SRL	BUCHAREST (ROMANIA)		100.00	100.00
CREATIVE TABLE HOLDINGS LTD	ABU DHABI (UNITED ARAB EMIRATES)		80.00	100.00
DUTY FREE STORES GOLD COAST PTY LTD	SYDNEY (AUSTRALIA)		100.00	100.00
DUTY FREE ASSOCIATES	LEVALLOIS-PERRET (FRANCE)	423 402 312	90.04	100.00
DUTY FREE STORE GOLD COAST PTY LIMITED	SYDNEY (AUSTRALIA)	61093569263	100.00	100.00
HACHETTE DISTRIBUTION INC	TORONTO (CANADA)	61286578	100.00	100.00
HWH CAFÉ LLC	DUBAI (UNITED ARAB EMIRATES)		80.00	100.00
LAGARDÈRE TRAVEL RETAIL DEUTSCHLAND HOLDING GMBH	WIESBADEN (GERMANY)		100.00	100.00
HDS RETAIL NORTH AMERICA LP	ATLANTA (UNITED STATES)		100.00	100.00
INFLIGHT SERVICE POLAND SP ZOO	WARSAW (POLAND)	5222484805	100.00	100.00
INMEDIO SERVICES SP ZOO	WARSAW (POLAND)		100.00	100.00
LAGARDÈRE DUTY FREE	LEVALLOIS-PERRET (FRANCE)	380 253 518	90.04	90.04
LAGARDÈRE DUTY FREE, S.R.O.	PRAGUE (CZECH REPUBLIC)		95.02	100.00
LAGARDÈRE DUTY FREE SP ZOO	WARSAW (POLAND)		95.02	100.00
LAGARDÈRE INFLIGHT	LEVALLOIS-PERRET (FRANCE)	408 053 809	90.04	100.00
LAGARDÈRE TRAVEL RETAIL AIRPORT	BUCHAREST (ROMANIA)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL AND F&B POINT OF SALES LIMITED	DUBLIN (IRELAND)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL AS	PRAGUE (CZECH REPUBLIC)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL ASIA CO., LTD	HONG KONG (CHINA)		76.45	100.00
LAGARDÈRE TRAVEL RETAIL ASIA DUTY FREE CO., LTD	HONG KONG (CHINA)		76.45	100.00
LAGARDÈRE TRAVEL RETAIL BEVCO LTD	DAR ES SALAAM (TANZANIA)		50.00	50.00
LAGARDÈRE TRAVEL RETAIL FOODSERVICES CHILE SPA	SANTIAGO (CHILE)		51.00	100.00
LAGARDÈRE TRAVEL RETAIL CHINA (SHANGHAI) CO LTD	SHANGHAI (CHINA)		76.45	100.00
LAGARDÈRE TRAVEL RETAIL CP CONVENIENCE PARTNER GMBH	PUCH BEI HALLEIN (AUSTRIA)		50.00	100.00
LAGARDÈRE TRAVEL RETAIL DEUTSCHLAND SPECIALTY GMBH	WIESBADEN (GERMANY)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL EHF	REYKJAVIK (ICELAND)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL FRANCE	LEVALLOIS-PERRET (FRANCE)	542 095 336	100.00	100.00

SUBSIDIARIES	REGISTERED OFFICE	REG. NO.	% interest	% control
LAGARDÈRE TRAVEL RETAIL GAMBIA	KANIFING MUNICIPALITY (GAMBIA)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL GABON	LIBREVILLE (GABON)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL HONG KONG LTD	HONG KONG (CHINA)		76.45	100.00
LAGARDÈRE TRAVEL RETAIL IMPORT BV	LIJINDEN (NETHERLANDS)		90.04	100.00
LAGARDÈRE TRAVEL RETAIL JAPAN K.K.	TOKYO (JAPAN)		76.45	100.00
LAGARDÈRE TRAVEL RETAIL MAURITANIE SAS	OUM TOUNSI (MAURITANIA)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL PERU SAC	CALLAO (PERU)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL ROMANIA SRL	BUCHAREST (ROMANIA)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL REAL ESTATE BV	LIJINDEN (NETHERLANDS)		90.04	100.00
LAGARDÈRE TRAVEL RETAIL STATIONS BV	LIJINDEN (NETHERLANDS)		90.04	100.00
LAGARDÈRE TRAVEL RETAIL LATAM S.A.C	CALLAO (PERU)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL LUXEMBOURG	LUXEMBOURG (LUXEMBOURG)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL MIDDLE EAST	DUBAI (UNITED ARAB EMIRATES)		90.04	100.00
LAGARDÈRE TRAVEL RETAIL NETHERLANDS HOLDING BV	LIJINDEN (NETHERLANDS)		90.04	100.00
LAGARDÈRE TRAVEL RETAIL SCHIPHOL BV	LIJINDEN (NETHERLANDS)		90.04	100.00
LAGARDÈRE TRAVEL RETAIL SINGAPORE PTE LTD	SINGAPORE (REPUBLIC OF SINGAPORE)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL SP ZOO	WARSAW (POLAND)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL SENEGAL	DIASS (SENEGAL)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL SPAIN SA	MADRID (SPAIN)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL SPECIALTY SP ZOO	WARSAW (POLAND)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL UK LTD	KENT (UNITED KINGDOM)		90.04	100.00
LAGARDÈRE TRAVEL RETAIL UAE LLC	ABU DHABI (UNITED ARAB EMIRATES)		100.00	100.00
LS AND PARTNERS AT JFK LLC	ATLANTA (UNITED STATES)		80.00	80.00
LS ASIA PACIFIC PTY LTD	SYDNEY (AUSTRALIA)		100.00	100.00
LS TR INTERNATIONAL	LE GRAND-SACONNEX (SWITZERLAND)		100.00	100.00
LS TR ITALIA SRL	FIUMICINO (ITALY)		90.04	100.00
LS TR NORTH AMERICA INC	TORONTO (CANADA)		100.00	100.00
LS TR ROMA SRL	FIUMICINO (ITALY)		90.04	100.00
LS TRAVEL FOODSERVICES DEUTSCHLAND GMBH	WIESBADEN (GERMANY)		100.00	100.00
LS TRAVEL RETAIL BULGARIA LTD	SOFIA (BULGARIA)		100.00	100.00
LS TRAVEL RETAIL DEUTSCHLAND GMBH	HUERTH HERMUELHEIM (GERMANY)		100.00	100.00
LS TRAVEL RETAIL MALAYSIA SDN BHD	KUALA LUMPUR (MALAYSIA)		97.00	97.00
LAGARDÈRE X ARTEUM	LEVALLOIS-PERRET (FRANCE)	845 385 863	51.00	51.00
M TRAFIK SRO	PRAGUE (CZECH REPUBLIC)		100.00	100.00
MARCHÉ CEE HOLDING GMBH	SCHWECHAT (AUSTRIA)		100.00	100.00
MARCHÉ GOSTINSTVO D.O.O.	LOGATEC (SLOVENIA)		100.00	100.00
MARCHÉ INTERNATIONAL AG	PFAFFIKON (SWITZERLAND)		100.00	100.00
MARCHÉ MÖVENPICK DEUTSCHLAND GMBH	LEINFELDEN-ECHTERDINGEN (GERMANY)		100.00	100.00
MARCHÉ RESTAURANTS Czech Republic S.R.O.	PRAGUE (CZECH REPUBLIC)		100.00	100.00
MARCHÉ RESTAURANTS ÖSTERREICH GMBH	SCHWECHAT (AUSTRIA)		100.00	100.00
MARCHÉ RESTAURANTS SINGAPORE PTE LTD	SINGAPORE (REPUBLIC OF SINGAPORE)		100.00	100.00
MARCHÉ RESTORANI D.O.O.	PRAGUE (CZECH REPUBLIC)		100.00	100.00
MUSIC RAILWAY	LEVALLOIS-PERRET (FRANCE)	414 434 431	100.00	100.00
NEWSLINK PTY LTD	SYDNEY (AUSTRALIA)		100.00	100.00

SUBSIDIARIES	REGISTERED OFFICE	REG. NO.	% interest	% control
PARADIES HOLDINGS LLC(*)	ATLANTA (UNITED STATES)		100.00	100.00
PARIS RAIL RETAIL	LEVALLOIS-PERRET (FRANCE)	824 339 543	90.04	100.00
RELAY & BURGERS	LEVALLOIS-PERRET (FRANCE)	811 857 200	100.00	100.00
RM	LEVALLOIS-PERRET (FRANCE)	800 293 664	100.00	100.00
SABIEDRIBA AR IEROBEZOTU ATBILDIBU "COFFEE NATION"	RĪGAE (LATVIA)		100.00	100.00
SORELT	LEVALLOIS-PERRET (FRANCE)	808 238 992	100.00	100.00
THE PURELY GROUP PTY LTD	SYDNEY (AUSTRALIA)		100.00	100.00
SGEL GROUP				
TOPCODI SL	MADRID (SPAIN)		100.00	100.00
AIREST GROUP				
LS TR FOODSERVICES ITALIA SRL	VENICE (ITALY)		100.00	100.00
AIREST COLLEZIONI VENEZIA SRL	VENICE (ITALY)		50.00	100.00(**)
LAGARDÈRE TRAVEL RETAIL AND RESTAURANTS LLC	ABU DHABI (UNITED ARAB EMIRATES)		100.00	100.00
AIREST RETAIL SRL	VENICE (ITALY)		50.00	100.00(**)
LAGARDÈRE TRAVEL RETAIL ITALIA SRL	VENICE (ITALY)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL AUSTRIA GMBH	VIENNA (AUSTRIA)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL AUSTRIA HOLDING GMBH	VIENNA (AUSTRIA)		100.00	100.00
INTERNATIONAL DUTY FREE GROUP				
INTERNATIONAL DUTY FREE AFRICA & MIDDLE EAST DWC-LLC	DUBAI (UNITED ARAB EMIRATES)		100.00	100.00
INTERNATIONAL DUTY FREE KENYA LIMITED	NAIROBI (KENYA)		100.00	100.00
INTERNATIONAL DUTY FREE NETHERLAND BV	ROTTERDAM (NETHERLANDS)		100.00	100.00
LAGARDERE TRAVEL RETAIL BELGIUM REAL ESTATE	STEENOKKERZEEL (BELGIUM)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL BELGIUM SA	STEENOKKERZEEL (BELGIUM)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL LUXEMBOURG GROUP SA	LUXEMBOURG (LUXEMBOURG)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL LUXEMBOURG HOLDING	LUXEMBOURG (LUXEMBOURG)		100.00	100.00
OTHER ACTIVITIES				
LAGARDÈRE SA	PARIS (FRANCE)	320 366 446	100.00	100.00
COMPAGNIE IMMOBILIÈRE EUROPA	LEVALLOIS-PERRET (FRANCE)	407 662 329	100.00	100.00
DARIADE	LEVALLOIS-PERRET (FRANCE)	400 231 072	100.00	100.00
LAGARDÈRE FINANCE	LEVALLOIS-PERRET (FRANCE)	409 882 883	100.00	100.00
LAGARDÈRE MEDIA	PARIS (FRANCE)	402 345 128	100.00	100.00
LAGARDÈRE NORTH AMERICA INC	NEW YORK (UNITED STATES)		100.00	100.00
LAGARDÈRE PARTICIPATIONS	PARIS (FRANCE)	303 600 902	100.00	100.00
LAGARDÈRE RESSOURCES	LEVALLOIS-PERRET (FRANCE)	348 991 167	100.00	100.00
SOFRIMO	LEVALLOIS-PERRET (FRANCE)	569 803 687	100.00	100.00
LAGARDÈRE MÉDIA NEWS GROUP				
LAGARDÈRE ACTIVE	LEVALLOIS-PERRET (FRANCE)	433 443 124	100.00	100.00
CERT GMBH	SARREBRUCK (GERMANY)		99.71	100.00

(*) Comprising 214 fully consolidated entities (including minority interests in each entity with different percentage interests).
(**) The shareholder agreement confers control of the group to Lagardère Travel Retail.

SUBSIDIARIES	REGISTERED OFFICE	REG. NO.	% interest	% control
EUROPE 1 IMMOBILIER	PARIS (FRANCE)	622 009 959	99.90	100.00
EUROPE 1 TÉLÉCOMPAGNIE	PARIS (FRANCE)	542 168 463	100.00	100.00
EUROPE 2 REGIONS	PARIS (FRANCE)	339 802 118	100.00	100.00
EUROPE 2 ENTREPRISES	PARIS (FRANCE)	352 819 577	100.00	100.00
EUROPE NEWS	PARIS (FRANCE)	343 508 750	100.00	100.00
HACHETTE FILIPACCHI PRESSE	PARIS (FRANCE)	582 101 424	100.00	100.00
IS 25	PARIS (FRANCE)	824 582 431	100.00	100.00
IS 45	PARIS (FRANCE)	424 905 172	100.00	100.00
LAGARDERE RADIO SCA	PARIS (FRANCE)	334 595 881	100.00	100.00
LAGARDÈRE ACTIVE BROADCAST	MONACO (FRANCE)	775 751 779	99.90	100.00
LAGARDÈRE ACTIVE ENTREPRISES JAPAN CO LTD	TOKYO (JAPAN)		100.00	100.00
LAGARDÈRE ACTIVE FINANCES	PARIS (FRANCE)	410 208 136	100.00	100.00
LAGARDÈRE GLOBAL ADVERTISING	PARIS (FRANCE)	350 277 059	100.00	100.00
LAGARDÈRE RADIO FINANCE	PARIS (FRANCE)	908 044 902	100.00	100.00
LAGARDÈRE ACTIVE RADIO INTERNATIONAL	PARIS (FRANCE)	388 404 717	100.00	100.00
LAGARDÈRE MÉDIA NEWS	PARIS (FRANCE)	834 289 373	100.00	100.00
EUROPE 1 DIGITAL	PARIS (FRANCE)	415 096 502	100.00	100.00
LAGARDÈRE PUBLICITÉ NEWS	PARIS (FRANCE)	538 865 064	100.00	100.00
LES ÉDITIONS MUSICALES FRANÇOIS 1er	PARIS (FRANCE)	381 649 771	100.00	100.00
MATCH PROD	PARIS (FRANCE)	824 634 257	100.00	100.00
PROMOTION ET SPECTACLES D'EUROPE 1	PARIS (FRANCE)	632 042 495	100.00	100.00
RFM ENTREPRISES	PARIS (FRANCE)	405 188 871	100.00	100.00
RFM RÉGIONS	PARIS (FRANCE)	382 002 509	100.00	100.00
SHOPPING GUIDE GMBH	MUNICH (GERMANY)		100.00	100.00
LAGARDÈRE LIVE ENTERTAINMENT GROUP				
CASINO DE PARIS	PARIS (FRANCE)	582 047 957	100.00	100.00
EUTERPE PROMOTION	LIMOGES (FRANCE)	582 047 957	100.00	100.00
LAGARDÈRE ARENA 13	AIX-EN-PROVENCE (FRANCE)	824 242 713	100.00	100.00
LAGARDÈRE LIVE ENTERTAINMENT	LEVALLOIS-PERRET (FRANCE)	441 268 380	100.00	100.00
L PRODUCTION	LEVALLOIS-PERRET (FRANCE)	509 763 611	100.00	100.00
SENSO	FLOIRAC (FRANCE)	790 021 760	100.00	100.00
SOCIÉTÉ D'EXPLOITATION DES FOLIES BERGÈRE	PARIS (FRANCE)	509 763 694	100.00	100.00
LAGARDÈRE PARIS RACING GROUP				
LAGARDÈRE PARIS RACING RESSOURCES	PARIS (FRANCE)	433 565 819	100.00	100.00
LPR RESTAURATION	PARIS (FRANCE)	808 264 758	100.00	100.00
OTHER LAGARDÈRE SPORTS				
COFFEE DIGITAL LLC	NEW YORK (UNITED STATES)		100.00	100.00
FUNKSHION LABS LLC	NEW YORK (UNITED STATES)		100.00	100.00
LAGARDÈRE LABS INC	NEW YORK (UNITED STATES)		100.00	100.00
WORLD SPORT GROUP INDIA LTD	MUMBAI (INDIA)		100.00	100.00
WORLD SPORT GROUP MAURITIUS LTD	PORT LOUIS (MAURITIUS)		100.00	100.00

Companies jointly controlled and accounted for under the equity method at 31 December 2023:

JOINT VENTURES	REGISTERED OFFICE	REG. NO.	% interest	% control
LAGARDÈRE PUBLISHING				
FRANCE LIGHTNING SOURCE	MAUREPAS (FRANCE)	515 014 785	50.00	50.00
LAGARDÈRE TRAVEL RETAIL				
LYON DUTY FREE	COLOMBIER-SAUGNIEU (FRANCE)	493 425 136	45.02	50.00
AWPL TANGO PTY LTD	SYDNEY (AUSTRALIA)		50.00	50.00
AWPL RETAIL SOLUTION LTD	SYDNEY (AUSTRALIA)		50.00	50.00
DFS WELLINGTON	AUCKLAND (NEW ZEALAND)		50.00	50.00
GASTRONOMIE FLUGHAFEN HANNOVER GMBH	HANNOVER (GERMANY)		50.00	50.00
LAGARDÈRE/AWPL PTY LTD	SYDNEY (AUSTRALIA)		50.00	50.00
LAGARDÈRE & CONNEXIONS	LEVALLOIS-PERRET (FRANCE)	799 394 739	50.00	50.00
LAGARDÈRE CAPITAL LLC	ABU DHABI (UNITED ARAB EMIRATES)		50.00	50.00
LS TRAVEL RETAIL NEW ZEALAND LIMITED	AUCKLAND (NEW ZEALAND)		50.00	50.00
SUMO TRAVEL RETAIL PTY LTD	SURRY HILLS (AUSTRALIA)		50.00	50.00
SVRLS LA REUNION	SAINTE MARIE (FRANCE)	538 210 147	44.84	49.80

Companies in which the Group exercises significant influence, accounted for under the equity method at 31 December 2023:

ASSOCIATES	REGISTERED OFFICE	REG. NO.	% interest	% control
LAGARDÈRE PUBLISHING				
RANDOLPH GROUP INC.	MONTREAL (CANADA)		49.00	49.00
YEN PRESS LLC	NEW YORK (UNITED STATES)		49.00	49.00
LAGARDÈRE TRAVEL RETAIL				
CDF-LAGARDÈRE COMPANY LTD	HONG KONG (CHINA)		15.29	20.00
DUTYFLY SOLUTIONS	ROISSY-EN-FRANCE (FRANCE)	443 014 527	45.02	50.00
DUTYFLY SOLUTIONS ESPAÑA	MADRID (SPAIN)		45.02	50.00
DUTYFLY SOLUTIONS ITALIA	MILAN (ITALY)		45.02	50.00
EXTIME DUTY FREE PARIS SAS (formerly SDA)	ROISSY-EN-FRANCE (FRANCE)		44.12	49.00
HAINAN HAILA COMMERCIAL MANAGEMENT CO, LTD	HAIKOU (CHINA)		37.46	49.00
HBF PFC ATL JV, LLC	ATLANTA (UNITED STATES)		50.00	50.00
INMEDIO SP ZOO	WARSAW (POLAND)		49.00	49.00
JD WORLDWIDE-LAGARDÈRE CO, LTD.	HONG KONG (CHINA)		37.46	49.00
JING GE BUSINESS MANAGEMENT CO. LTD	HAIKOU (CHINA)		37.46	49.00
LAGARDÈRE KSA	RIYAD (SAUDI ARABIA)		26.01	26.01
LAGARDÈRE TRAVEL RETAIL SAUDI ARABIA HOLDING LLC	DUBAI (SAUDI ARABIA)		51.00	51.00
RELAY ADP	LEVALLOIS-PERRET (FRANCE)	533 970 950	50.00	50.00
SDA CROATIE	ZAGREB (CROATIA)		44.12	49.00
SERVY MENA PORTAL LLC	DUBAI (UNITED ARAB EMIRATES)		40.80	51.00
OTHER ACTIVITIES				
LAGARDÈRE MÉDIA NEWS GROUP				
EUROPE RÉGIES OUEST	RENNES (FRANCE)	404 391 542	49.00	49.00
OTHER LAGARDÈRE SPORTS				
SADDLEBROOK	WESLEY CHAPEL (UNITED STATES)		30.00	30.00

Companies controlled but not consolidated at 31 December 2023 as not material:

NON-CONSOLIDATED CONTROLLED COMPANIES	REGISTERED OFFICE	REG. NO.	% interest	% control
LAGARDÈRE PUBLISHING				
BRAGELONNE GAMES	PARIS (FRANCE)	849 689 997	100.00	100.00
DIFUSORA LAROUSSE DE COLOMBIA	BOGOTA (COLOMBIA)		100.00	100.00
EDITORA HATIER	SAO PAULO (BRAZIL)		100.00	100.00
EDITORA SALVAT DO BRASIL LTDA	SAO PAULO (BRAZIL)		100.00	100.00
FRANCE TÉLÉDISTRIBUTIQUE	MAUREPAS (FRANCE)	351 416 235	100.00	100.00
HACHETTE COLLECTIONS INC	NEW YORK (UNITED STATES)	849 689 997	100.00	100.00
HACHETTE LIVRE MAROC	MOHAMMEDIA (MOROCCO)		99.84	99.84
LPC	MONTMORILLON (FRANCE)	326 980 026	100.00	100.00
LOGISPRO	VANVES (FRANCE)	381 652 049	100.00	100.00
PROLIVRE GIE	PARIS (FRANCE)	788 242 501	99.68	100.00
MAMA ÉDITIONS.COM SARL	PARIS (FRANCE)	388 221 681	100.00	100.00
MULTIMÉDIA DIFFUSION SERVICES	MALAKOFF (FRANCE)	388 221 681	100.00	100.00
LAGARDÈRE TRAVEL RETAIL				
FOOD SERVICES BELGIUM	STEENNOKKERZELL (BELGIUM)		100.00	100.00
LTR ALBANIA HOLDING	LEVALLOIS-PERRET (FRANCE)		100.00	100.00
LAGARDÈRE TRAVEL RETAIL CHINA (HK) CO., LTD	HONG KONG (CHINA)		76.45	100.00
LAGARDERE TRAVEL RETAIL KEYLA BENIN	COTONOU (BENIN)		60.00	60.00
LAGARDERE TRAVEL RETAIL S.R.L.	CHISINAU (MOLDOVA)		100.00	100.00
OTHER ACTIVITIES				
LAGARDÈRE EXPRESSION	LEVALLOIS-PERRET (FRANCE)	353 463 235	100.00	100.00
LAGARDÈRE ACAD, INC	NEW YORK (UNITED STATES)		100.00	100.00
LP12	LEVALLOIS-PERRET (FRANCE)	907 992 424	100.00	100.00
LP14	LEVALLOIS-PERRET (FRANCE)	922 352 166	100.00	100.00
LAGARDÈRE MÉDIA NEWS GROUP				
LAE SHANGHAI CONSULTING LTD	SHANGHAI (CHINA)		100.00	100.00
LAE AMERICA INC	WILMINGTON (UNITED STATES)		100.00	100.00
LAE TAIWAN LTD	TAIWAN (CHINA)		100.00	100.00
LAE HONG KONG LTD	HONG KONG (CHINA)		100.00	100.00
LAE THAILAND LTD	BANGKOK (THAILAND)		100.00	100.00
LAE KOREA LTD	SEOUL (SOUTH KOREA)		100.00	100.00
ELLE FASHION LTD	BANGKOK (THAILAND)		100.00	100.00
RFM EST	VANDOEUVRE-LÈS-NANCY (FRANCE)	402 062 269	74.80	74.80

NOTE 39 CONSOLIDATED FINANCIAL STATEMENTS FOR 2022 AND 2021

In application of article 28 of European Commission regulation no. 809/2004, the documents listed below are incorporated by reference in this Universal Registration Document:

- the consolidated financial statements and parent company financial statements and the related audit report on pages 201 to 322 of the French Universal Registration Document for 2022, filed with the AMF on 14 March 2023 under registration number D.23-0090;
- the consolidated financial statements and parent company financial statements and the related audit report on pages 189 to 318 of the French Universal Registration Document for 2021, filed with the AMF on 18 March 2022 under registration number D.22-0123.

The non-incorporated parts of the above documents are either irrelevant for investors or covered in another section of this Universal Registration Document.

5.4 PRESENTATION OF THE LAGARDÈRE SA PARENT COMPANY FINANCIAL STATEMENTS AFR

Comments on the Lagardère SA parent company financial statements at 31 December 2023

SIGNIFICANT EVENTS OF THE PERIOD

As a financial holding company, Lagardère SA provides financing for the Group. In 2023, the **€350 million** fixed-rate 2.75% **bond** issued on 6 April 2016 fell due and was **redeemed on 13 April**. At the same time, Lagardère SA received repayment of the USD 165 million instalment due under the loan it had granted to Lagardère North America in 2015 for the acquisition of Paradies, and also settled the associated cross-currency swaps.

On 29 June 2023, all of Lagardère SA's partner banks agreed to **extend** the maturity of its credit facility, **for an amount of €982 million, from 30 April 2024 to 30 April 2025**. This extension was provided for in the amendment to the syndicated credit facility agreement signed in April 2022 between Lagardère SA and its partner banks, subject to the agreement of the banks.

FRIENDLY TAKEOVER OF LAGARDÈRE SA BY VIVENDI SE

On 21 November 2023, the European Commission authorised Vivendi SE to acquire control of the Lagardère group, following its pubic tender offer launched on 21 February 2022.

Expert, legal and financial costs incurred in the context of this operation along with the costs inherent to the planned transaction between Vivendi SE and Lagardère SA were recognised by the Company as operating expenses in an amount of €12 million in 2023.

Vivendi SE's takeover of the Lagardère group **triggered the change of control clauses in respect of bonds with a nominal value of €1,300 million and Schuldschein loans for €252.5 million**, allowing the lenders to request repayment by 12 January 2024 and 27 December 2023, respectively.

On **12 December 2023**, Lagardère SA signed a **loan agreement with Vivendi SE** for a maximum amount of **€1,900 million**, due 31 March 2025.

On 27 December 2023, Lagardère SA repaid €27 million of the German law private placement, leaving €225.5 million of Schuldschein loans outstanding at end-December 2023.

On 12 January 2024, following a drawdown of €1,210 million on the loan agreement with Vivendi SE, **the bonds were redeemed for a nominal value of €1,203.2 million and interest of €7 million**. The remaining bonds outstanding at that date represented an amount of €96.8 million.

5.4.1 CONSOLIDATED INCOME STATEMENT

The condensed income statement is as follows:

(in millions of euros)	2023	2022
Operating revenues	**39**	38
Operating loss	**(20)**	(37)
Net financial income	**(16)**	5
Earnings before tax and exceptional items	**(36)**	(32)
Net exceptional income	**-**	6
Income tax benefit	**44**	27
Profit for the year	**8**	**1**

In 2023, the Company reported an **operating loss** of €20 million, representing a €17 million improvement on 2022. Operating income (loss) mainly corresponds to the difference between the operating expenses recorded by the holding company and the services and fees billed to the Group's divisions.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

Operating revenues remained stable year on year, at €39 million, and include a €3 million increase in brand royalties. In 2022, operating revenues included €2 million in income from a reversal of a provision for contingencies.

Operating expenses for the year were €59 million, down €16 million. They include €12 million in advisory costs incurred in connection with the takeover by Vivendi SE (€29 million in 2022), and €2 million in fees for renegotiating the syndicated credit facility (€5 million in 2022).

Lagardère SA is directly responsible for billing the Group's operating divisions for assistance provided by corporate functions. In 2023, it now only employs the three people heading up the corporate function, who make use of the Lagardère Ressources teams and means made available to them and which they continue to supervise. In consideration for the services provided to it, Lagardère SA pays Lagardère Ressources a fee intended to cover the costs directly or indirectly incurred by the latter. The annual amount of this fee is calculated based on the actual costs booked in the accounts. Lagardère SA directly bears any expenses relating to certain services provided at its request by external consultants.

Net financial income breaks down as follows:

(in millions of euros)	2023	2022
Interest income from marketable securities and other	**1**	1
Net interest income on loans to subsidiaries	**32**	40
Interest and expenses on borrowings	**(79)**	(58)
Finance costs, net	**(46)**	**(17)**
Dividends received or receivable	**34**	22
Net reversals of provisions	**(6)**	-
Other	**2**	-
Net financial income	**(16)**	**5**

In 2023, the Company reported a **net financial loss** of €16 million, a €21 million decrease versus 2022.

Year-on-year changes in net financial income are attributable to the following factors:

- **interest income from marketable securities and other** represented €1 million in 2023;
- **net interest income** on loans granted to Lagardère North America for the acquisition of Paradies in 2015 and Hojeij Branded Foods in 2018 for USD 860 million fell €8 million to €32 million in 2023 following the partial repayment of USD 165 million of the loan in April 2023; At 31 December 2023, loans granted to Lagardère North America represented USD 695 million;
- **interest and expenses on borrowings** amounting to €79 million (€58 million in 2022) increased in the year due to the drawdown on the syndicated credit facility between April and December 2023 and to the rise in variable interest rates, particularly on commercial paper, representing €19 million;
- **dividends** increased by €12 million, including a dividend of €25 million from Lagardère Finance (€19 million in 2022), €7 million from Lagardère Participations (€4 million in 2022) and €2 million from Lagardère Ressources (no dividend paid in 2022). Lagardère Media did not make any dividend payouts in either 2023 or 2022;
- **net additions to provisions** amounted to €6 million in 2023, consisting mainly of a €2 million addition to the provision for Lagardère Ressources investments and €4 million set aside in relation to the amortization of redemption premiums on bonds falling due in January 2024;
- **other items** represented income of €2 million and include the net foreign exchange gain on USD 165 million in repayments collected on Lagardère North America loans and USD 165 million of cross-currency swaps in April 2023.

Exceptional items were not material in 2023. Exceptional items represented income of €6 million in 2022 resulting from reversals of provisions for contingencies.

The Company reported an **income tax benefit** of €44 million in 2023. This includes €2 million in Group tax income (including tax credits for the year) and €42 million in tax consolidation relief. In 2022, the income tax expense included €4 million in Group tax expense and €31 million in tax consolidation relief.

5.4.2 BALANCE SHEET AND CASH FLOWS

Assets

(in millions of euros)	31 Dec. 2023	31 Dec. 2022
Fixed assets	**5,106**	5,295
Trade receivables and other	**36**	45
Cash and cash equivalents	**1**	11
Total assets	**5,143**	**5,351**

Liabilities and shareholders' equity

(in millions of euros)	31 Dec. 2023	31 Dec. 2022
Shareholders' equity	**2,601**	2,779
Provisions for risks and liabilities	**-**	1
Debt	**2,486**	2,428
Short-term bank loans	**-**	-
Other liabilities	**56**	143
Total liabilities and shareholders' equity	**5,143**	**5,351**

Cash flows

(in millions of euros)	2023	2022
Cash flow from (used in) operating activities	**(23)**	41
Cash from investing activities	**216**	63
Cash from operations and investing activities	**193**	**104**
Cash used in financing activities	**(203)**	**(416)**
Change in cash and cash equivalents	**(10)**	(312)
Cash and cash equivalents at beginning of period	**11**	**323**
Cash and cash equivalents at end of period	**1**	**11**

In the cash flow statement, **cash flow used in operating activities**, which includes slightly higher income from fees and services, amounted to €23 million in 2023, a deterioration of €64 million versus 2022. This is attributable to a reduction of €29 million in tax payments received from subsidiaries in the tax group, and to an increase of €33 million in payments of supplier invoices in 2023 – mainly concerning Lagardère Ressources – relating to 2022 and including costs associated with Vivendi SE's public offer for Lagardère SA paid in 2023.

Net cash from investing activities represented an inflow of €216 million in 2023, and included:

- interest received on loans to subsidiaries for €35 million versus €40 million in 2022;
- dividends received from Lagardère Finance, Lagardère Participations and Lagardère Ressources in an amount of €34 million (€22 million in 2022);
- repayments collected on the loan granted to Lagardère, amounting to USD 165 million (€146 million).

Financing activities generated a net cash outflow of €202 million and chiefly reflected:

- the net €185 million increase in amounts outstanding under short- and medium-term commercial paper programmes;
- the redemption on 13 April 2023 of a €350 million 2.75% fixed-rate bond issued on 6 April 2016;
- the repayment on 27 December 2023 of a €27 million German law private placement;
- interest paid for €87 million;
- the €10 million decrease in amounts borrowed from Lagardère Finance;
- the drawdown of €270 million on the loan agreement with Vivendi SE;
- €183 million in dividend payouts (€70 million in 2022).

Net debt – which corresponds to cash and cash equivalents less borrowings – was as follows at 31 December 2023 and 2022:

(in millions of euros)	31 Dec. 2023	31 Dec. 2022
Net debt	**(2,485)**	**(2,417)**

Net debt increased by €68 million in 2023.

Borrowings and debt are discussed in further detail in notes 6 and 7.

5.4.3 OTHER INFORMATION

Payment terms

In application of the French Commercial Code (*Code de commerce*), all of Lagardère SA's trade payables at 31 December 2023 are due within 30 days.

The following table sets out the disclosures concerning payment terms for payables and receivables required by article D. 441-4 of the French Commercial Code.

Payment terms	Invoices received but not settled at 31 Dec. 2023 of which due						Invoices issued but not settled at 31 Dec. 2023 of which due					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total (1 or more days)	0 days	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total (1 or more days)
(A) Days late												
Number of invoices	15					21	-					3
Total amount of invoices concerned (excl. VAT) (in thousands of euros)	1,851	471	-	-	144	615	-	-	-	-	-	374
As a % of total purchases for the year (excl. VAT)	3%	1%	0%	0%	0%	1%						
As a % of revenue for the year							0%	0%	0%	0%	0%	1%
(B) Invoices excluded from (A) relating to contested or unrecognised payables and receivables												
Number of invoices excluded	-						-					
Total amount of invoices excluded (excl. VAT)	€0						€0					
(C) Reference payment terms used (contractual or legal – article L. 441-6 or article L. 443-1 of the French Commercial Code)												
Reference payment terms used to calculate late payments	Contractual terms: 30 days						Contractual terms: 0 days					

Other disclosures

The aggregate amount of non-deductible costs and expenses referred to in paragraph 4 of article 39 of the French Tax Code (*Code général des impôts*) totalled €7,142 in 2023. The tax charge borne as a result of those costs and expenses amounted to €0. The costs and expenses referred to in paragraph 5 of article 39 of the French Tax Code are not excessive and are incurred in the interest of the Company.

No overhead costs were added back to taxable profit further to the most recent tax reassessment.

5.5 LAGARDÈRE SA PARENT COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2023 AFR

Parent company balance sheet

Assets (in millions of euros)	31 Dec. 2023 Gross	31 Dec. 2023 Depreciation, amortisation and impairment	31 Dec. 2023 Net	31 Dec. 2022 Net
Tangible and intangible assets	2	2	-	-
Long-term investments:				-
- Investments in subsidiaries and affiliates	*4,563*	*108*	***4,455***	*4,457*
- Loans and advances to subsidiaries and affiliates	*632*	*-*	***632***	*813*
- Other investment securities	*18*	*1*	***17***	*20*
- Loans	*-*	*-*	***-***	*-*
- Other long-term investments	*2*	*-*	***2***	*5*
Fixed assets	**5,217**	**111**	**5,106**	**5,295**
Trade receivables	1	-	**1**	2
Other receivables	26	-	**26**	17
Marketable securities	1	-	**1**	1
Cash and cash equivalents	-	-	**-**	10
Prepaid expenses	3	-	**3**	1
Current assets	**31**	**-**	**31**	**31**
Deferred charges	-	-	**-**	4
Translation adjustment	6	-	**6**	21
Total assets	**5,254**	**111**	**5,143**	**5,351**

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

Liabilities and shareholders' equity (in millions of euros)	31 Dec. 2023 Amount	31 Dec. 2022 Amount
Share capital	**861**	861
Share and other premiums	**153**	155
Reserves:		-
- Legal reserve	***87***	*87*
- Reserves	**-**	-
- Other reserves	***1,470***	*1,470*
Retained earnings	**22**	205
Profit for the year	**8**	1
Interim dividend to be allocated	**-**	-
Shareholders' equity	**2,601**	**2,779**
Provisions for risks and liabilities	**-**	1
Borrowings subject to specific conditions	**-**	-
Borrowings:	**2,486**	2,428
- Bonds	***1,307***	*1,664*
- Bank loans	***787***	*632*
- Miscellaneous loans and borrowings including loans from subsidiaries and affiliates	***392***	*132*
Trade payables	**16**	46
Other payables	**19**	45
Deferred income	**-**	-
Translation adjustment	**21**	52
Total liabilities and shareholders' equity	**5,143**	**5,351**

Parent company income statement

(in millions of euros)	2023	2022
Operating revenues(*)	**39**	38
Operating expenses	**(59)**	(75)
Operating loss	**(20)**	**(37)**
Financial income	**77**	71
Financial expenses	**(87)**	(66)
Net (additions to) reversals from provisions	**(6)**	-
Net financial income (expense)	**(16)**	**5**
Earnings before tax and exceptional items	**(36)**	**(32)**
Net exceptional income	**-**	**6**
Income tax benefit	**44**	27
Profit for the year	**8**	**1**

(*) Including services provided to French subsidiaries in 2023: €6 million.

Parent company statement of cash flows

(in millions of euros)	2023	2022
Profit for the year	**8**	1
Income tax benefit (expense)	**(44)**	(27)
Net interest expense	**47**	18
Dividends received	**(35)**	(22)
Depreciation, amortisation and provision expense (reversal)	**5**	(9)
Net loss (profit) on sale of fixed assets	**-**	-
Changes in working capital	**(25)**	30
Income taxes paid	**21**	50
Cash flow from (used in) operating activities	**(23)**	**41**
Acquisitions of long-term investments	**-**	-
Dividends received	**35**	22
Interest received on loans	**35**	41
Liquidity agreement	**-**	-
Proceeds from disposals of non-current assets	**-**	-
Decrease in loans and receivables	**146**	-
Cash from investing activities	**216**	**63**
Cash from operations and investing activities	**193**	**104**
Dividends paid	**(183)**	(70)
Interest paid	**(87)**	(60)
Cash capital increase	**-**	-
Decrease in borrowings and financial liabilities	**(382)**	(50)
Increase in borrowings and financial liabilities	**460**	33
Change in Group current accounts	**(11)**	(269)
Cash used in financing activities	**(203)**	**(416)**
Change in cash and cash equivalents	**(10)**	(312)
Cash and cash equivalents at beginning of period	**11**	**323**
Cash and cash equivalents at end of period	**1**	**11**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2023

(All figures are expressed in millions of euros unless otherwise specified)

PRELIMINARY INFORMATION

Lagardère SA – the parent company of the Lagardère group, whose registered office is located at 4 rue de Presbourg in Paris 16 (registration number 32036644600013) – is a holding company, and as such its balance sheet items principally comprise investments and the Group's financing resources.

Since 1 January 2014, Lagardère SA has been directly responsible for billing the Group's operating divisions for assistance provided by corporate functions, instead and in place of its subsidiary, Lagardère Ressources. This led to the following organisational changes:

- Lagardère SA, which previously had no employees, now employs three people heading up the corporate functions, who make use of Lagardère Ressources teams and means, which the latter makes available to them and which they in turn continue to supervise;
- in consideration of the services provided to it, Lagardère SA pays Lagardère Ressources a fee intended to cover the costs directly or indirectly incurred by the latter. The annual amount of this fee is calculated based on the actual costs booked in the accounts.

As in the past, Lagardère SA continues to directly bear any expenses relating to certain services provided to it at its request by external consultants.

ACCOUNTING PRINCIPLES AND VALUATION METHODS

1. GENERAL INFORMATION

The Company's financial statements have been prepared in accordance with the accounting methods and principles defined by the general chart of accounts as set out in Regulation 2014-03 issued by the French accounting standard-setter (*Autorité des normes comptables* – ANC) dated 5 June 2014 and supplemented by subsequent regulations. In particular, they have been prepared in accordance with ANC Regulation 2015-05 on forward financial instruments and hedging transactions, effective for accounting periods beginning on or after 1 January 2017. The general accounting policies have been applied in accordance with the principle of prudence and with the basic assumptions of going concern, consistency of accounting methods over reporting periods, and the accrual basis of accounting, in compliance with the general rules for the preparation and presentation of company financial statements. Items in the financial statements are typically measured at historical cost.

2. LONG-TERM INVESTMENTS

Investments in subsidiaries and affiliates are stated at acquisition cost or subscription price. When fair value is lower than the carrying amount, an impairment loss is booked.

At each reporting date, fair value is determined as the higher of value in use and market value. Value in use is determined using a multi-criteria approach based on net book assets or revalued net book assets, which in turn is determined based on the expected outlook for future years.

The recoverability of loans and advances to subsidiaries and affiliates is assessed based on the characteristics of the loans and advances and on the growth and profitability outlook for the related entities. In principle, these loans and advances are only written down after the related investments have been written down in full.

3. MARKETABLE SECURITIES

Marketable securities are stated at purchase cost using the first in, first out (FIFO) method. Impairment losses are booked when the market price or realisable value of the securities at the year-end is lower than their initial acquisition cost.

4. TRANSACTIONS IN FOREIGN CURRENCIES

Receivables, payables, loans and borrowings denominated in foreign currency are translated into euros in the balance sheet based on the year-end exchange rates, with an offsetting entry to "Translation adjustment" under either assets or liabilities in the balance sheet. Unrealised exchange gains do not affect the income statement.

All unrealised exchange losses are provided for in full, except:

- for hedges, where the provision only covers the unhedged portion of the risk;
- for unrealised gains and losses concerning transactions with similar settlement dates in the same accounting period: in such cases, a provision is only recognised to the extent of the unrealised net loss.

Bank accounts denominated in foreign currency are translated into euros at year-end exchange rates, with an offsetting entry to foreign exchange gains and losses.

5. FORWARD FINANCIAL INSTRUMENTS

The Company may use currency and interest rate derivatives to hedge borrowings and/or loans granted to Group companies:

- the foreign currency component of derivatives hedging receivables, payables, loans and borrowings in foreign currency are translated into euros in the balance sheet in order to present the symmetrical impact of changes in value in "Translation adjustment" under assets or liabilities in the balance sheet;
- unrealised gains and losses are considered as part of an overall foreign exchange position, limiting the provision for foreign exchange losses to the extent of the unrealised net loss, provided that the settlement dates of the items included in the position fall in the same accounting period.

NOTES TO THE COMPANY'S BALANCE SHEET AND INCOME STATEMENT

1. FIXED ASSETS

Movements in the gross value of fixed assets can be analysed as follows:

	1 Jan. 2023	Increase	Decrease	31 Dec. 2023
Tangible and intangible assets	2	-	-	2
Long-term investments:				
Investments in subsidiaries and affiliates and other investment securities(*)	4,583	4	6	4,581
Loans and advances to subsidiaries and affiliates	813	-	181	632
Other long-term investments	5	2	5	2
Total	5,403	6	192	5,217

(*) This item includes the Company's investment in the FPCI Idinvest fund amounting to €11 million. €10 million had been subscribed at 31 December 2023.

Investments in subsidiaries and affiliates amounted to €4,581 million at 31 December 2023, reflecting:

- purchases and sales of treasury shares under the liquidity agreement, totalling €4 million and €3 million, respectively;
- the cancellation of the gross amount of treasury shares by means of a capital reduction for €3 million.

Loans and advances to subsidiaries and affiliates chiefly relate to USD loans granted to Lagardère North America to finance the acquisition of the Paradies group in 2015 for USD 530 million and of Hojeij Branded Foods (HBF) at end-2018 for USD 330 million. An amount of USD 165 million (€146 million) of the USD 530 million loan was repaid on 13 April 2023. The additional €35 million decrease is attributable to the remeasurement of loans at the year-end exchange rate (accounting for a €32 million decrease) and to interest paid (€3 million decrease).

Changes in depreciation, amortisation and impairment can be analysed as follows:

	1 Jan. 2023	Increase	Decrease	31 Dec. 2023
Tangible and intangible assets	(2)	-	-	(2)
Long-term investments:				
Investments in subsidiaries and affiliates and other investment securities	(106)	(3)	-	(109)
Loans and advances to subsidiaries and affiliates	-	-	-	-
Total	(108)	(3)	-	(111)

2. RECEIVABLES

At 31 December 2023, the maturity of **receivables** was as follows:

	Gross	Due within one year	Due beyond one year
Long-term receivables	632	450	182
Short-term receivables	27	27	-
Total	659	477	182

Long-term receivables correspond mainly to the loans granted to Lagardère North America for USD 695 million, along with loan interest (see above).

Short-term receivables include:

- €1 million in intragroup trade receivables;
- €9 million in tax receivables, mainly consisting of VAT receivables;
- €17 million in intercompany receivables arising on tax consolidation.

3. MARKETABLE SECURITIES

	31 Dec. 2023	31 Dec. 2022
Gross amount	1	1
Accumulated impairment losses	-	-
Carrying amount	**1**	**1**
Market value	1	1
Unrealised gains	**-**	**-**

4. CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders' equity are analysed below:

	Share capital	Reserves	Retained earnings	Profit for the year	Interim dividend to be allocated	Total
Shareholders' equity at 31 December 2022	861	1,712	205	1	-	2,779
Capital reduction	(1)	(2)	-	-	-	(3)
Capital increase	1	-	-	-	-	1
Allocation of 2022 profit	-	-	1	(1)	-	-
Dividends paid	-	-	(183)	-	-	(183)
Profit (loss) for the year	-	-	-	8	-	8
Shareholders' equity at 31 December 2023	861	1,710	22	8	-	2,601

At 31 December 2023, the share capital of Lagardère SA amounted to €860,913,044.60, represented by 141,133,286 shares with a par value of €6.10 each, all ranking *pari passu* and fully paid up.

In 2023, the Group carried out a capital reduction by cancelling 134,620 treasury shares for an amount of €3 million. This operation took place following a capital increase carried out by capitalising reserves and involving the same number of shares. The newly-issued shares were definitively allocated:

- on 13 April 2023, to beneficiaries of the 8 April 2019 plan residing outside France for tax purposes (134,620 shares).

5. TREASURY SHARES

Treasury shares held by Lagardère SA are recorded under long-term investments. Changes in the number of treasury shares in 2023 can be analysed as follows:

	2023
Number of treasury shares held at 1 January	**451,768**
Purchases of treasury shares under the liquidity agreement(*)	**173,612**
Sales of treasury shares under the liquidity agreement(*)	**(149,839)**
Purchases (for treasury shares awarded to employees)	**-**
Awards	**(6,200)**
Capital reduction by cancellation of treasury shares	**(136,420)**
Number of treasury shares held at 31 December	**332,921**

(*) Liquidity agreement entered into in October 2022 with BNP Exane for market-making purposes.

6. BONDS

On 6 April 2016, Lagardère SA undertook a **€500 million bond issue** settled on 13 April 2016, which is **redeemable at maturity on 13 April 2023** and pays interest at a fixed rate of 2.75%. €150 million of this issue was redeemed on 7 October 2021 and the remaining €350 million on 13 April 2023. The related interest expense for 2023 amounted to €3 million (2022: €10 million).

On 14 June 2017, Lagardère SA undertook a **€300 million bond issue** settled on 21 June 2017, which is **redeemable at maturity on 21 June 2024** and pays interest at a fixed rate of 1.625%. The interest expense for 2023 amounted to €5 million.

On 9 October 2019, Lagardère SA undertook a **€500 million bond issue** settled on 16 October 2019, which is **redeemable at maturity on 16 October 2026** and pays interest at a fixed rate of 2.125%. The interest expense for 2023 amounted to €11 million.

On 30 September 2021, Lagardère SA undertook a €500 million bond issue settled on 7 October 2021, which is redeemable at maturity on 7 October 2027 and pays interest at a fixed rate of 1.75%. The interest expense for 2023 amounted to €9 million.

Triggering of the change of control clauses affecting bonds and German law private placements

On 21 November 2023, Vivendi SE's takeover of the Lagardère group **triggered the change of control clauses in respect of bonds with a nominal value of €1,300 million and Schuldschein loans amounting to €252.5 million**, enabling the lenders to request repayment by 12 January 2024 and 27 December 2023, respectively.

On 12 January 2024, following a drawdown of €1,210 million on the loan agreement with Vivendi SE, **the bonds were redeemed for a nominal value of €1,203.2 million** and interest of €7 million. Of the outstanding balance of €96.8 million, €39.5 million matures in 2024, €48.8 million in 2026 and €8.5 million in 2027.

7. MATURITIES OF LIABILITIES

	31 Dec. 2023	Due within one year	Due between one and five years	Due beyond five years
Bonds	**1,307**	1,250	57	-
Negotiable securities	**561**	561	-	-
Other borrowings	**618**	192	305	121
Trade and other payables	**35**	35	-	-
Total	**2,521**	**2,038**	**362**	**121**

Details of the Group's **bond issues** are set out in note 6.

Negotiable securities include:

- commercial paper issuance under the NEU CP programme with an €850 million ceiling. Debt issues under the programme represented €561 million at 31 December 2023 versus €371 million at 31 December 2022;
- the negotiable Euro Medium-Term Notes (NEU MTN) programme with a ceiling of €200 million. No debt was issued under the programme in 2023 (€5 million in 2022).

Other borrowings for €618 million break down as follows by maturity:

- €190 million due June 2024 and €35 million due June 2026, corresponding to German law private placements (Schuldschein loans) following the repayment of €27 million on 27 December 2023;
- €270 million due 31 March 2025, corresponding to the drawdown on the loan agreement with Vivendi SE, the maximum amount of which is €1,900 million;
- €121 million due beyond five years, corresponding to the current account with Lagardère Finance;
- €1 million due within one year (€1 million in accrued interest not yet due on EUR/USD cross-currency swaps and on loans).

8. PROVISIONS AND IMPAIRMENT

Type of provision and impairment	1 Jan. 2023	Additions	Reversals	31 Dec. 2023
Provisions for risks and liabilities(*)	**1**	-	**1**	-
Impairment				
- long-term investments(**)	***106***	*3*	-	*109*
- other	**-**	-	-	-
Impairment sub-total	**106**	**3**	**-**	**109**
Total provisions and impairment	**107**	**3**	**1**	**109**
Including additions and reversals:				
- relating to operating items		-	-	
- relating to financial items		*3*	-	
- relating to exceptional items		-	*1*	

(*) Including a €1 million reversal of an unused provision for contingencies extinguished in 2023.
(**) Details are provided in note 1.

9. TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES (NET VALUES) – BALANCE SHEET

Assets		Liabilities	
Long-term investments	5,086	Debt	391
Short-term receivables	18	Trade and other payables	20
Other	-	Other	-

Long-term investments mainly include shares in Lagardère Media and Lagardère Finance, along with the loans granted to Lagardère North America.

Borrowings comprise the current account with Lagardère Finance and Vivendi SE.

Short-term receivables and trade payables include intra-group trade payables and receivables and tax consolidation current accounts.

10. TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES – INCOME STATEMENT

Expense		Revenues	
Operating(*)	41	Operating(**)	38
Financial	4	Financial(***)	66
Exceptional	-	Exceptional	-

(*) General services provided by Lagardère Ressources.
(**) Including services provided for €6 million and brand royalties for €32 million.
(***) Including dividends for €34 million and loan interest for €32 million.

11. ACCRUED INCOME AND EXPENSES

Accrued income included in the following balance sheet items:		Accrued expenses included in the following balance sheet items:	
Long-term investments	2	Debt	8
Short-term receivables	8	Trade and other payables	13
Cash and cash equivalents	-		-
Total	**10**	**Total**	**21**

12. NET FINANCIAL INCOME (EXPENSE)

	2023	2022
Financial income	**77**	**73**
Financial income from investments in subsidiaries and affiliates	**66**	62
Income from other investment securities and long-term receivables	**1**	1
Other interest and similar income	**5**	8
Net income from marketable securities	**-**	-
Reversals of provisions and expense transfers	**-**	2
Foreign exchange gains	**5**	-
Financial expenses	**(93)**	**(68)**
Interest and similar expenses	**(84)**	(66)
Additions to provisions	**(6)**	(2)
Foreign exchange losses	**(3)**	-
Net financial income (expense)	**(16)**	**5**

13. NET EXCEPTIONAL INCOME

	2023	2022
Net gains (losses) on disposals of assets	-	-
Net reversals of provisions	1	11
Other exceptional income and expenses	(1)	(5)
Net exceptional income	-	6

14. INCOME TAX BENEFIT

Within the tax group headed by Lagardère SA, relations are governed by an agreement whose principles are outlined below:

- companies that are consolidated for tax purposes file tax returns as if they were not consolidated;
- all additional expenses are recorded at Lagardère SA, which in turn collects any savings generated by the tax consolidation scheme.

The resulting tax savings represented €44 million in 2023, comprising €42 million in tax income on consolidation and €2 million in Group tax income.

Tax received from subsidiaries included in the tax group amounted to €22 million in 2023, while tax paid to the French State in respect of the tax group amounted to €1 million.

At 31 December 2023, the tax group comprising Lagardère SA and its subsidiaries had unused tax loss carryforwards of some €506 million.

15. OFF-BALANCE SHEET COMMITMENTS

Commitments given	Amount	Commitments received	Amount
Guarantees given on behalf of subsidiaries to cover contract-related financial commitments	3	Confirmed, unused lines of credit(*)	2,612
Guarantees given to third parties	-	Counter-guarantees received from third parties	-

(*) At 31 December 2023, committed, undrawn amounts available under lines of credit was €982 million in respect of the syndicated credit facility and €1,630 million in respect of the loan agreement with Vivendi SE.

Free share award plans

From 2021 to 2023, the Group set up plans to award free shares to its employees and senior executives. The number of shares awarded under these plans was as follows:

	Number of free shares awarded at inception	Number of outstanding rights at 31 Dec. 2023
24 September 2021 plans	783,000	783,000
14 March 2022 plans	806,800	803,050
18 April 2023 plans	794,600	792,350

In addition, a plan to award 739,700 free shares was set up for employees with a minimum of two years' seniority, who work a minimum of 50% of their working hours for the Group and who were not already beneficiaries of traditional free share plans. The shares awarded vest only after a three-year period, provided employee beneficiaries have remained in the Group's employment throughout that time. In some countries, this plan will be settled in cash based on the value of 64,950 shares at the stock market price at the end of the vesting period.

For Group employees who are beneficiaries of the 24 September 2021, 14 March 2022 and 18 April 2023 plans, these plans do not include any performance conditions. The shares vest definitively only after a three-year period, provided employee beneficiaries have remained in the Group's employment throughout that time.

For the Group's senior executives, who are beneficiaries of the 24 September 2021, 14 March 2022 and 18 April 2023 plans, the shares will only vest subject to:

- the beneficiaries remaining with the Group until at least 25 September 2024, 15 March 2025 and 19 April 2026, respectively, under the 2021, 2022 and 2023 plans;
- and:
  - for the plan awarded in 2021, 80% of the award is subject to the achievement of objectives based on criteria internal to the Group (return on capital employed, free cash flow, proportion of paper certified and/or recycled, percentage of plastic-free Foodservice revenue, and the proportion of women in senior management), with the number of shares awarded reduced accordingly if these

objectives are not met. The remaining 20% of the award is subject to meeting criteria linked to market conditions (relative performance of Lagardère SA's Total Shareholder Return),

- for the plans awarded in 2022 and 2023, 70% of the award is subject to the achievement of objectives based on financial criteria internal to the Group (return on capital employed, free cash flow and operating margin rate). The remaining 30% of the award is subject to meeting non-financial criteria (proportion of female Top Executives, greenhouse gas emissions per employee, proportion of spending on suppliers presenting a high CSR risk as assessed by EcoVadis). If these criteria are not met, the number of shares awarded will be reduced accordingly.

16. FINANCIAL INSTRUMENTS

As part of the management of currency and interest rate risks generated by external financing or intragroup loans and borrowings in foreign currency, the Company may enter into hedging agreements with leading banks.

At 31 December 2023, Lagardère SA had:

- cross-currency swaps hedging USD 265 million of the USD 695 million in loans granted to Lagardère North America;
- a USD 55 million forward forex purchase contract hedging commercial paper in the same amount.

	Forward sales of USD (in millions)	Forward purchases of euros (in millions)	Fair value at 31 December 2023 (in millions of euros)(*)	Fair value at 31 Dec. 2022 (in millions of euros)(*)
Cross-currency swaps maturing on 13 April 2023	-	-	-	(8)
Cross-currency swaps maturing on 21 June 2024	165	150	(6)	(10)
Cross-currency swaps maturing on 26 June 2026	100	91	(2)	(3)
Forward forex purchases maturing 15 March 2024	55	51	(1)	-
Hedging derivatives	**320**	**292**	**(9)**	**(21)**

(*) Including €5 million in respect of the currency component recognised in the balance sheet under other receivables/payables with an offsetting entry to translation adjustment under assets/liabilities in order to present the symmetrical impact of the hedge.

At 31 December 2023, the remeasurement of the loans granted to Lagardère North America at the year-end rate gave rise to a €21 million unrealised foreign exchange gain, and the remeasurement of hedging instruments generated an unrealised loss of €5 million.

The maturities of the cross-currency swaps are aligned with those of the underlying bonds. From an economic standpoint, the derivatives enable the Group to convert fixed rate euro-denominated bonds into fixed rate US dollar-denominated debt.

17. EVENTS AFTER THE REPORTING PERIOD

Following the completion of the link-up between Lagardère SA and Vivendi SE on 21 November 2023, bondholders exercised the redemption option triggered by the change of control. On 12 January 2024, Lagardère SA redeemed bonds ahead of term representing a nominal value of €1,203 million and interest of €7 million. Of the outstanding balance of €97 million, €39 million matures in 2024, €49 million in 2026 and €9 million in 2027.

At the same time, an amount of €1,210 million was drawn down under the loan agreement with Vivendi SE, in addition to the €270 million already drawn on 12 December 2023, bringing the total amount drawn down to €1,480 million, due 31 March 2025. The undrawn balance of this agreement amounts to €420 million.

CHAPTER 5 - Net assets, financial position and results Lagardère

Subsidiaries and affiliates at 31 December 2023

(in thousands of euros)	Share capital	Reserves (excl. retained earnings)	Share of capital held (%)		Carrying amount of shares held		Outstanding loans and advances granted by the Company	Guarantees given by the Company	Revenue and other operating revenue for the last fiscal year	Profit (loss) for the last fiscal year	Dividends received by the Company during the fiscal year
					Gross	Net					
Information on investments with a book value in excess of 1% of Lagardère SA's share capital or over which it exercises significant influence											
A - Subsidiaries (Lagardère SA's holding: at least 50%)											
LAGARDÈRE FINANCE (Immeuble Octant – 4-10 avenue André Malraux – 92689 Levallois-Perret Cedex)	1,540,000	172,145	100.00		1,695,000	1,695,000			108	62,148	25,592
LAGARDÈRE MEDIA (4 rue de Presbourg – 75116 Paris)	879,611	(324,030)	100.00		2,730,374	2,730,374			139	129,193	0
LAGARDÈRE PARTICIPATIONS (4 rue de Presbourg – 75116 Paris)	100	12	100.00		27,134	27,134			0	18,332	6,718
LAGARDÈRE RESSOURCES (Immeuble Octant – 4-10 avenue André Malraux – 92689 Levallois-Perret Cedex)	2,000	201	100.00		110,132	1,852			43,342	(346)	1,846
B - Investments in subsidiaries and affiliates (Lagardère SA's holding: 10% to 50%)											
C - Other significant investments (Lagardère SA's holding: less than 10%)											
Information concerning other subsidiaries and affiliates											
A - Subsidiaries not included in paragraph A above											
- Other subsidiaries											
B - Affiliates not included in paragraph B above											
- Other subsidiaries											
C - Investments not included in paragraph C above											
- Other subsidiaries											

Investment portfolio at 31 December 2023

I. Investments in subsidiaries and affiliates (in thousands of euros)		
A. Investments in French companies		
Book value over €15,000		
Number of shares held:		
280,000,000	Lagardère Finance	1,695,000
54,974,977	Lagardère Media	2,730,374
1,000,000	Lagardère Participations	27,134
200,000	Lagardère Ressources	1,852
Book value below €15,000		0
Total investments in French companies		**4,454,360**
B. Investments in non-French companies		
Number of shares held:		
Book value over €15,000		0
Book value below €15,000		0
Total investments in non-French companies		**0**
Total investments in subsidiaries and affiliates		**4,454,360**
II. Other long-term investments (in thousands of euros)		
C. Investment funds		
	FCPR IDINVEST	10,495
Total investment funds		**10,495**
D. Treasury shares		6,789
Total treasury shares		**6,789**
Total other long-term investments		**17,284**
III. Short-term investments (in thousands of euros)		
French securities		
1. Equities and mutual funds		
Number of shares held: 18	BNP PAR MONEY	425
2. Collective investment funds		
Number of shares held:		0
Total short-term investments (book value)		**425**

5.5.1 OTHER DISCLOSURES: LAGARDÈRE SA – FIVE-YEAR FINANCIAL SUMMARY

(Articles R. 225-83 and R. 225-102 of the French Commercial Code)

Type of indications		2019	2020	2021	2022	2023
I	**Share capital at 31 December (in euros)**					
a)	Share capital	799,913,045	799,913,045	860,913,045	860,913,045	**860,913,045**
b)	Number of ordinary shares outstanding	131,133,286	131,133,286	141,133,286	141,133,286	**141,133,286**
c)	Maximum number of shares to be issued upon exercise of share subscription options	-	-	-	-	**-**
d)	Maximum number of shares to be issued upon conversion of bonds	-	-	-	-	**-**
e)	Number of shares to be issued upon exercise of subscription warrants	-	-	-	-	**-**
II	**Results of operations (in thousands of euros)**					
a)	Revenue	71,202	49,754	30,137	35,621	**38,599**
b)	Earnings (loss) before tax, depreciation, amortisation and provisions	31,627	(48,550)	(50,167)	(39,800)	**(30,223)**
c)	Income tax(*)	51,161	35,780	43,522	27,094	**43,743**
d)	Earnings after tax, depreciation, amortisation and provisions	77,512	(30,167)	20,763	1,005	**8,076**
e)	Dividends paid	-	-	70,567	183,473	**91,737(**)**
III	**Earnings per share (in euros)**					
a)	Earnings (loss) per share after tax, but before depreciation, amortisation and provisions	0.63	(0.1)	(0.05)	(0.09)	**0.1**
b)	Earnings per share after tax, depreciation, amortisation and provisions	0.59	(0.23)	0.15	0.01	**0.06**
c)	Dividend per share	0	-	0.5	1.3	**0.65(**)**
IV	**Personnel (in euros, excluding headcount)**					
a)	Average headcount	8	8	6	3	**3**
b)	Total wages and salaries	2,160,348	2,281,740	3,382,740	1,584,009	**1,070,313**
c)	Total employee benefit expense	735,669	608,512	1,048,842	471,637	**383,621**

(*) Mainly the tax benefit resulting from tax consolidation.
(**) The Annual General Meeting on 25 April 2024 will be asked to approve a dividend of €0.65 per share.

5.6 STATUTORY AUDITORS' REPORT ON THE COMPANY'S FINANCIAL STATEMENTS

AFR

To the General Meeting of Lagardère SA,

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Lagardère SA for the year ended 31 December 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2023 to the date of our report, and, specifically, we did not provide any prohibited non audit services referred to in article 5 (1) of Regulation (EU) 537/2014.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of articles L. 821-53 and R.821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

MEASUREMENT OF INVESTMENTS IN SUBSIDIARIES AND AFFILIATES BASED ON THEIR VALUE IN USE, AND OF LOANS AND ADVANCES TO SUBSIDIARIES AND AFFILIATES

Risk identified

As at 31 December 2023, the carrying amount of investments in subsidiaries and affiliates recognised in the balance sheet amounted to €4,455 million, representing 87% of total assets. The carrying amount of loans and advances to subsidiaries and affiliates recognised in the balance sheet amounted to €632 million, representing 12% of total assets.

As indicated in section 2 of the note on "Accounting policies" to the financial statements, investments in subsidiaries are measured at historical cost or subscription value. When fair value is lower than the carrying amount, an impairment loss is booked. At each reporting date, fair value is determined as the higher of value in use and market value. Value in use is determined using a multi-criteria approach based on net book assets or revalued net book assets, which in turn is determined based on the expected outlook for future years.

The recoverability of loans and advances to subsidiaries and affiliates is assessed based on the characteristics of the loans and advances and on the growth and profitability outlook for the related entities. In principle, these loans and advances are only written down after the related investments have been written down in full.

Estimating the value in use of investments and the recoverability of loans and advances to subsidiaries and affiliates requires management to exercise judgement in selecting the criteria to be used (historical information such as equity, or projected information such as the profitability outlook and the economic situation, depending on the circumstances).

In this context and given the inherent uncertainty associated with certain criteria – notably the likelihood that forecasts will be achieved and the relative significance of their value in the balance sheet – we deemed the measurement of (i) investments in subsidiaries and affiliates based on their value in use and (ii) loans and advances to subsidiaries and affiliates, to be a key audit matter.

Our response

Our audit procedures mainly involved:

- obtaining an understanding of the methods used by management to implement measurements;
- verifying, on the basis of information provided to us, whether values in use of investments determined by Lagardère management are estimated on an appropriate basis regarding valuation method and data used;
- for measurements of investments in subsidiaries and affiliates whose value in use is based on projected information, analysing the correct calculation of such measurements and any impairment, and in particular:
  - obtaining cash flow forecasts determined by management and appreciating the consistency with forecasts from the business plan,
  - analysing the reasonableness and consistency of the assumptions used with the economic environment at the reporting dates and at the date the financial statements were prepared,
  - for the entity concerned, comparing cash flow forecasts adjusted for the debt with the carrying amount of the investment in the balance sheet;
- assessing the recoverability of the related loans and advances in light of the measurements performed on the equity investments.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by the laws and regulations.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS WITH RESPECT TO THE FINANCIAL POSITION AND THE FINANCIAL STATEMENTS PROVIDED TO THE SHAREHOLDERS

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in article D. 441-6 of the French Commercial Code.

CORPORATE GOVERNANCE REPORT

We attest that the Board of Directors' report on corporate governance sets out the information required by articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L. 22-10-9 of the French Commercial Code relating to remunerations and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the scope of consolidation. Based on these procedures, we attest to the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to article L. 22-10-11 of the French Commercial Code (*Code de commerce*) we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the purchases of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

FORMAT OF PRESENTATION OF THE FINANCIAL STATEMENTS INTENDED TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

We have also verified, in accordance with the professional standards applicable in France relating to the procedures performed by Statutory Auditors relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are consistent with those on which we have performed our work.

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed Statutory Auditors of Lagardère SA by the Annual General Meetings held on 20 June 1996 for Mazars and on 18 April 2023 for Deloitte & Associés.

As at 31 December 2023, Mazars and Deloitte & Associés were in the 28th consecutive year and 1st year of their engagement, respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Company is expected to be wound up or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of the internal control and risk management systems and, where applicable, its internal audit regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

OBJECTIVE AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in article L. 821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgement throughout the audit, and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by articles L. 821-27 to L. 821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence and the related safeguards.

French language original signed at Paris-La Défense, on 20 March 2024

The Statutory Auditors

Mazars	**Deloitte & Associés**
Simon Beillevaire	Ariane Bucaille
Romain Maudry	

5.7 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AFR

To the General Meeting of Lagardère SA,

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Lagardère SA for the year ended 31 December 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2023 to the date of our report, and, specifically, we did not provide any prohibited non audit services referred to in article 5 (1) of Regulation (EU) 537/2014.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

MEASUREMENT OF THE RECOVERABLE AMOUNT OF GOODWILL

(Notes 3.7, 3.12 and 10 to the consolidated financial statements)

Risk identified

The carrying amount of goodwill on the balance sheet was €1,695 million as at 31 December 2023, representing 18% of total assets on the consolidated balance sheet.

As indicated in Note 3.7 to the consolidated financial statements, goodwill is tested for impairment at each year-end or whenever there is an indication that its value may be impaired.

As indicated in Note 3.12 to the consolidated financial statements, these impairment tests are performed at the level of the cash-generating units (CGUs) to which goodwill is allocated, corresponding to the level at which they are monitored by management for internal reporting purposes.

Impairment testing consists of comparing the carrying amount of assets falling within the scope of IAS 36 with their recoverable amount. When the recoverable amount of an asset is lower than the carrying amount, an impairment loss is recognised in the income statement. The recoverable amount is the higher of (i) value in use, calculated using the discounted future cash flows produced by the cash-generating unit to which the goodwill is allocated, and (ii) fair value less costs to sell, calculated using market comparables or where required, by reference to recent transactions for comparable assets.

Cash flow projections used to test the value of assets are based on business plans drawn up at the reporting date, generally covering a period of five years. They are presented to the Board of Directors. For some Lagardère Travel Retail CGUs, the projection periods used may be extended beyond five years to take into account of the term of concession agreements. Business plans are based on key assumptions and assessments that reflect the impact of the economic environment, and in particular the trends in the markets in which the Group operates. The cash flows are discounted using a post-tax discount rate specific to each business. A long-term growth rate – which is also specific to each business – is used for periods beyond those covered in the budgets.

As (i) the carrying amount of goodwill is material to the consolidated financial statements and (ii) impairment tests are sensitive to certain inputs and assumptions that require management's judgement (perpetuity growth rates, discount rates, trends in the markets in which the Group operates, etc.) and that underpin forecast cash flows, we considered the measurement of the recoverable amount of goodwill to be a key audit matter.

Our response

Our work also consisted in:

- familiarising ourselves with management's process for measuring the recoverable amount of goodwill and assessing the principles and methods used to determine the recoverable amounts of the cash-generating units (CGUs) to which goodwill was allocated;
- assessing the reasonableness of the cash flow forecasts compared to the economic and financial environments of the most sensitive CGUs;
- assessing the consistency of these cash flow forecasts with the latest management estimates as presented to your Board of Directors as part of the budget process, taking into account the market outlook, particularly for the Lagardère Travel Retail CGUs for which the projections were extended to 2033 to take account of the term of concession agreements in the forecast cash flows;

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

- assessing, with the help of our valuation specialists, the relevance of the measurement models used, the reasonableness of the assumptions applied to the forecast cash flows, primarily long-term growth rates and discount rates, with regard to market analyses, the consensus of the main players and the economic environment in the countries in which the Group operates. We also verified the arithmetical accuracy of these models.

We also examined the appropriateness of the information provided in Notes 3.12 and 10 to the consolidated financial statements, and verified the arithmetical accuracy of the sensitivity analyses presented.

ESTIMATED RETURNS INCLUDED IN REVENUE RECOGNITION FOR LAGARDÈRE PUBLISHING

(Notes 3.1 and 31 to the consolidated financial statements)

Risk identified

The recognition of revenue by the Lagardère Publishing division is subject to management estimates, mainly concerning returns representing distributors' rights to return unsold copies to the division, which amounted to €265 million as at 31 December 2023.

The related accounting principles are described in Notes 3.1 and 31 to the consolidated financial statements. The estimated amount of returns represents a refund liability recognised in other current liabilities as a deduction from revenue, estimated on the basis of sales invoiced during the year and of historical data regarding returns. This estimate is calculated on a statistical basis using the observed rate of returns for the previous year, adjusted for fluctuations in sales volumes and changes in the operating environment during the current year.

Given the significance of estimated returns, and of the assumptions and areas of management judgement involved in their calculation, we deemed estimated returns included in revenue recognition for Lagardère Publishing to be a key audit matter.

Our response

Our audit procedures involved:

- understanding processes and testing key controls implemented by management over the sales process, including the processing of returns, as well as the calculation methodology and main assumptions used to estimate returns at year-end;
- with the help of our data analysis specialists, assessing the reasonableness of the assumptions used to calculate the basis for returns, such as the period during which returns are observed following sales;
- reconciling, using sampling techniques, the sales and returns data used in the calculation with the accounting records from which they were taken;
- verifying the correct application of the statistical method used and the arithmetical accuracy of the calculations made;
- identifying and analysing, on a test basis, certain situations giving rise to manual adjustments.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information on the Group in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

We attest that the information on the Group in the management report of the Board of Directors includes the consolidated non-financial statement required under article L. 225-102-1 of the French Commercial Code. However, in accordance with article L. 823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

FORMAT OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS INTENDED TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

We have also verified, in accordance with the professional standards applicable in France relating to the procedures performed by Statutory Auditors relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to block tagging the consolidated financial statements in the European single electronic reporting format, the content of some of the tags in the notes may not be rendered identically to the accompanying consolidated financial statements.

In addition, it is not our responsibility to ensure that the consolidated financial statements to be included by the Company in the annual financial report filed with the French financial markets authority correspond to those on which we carried out our work.

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed Statutory Auditors of Lagardère SA by the Annual General Meeting held on 20 June 1996 for Mazars and on 18 April 2023 for Deloitte & Associés.

As at 31 December 2023, Mazars and Deloitte & Associés were was in the 28th consecutive year and 1st year of their engagement, respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Company is expected to be wound up or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of the internal control and risk management systems and, where applicable, its internal audit regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OBJECTIVE AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in article L. 821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgement throughout the audit, and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures in response to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by articles L. 821-27 to L. 821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence and the related safeguards.

French language original signed at Paris-La Défense, on 20 March 2024

The Statutory Auditors

Mazars	**Deloitte & Associés**
Simon Beillevaire	Ariane Bucaille
Romain Maudry	

5.8 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

AFR

To the General Meeting of Lagardère SA,

In our capacity as Statutory Auditors of your Company, we hereby present to you our report on related-party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements disclosed to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements prior to their approval.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) related to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the relevant source documents.

AGREEMENT SUBMITTED FOR APPROVAL TO THE GENERAL MEETING

AGREEMENT AUTHORISED DURING THE YEAR ENDED 31 DECEMBER 2023

Pursuant to article L. 225-40 of the French Commercial Code, we were notified of the following agreement entered into during the year ended 31 December 2023 and previously approved by your Board of Directors.

MEMORANDUM OF UNDERSTANDING RELATING TO LAGARDÈRE RADIO SCA

People involved

Arnaud Lagardère, Chairman and Chief Executive Officer of Lagardère SA and indirectly General Partner and personally Managing Partner of Lagardère Radio SCA.

Terms, nature and purpose

A Memorandum of Understanding between certain shareholders of Lagardère Radio SAS, namely Lagardère Active SAS, Lagardère Media SAS and Lagardère Media News SAS, and Arnaud Lagardère, in the presence of Lagardère Radio SAS, Arcole Développement SAS and Lagardère SA, previously authorised by the Board of Directors on 16 October 2023, was signed on 26 October 2023.

It sets out the basis for making Lagardère's radio unit (Europe 1, Europe 2 and RFM) autonomous, by converting Lagardère Radio SAS into a French partnership limited by shares (*société en commandite par actions* – SCA), of which Arnaud Lagardère became indirectly General Partner and personally Managing Partner (hereinafter the "**Memorandum of Understanding**"). In this dual capacity, Arnaud Lagardère is solely responsible for supervising the management and teams of the radio division and is the ultimate decision-maker on editorial policy.

This transaction is financially neutral for the Lagardère group. The radio unit remains in the Lagardère group's scope of consolidation for tax and accounting purposes. In particular, it does not result in any transfer of value to Arnaud Lagardère. Any remuneration or dividends received by Arnaud Lagardère as General and Managing Partner, both subject to a ceiling, will be deducted from his remuneration as Chairman and Chief Executive Officer of Lagardère SA.

The Memorandum of Understanding allows Lagardère SA to regain control of Lagardère Radio SCA and therefore of the radio unit, by acquiring the General Partner for a nominal price as of 2027, subject to prior Arcom approval. The company may also regain control ahead of this time under exceptional circumstances, such as the death or incapacity of Arnaud Lagardère or his resignation as Chairman and Chief Executive Officer of the Company.

REASONS WHY THE MEMORANDUM OF UNDERSTANDING IS IN THE INTEREST OF THE COMPANY

The Board of Directors has determined that the Memorandum of Understanding is in the Company's best interests, insofar as making the radio unit autonomous is part of the commitment to preserve and maintain the integrity, sustainability and managerial continuity of the Lagardère group. Accordingly, it will remain under the management of Arnaud Lagardère.

AGREEMENTS PREVIOUSLY APPROVED BY THE GENERAL MEETING

AGREEMENTS APPROVED IN PREVIOUS YEARS THAT REMAINED IN FORCE DURING THE YEAR

In application of article R. 225-30 of the French Commercial Code, we were informed that the following agreements, approved by the General Meeting in previous years, remained in force during the year ended 31 December 2023.

SERVICE AGREEMENT BETWEEN LAGARDÈRE MANAGEMENT AND LAGARDÈRE RESSOURCES AND ITS VARIOUS AMENDMENTS.

People involved

- Arnaud Lagardère, Chairman and Chief Executive Officer of Lagardère SA, and Chairman of Lagardère Management;
- Pierre Leroy, Deputy Chief Executive Officer of Lagardère SA, Chief Executive Officer of Lagardère Management and Chairman of Lagardère Ressources, a subsidiary controlled by the Lagardère SA.

Terms, nature and purpose

Under an agreement signed in 1988 by Lagardère Capital & Management with Matra and Hachette, Lagardère Capital & Management provides a range of resources and skills specific to general strategy, international development, company operations, and management of financing, human potential and corporate image (the "Service Agreement"). All senior executives working at Lagardère Capital & Management are members of the executive bodies of the Group and of its principal subsidiaries.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

The remuneration of Lagardère Capital & Management was modified with effect from 1 July 1999 by an amendment approved in principle by the Supervisory Board on 22 September 1999 and in its final version on 22 March 2000. It was again modified by an amendment approved by the Supervisory Board on 12 March 2004, with retroactive effect from 1 January 2004.

On 31 August 2020, under the terms of a partial asset contribution transaction involving the transfer of all the assets and liabilities of the contributed business segment, Lagardère Management automatically replaced Lagardère Capital & Management (now Lagardère Capital) in the performance of the Service Agreement.

Following the various reorganisations that have taken place since 1988, this agreement is now between Lagardère Management and Lagardère Ressources.

Pursuant to an amendment signed on 28 December 2022 after authorisation by the Board of Directors on 9 December 2022 and approved by the General Meeting of 18 April 2023, the remuneration (excluding tax) paid to Lagardère Management by Lagardère Ressources in return for the services set out in the Service Agreement was amended with effect from 1 January 2023, to the effect that the remuneration for a given financial year is now equal to the sum of the following items, with no margin applied:

(i) remuneration, benefits, indemnities and compensation of any kind paid by Lagardère Management to its employees providing services to General Management and the Central Directors of the Lagardère group as they discharge their roles and responsibilities, including provisions set aside or paid in respect of the new "vested benefits" pension plan (the "New Pension Plan"), and the associated various payroll taxes and other levies;

(ii) the amount of fees for administrative and accounting services paid to Lagardère Ressources under the Service Agreement, under which Lagardère Ressources provides services related to the work environment along with administrative and accounting services to Lagardère Management, which does not have its own resources;

(iii) the Statutory Auditors' fees paid by Lagardère Management; and

(iv) expenses, taxes and other costs and fees incurred by Lagardère Management in the performance of its duties.

The Amendment also provides for (i) the definitive and unconditional waiver by Lagardère Management of its claim against Lagardère Ressources or any other Lagardère group entity for the settlement of sums already paid or that may be due under the conditional benefit pension plan closed in 2019 (the "Former Pension Plan") and (ii) Lagardère Management's undertaking to use its best efforts to obtain the refund of and repay Lagardère Ressources any surplus sums that may remain in the Former Pension Plan's collective fund after having settled the pension benefits owed to the last beneficiary.

This commitment continues to be valid after the Service Agreement expires and will remain in force until 31 December 2045.

For 2023, the remuneration payable to Lagardère Management by Lagardère Ressources under this Agreement amounted to €12.5 million.

CLEAN TEAM CONFIDENTIALITY AND COOPERATION AGREEMENT BETWEEN LAGARDÈRE SA AND VIVENDI SE

People involved

- Vivendi SE, a shareholder of the Company holding more than 10% of the voting rights.
- Arnaud de Puyfontaine, Chairman of the Management Board of Vivendi SE and member of the Board of Directors of Lagardère SA.

Terms, nature and purpose

At its meeting on 17 December 2021, the Board of Directors authorised, after review, the signature of a Clean Team confidentiality and cooperation agreement on 20 December 2021 between the Company and Vivendi SE (the "Clean Team Agreement"). The purpose of this agreement was to put in place the necessary framework and legal safeguards, in compliance with competition law, in order to allow for the exchange between Vivendi SE and the Company of the information necessary for the preparation of the regulatory notifications required under regulations applicable to mergers and foreign investments in connection with the planned mandatory public tender offer resulting from the acquisition by Vivendi SE of the stake held by the funds managed by Amber Capital in the Company.

In this context, an independent third party was appointed by Lagardère SA and Vivendi SE, at the exclusive cost of the latter, to ensure (under the supervision of the parties' external legal advisors) the implementation and management of Lagardère SA and Vivendi SE "clean teams" which will be able to receive and analyse the other party's confidential information.

The signature of the Clean Team Agreement gave rise to no financial obligations for the Company.

The Clean Team Agreement expired on 21 November 2023, the date on which Vivendi SE took over the Company.

French language original signed at Paris-La Défense, on 20 March 2024

The Statutory Auditors

Mazars	**Deloitte & Associés**
Simon Beillevaire	Ariane Bucaille
Romain Maudry	

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6 ADDITIONAL INFORMATION

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6.2 PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE UNIVERSAL REGISTRATION DOCUMENT 326

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Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

6.1 GENERAL INFORMATION ABOUT THE ISSUER

6.1.1 COMPANY NAME AND COMMERCIAL NAME

Company name: Lagardère SA

Commercial name: Lagardère

6.1.2 REGISTERED OFFICE, ADDRESS, TELEPHONE, WEBSITE

Registered office:

4 rue de Presbourg, 75116 Paris, France

Website:

www.lagardere.com

Postal address:

4 rue de Presbourg, 75116 Paris, France

Telephone:

+33 (0)1 40 69 16 00

6.1.3 LEGAL FORM AND GOVERNING LAW

Lagardère is a joint-stock company (*société anonyme*) governed by French law.

6.1.4 PLACE OF REGISTRATION AND REGISTRATION NUMBER

Registered with the Paris Trade and Companies Registry under number 320 366 446.

Legal Entity Identifier: 969500VX2NV2AQQ65G45

6.1.5 DATE OF INCORPORATION AND TERM OF THE COMPANY

Lagardère was incorporated on 24 September 1980.

Its term will expire on 15 December 2079.

6.2 PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE UNIVERSAL REGISTRATION DOCUMENT

▸ Arnaud Lagardère, Chairman and Chief Executive Officer.

6.3 STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AFR

I hereby declare that the information set out in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that to the best of my knowledge, the financial statements have been prepared in compliance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the entities included in the consolidation, and that the accompanying management report (see the cross-reference tables in section 7.2 for the list of components) provides a fair view of the business, results of operations and financial position of the Company and all the entities included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Paris, 20 March 2024

Arnaud Lagardère
Chairman and Chief Executive Officer

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

6.4 DETAILS OF THE STATUTORY AUDITORS

	First appointed	End of current term of office
Statutory		
Deloitte & Associés represented by Ariane Bucaille 6 place de la Pyramide - 92908 Paris-La Défense Member of the Versailles Regional Institute	18 April 2023	2029
Mazars represented by Simon Beillevaire and Romain Maudry 61 rue Henri Regnault - 92075 Paris-La Défense Member of the Versailles Regional Institute	20 June 1996	2026

6.5 DOCUMENTS ON DISPLAY

The person responsible for this Universal Registration Document attests that during the validity of this Universal Registration Document the following documents will be freely accessible on the Company's website (www.lagardere.com) in the following sections:

- "Investor Relations – Regulated Information":
  - annual financial reports/universal registration documents for the last ten years;
  - interim financial reports for the last ten years;
  - monthly information on the share capital and voting rights;
  - information on share buybacks;
  - description of share buyback programmes.
- "Shareholders and Investors – Shareholders' Meetings":
  - General Meeting documents for the last ten years.
- "Shareholders and Investors – Governance":
  - the latest version of the Company's Articles of Association.

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CROSS-REFERENCE TABLES

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7.4 CROSS-REFERENCE TABLE WITH THE NON-FINANCIAL STATEMENT 340

7.1 CROSS-REFERENCE TABLE WITH THE ANNUAL FINANCIAL REPORT

The Annual Financial Report prepared in accordance with article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and article 222-3 of the General Regulations of the French financial markets authority (*Autorité des marchés financiers — AMF*) comprises the information, documents and reports listed below, which are presented in the chapters, sections and pages indicated of the accompanying Universal Registration Document.

Parent company financial statements for 2023	**Section 5.5**	**302**
Consolidated financial statements for 2023	**Section 5.3**	**210**
Management report (minimum disclosures as defined in article 222-3 of the General Regulation of the AMF)	See management report cross-reference table below	
Statement by the persons responsible for the information (Statement by the persons responsible for the Annual Financial Report and Universal Registration Document)	**Chapter 6.3**	**326**
Statutory Auditors' report on the Company's financial statements	**Section 5.6**	**316**
Statutory Auditors' report on the consolidated financial statements	**Section 5.7**	**319**
▶ Fees paid to the Statutory Auditors	Section 5.3 (note 37 to the consolidated financial statements)	287

7.2 CROSS-REFERENCE TABLE WITH THE MANAGEMENT REPORT

	Mandatory disclosures	Applicable laws and standards	Section
①	**COMPANY'S FINANCIAL POSITION AND BUSINESSES**		
1.1	Position of the Company over the year and objective and comprehensive analysis of the changes in business, results and financial position of the Company and the Group, in particular its debt situation, in relation to the volume and complexity of its business	Articles L. 225-100-1, I, 1°, L. 232-1, II, L. 233-6 and L. 233-26 of the French Commercial Code	1.3/1.5/5.2
1.2	Key financial performance indicators	Article L. 225-100-1, I, 2° of the French Commercial Code	5.2
1.3	Key non-financial performance indicators relating to the Company's and the Group's specific operations, including information on environmental and personnel issues	Article L. 225-100-1, I, 2° of the French Commercial Code	2.2.3/2.3
1.4	Material events arising between the end of the reporting period and the date of the management report	Articles L. 232-1, II and L. 233-26 of the French Commercial Code	1.6.1
1.5	Names of the major shareholders and holders of voting rights at General Meetings, and changes during the year	Article L. 233-13 of the French Commercial Code	3.8.8
1.6	Existing branches	Article L. 232-1, II of the French Commercial Code	-
1.7	Significant shareholdings acquired in companies with their registered office in France	Article L. 233-6, paragraph 1 of the French Commercial Code	1.5.1
1.8	Transfers of cross-holdings	Articles L. 233-29, L. 233-30 and R. 233-19 of the French Commercial Code	-
1.9	Projected development of the Company's and the Group's situation and future prospects	Articles L. 232-1, II and L. 233-26 of the French Commercial Code	1.7
1.10	Research and development activities	Articles L. 232-1, II and L. 233-26 of the French Commercial Code	1.3
1.11	Table of the Company's financial results over each of the last five years	Article R. 225-102 of the French Commercial Code	5.5.1
1.12	Information on payment deadlines for suppliers and clients	Article D. 441-4 of the French Commercial Code	5.4.3
1.13	Amount of inter-company loans granted and the Statutory Auditor's statement	Articles L. 511-6 and R. 511-2-1-3 of the French Monetary and Financial Code	-
②	**INTERNAL CONTROL AND RISK MANAGEMENT**		
2.1	Description of the main risks and contingencies to which the Company is exposed	Article L. 225-100-1, I, 3° of the French Commercial Code	4.1
2.2	Information on financial risks linked to climate change and measures taken to reduce them by implementing a low-carbon strategy throughout all components of the business	Article L. 22-10-35, 1° of the French Commercial Code	2.3.3.1 4.1.5

	Mandatory disclosures	Applicable laws and standards	Section
2.3	Main internal control and risk management procedures put in place by the Company and by the Group, in particular those relating to the preparation and processing of accounting and financial information	Article L. 22-10-35, 2° of the French Commercial Code	4.2
2.4	Information on the objectives and policy regarding the hedging of each major category of transactions and the exposure to price, credit, liquidity and cash risks, including the use of financial instruments	Article L. 225-100-1, 4° of the French Commercial Code	See note 29 to the consolidated financial statements
2.5	Anti-corruption measures	French Act no. 2016-1691 of 9 December 2016 ("Sapin II")	2.3.4.1
2.6	Duty of care plan and report on its effective implementation	Article L. 225-102-4 of the French Commercial Code	2.7

3 CORPORATE GOVERNANCE REPORT

Information on remuneration

3.1	Remuneration policy with regard to corporate officers	Article L. 22-10-8, I, paragraph 2 of the French Commercial Code	3.5.1/3.6.1
3.2	Remuneration and benefits in kind paid during the financial year or granted in respect of the financial year to each corporate officer	Article L. 22-10-9, I, 1° of the French Commercial Code	3.5.2/3.6.2
3.3	Relative proportion of fixed and variable remuneration	Article L. 22-10-9, I, 2° of the French Commercial Code	3.5.1.2 3.5.2.1
3.4	Possibility to request repayment of variable remuneration	Article L. 22-10-9, I, 3° of the French Commercial Code	N/A
3.5	Commitments of any kind entered into by the Company for the benefit of its corporate officers concerning the remuneration, compensation and benefits that would be due or potentially due on or following their appointment, loss of office or change in position	Article L. 22-10-9, I, 4° of the French Commercial Code	3.5.1.2.C C) 3.5.2.1 G
3.6	Remuneration paid or allocated by a company included in the scope of consolidation within the meaning of article L. 233-16 of the French Commercial Code	Article L. 22-10-9, I, 5° of the French Commercial Code	3.5.1.1
3.7	Ratios between the level of remuneration of each executive corporate officer and the average and median remuneration of Company employees	Article L. 22-10-9, I, 6° of the French Commercial Code	3.5.2.2
3.8	Annual changes in remuneration, Company performance, average remuneration of Company employees and the above ratios over the last five years	Article L. 22-10-9, I, 7° of the French Commercial Code	3.5.2.2
3.9	How total remuneration complies with the adopted remuneration policy, including how it contributes to the long-term performance of the Company and how the performance criteria have been applied	Article L. 22-10-9, I, 8° of the French Commercial Code	3.5.2/3.6.2
3.10	Way in which the results of voting at the last Ordinary General Meeting have been taken into account, pursuant to article L. 22-10-34, I of the French Commercial Code	Article L. 22-10-9, I, 9°of the French Commercial Code	3.5.2/3.6.2
3.11	Non-compliance with the procedure for implementing the remuneration policy and any deviation from the procedure	Article L. 22-10-9, I, 10° of the French Commercial Code	3.5.2/3.6.2
3.12	Application of the provisions of article L. 225-45, paragraph 2 of the French Commercial Code (suspension of payment of directors' remuneration in the event of lack of gender diversity on the Board of Directors)	Article L. 22-10-9, I, 11° of the French Commercial Code	N/A

	Mandatory disclosures	Applicable laws and standards	Section
3.13	Stock options granted to and held by corporate officers	Article L. 225-185 of the French Commercial Code	N/A
3.14	Free shares granted to and held by executive corporate officers	Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code	3.5.1.3/3.5.1.4 3.5.2/3.8.9
	Information on governance		
3.15	List of positions held and duties performed by each corporate officer in all companies during the reporting period	Article L. 225-37-4, 1° of the French Commercial Code	3.2.1.1.B
3.16	Agreements entered into between a corporate officer or a significant shareholder and a subsidiary	Article L. 225-37-4, 2° of the French Commercial Code	3.3.2/3.7
3.17	Summary table showing delegations granted by the General Meeting to increase the share capital currently in force	Article L. 225-37-4, 3° of the French Commercial Code	3.8.4
3.18	General management procedures	Article L. 225-37-4, 4° of the French Commercial Code	3.1.2
3.19	Membership, preparation and organisation of the work of the Board	Article L. 22-10-10, 1° of the French Commercial Code	3.2.1/3.2.2 3.2.3/3.2.4
3.20	Application of the principle of a balanced gender mix on the Board	Article L. 22-10-10, 2° of the French Commercial Code	3.2.1.1.D
3.21	Limitations that the Board may put on the powers of the Chief Executive Officer	Article L. 22-10-10, 3° of the French Commercial Code	3.1.2.3
3.22	Reference to a corporate governance Code and application of the "comply or explain" principle	Article L. 22-10-10, 4° of the French Commercial Code	3.1.1/3.2.7
3.23	Specific conditions for shareholder participation in the General Meeting	Article L. 22-10-10, 5° of the French Commercial Code	3.10.1
3.24	Procedure for assessing agreements entered into in the ordinary course of business and at arm's length conditions	Article L. 22-10-10, 6° of the French Commercial Code	3.2.2/3.2.3
3.25	Information likely to have an impact in the event of a public offer or exchange offer	Article L. 22-10-11 of the French Commercial Code	3.9
4	**OWNERSHIP STRUCTURE AND SHARE CAPITAL**		
4.1	Ownership structure, changes in the Company's share capital and threshold crossings	Article L. 233-13 of the French Commercial Code	3.8.1/3.8.8.1 3.8.8.2
4.2	Purchase and sale of treasury shares	Article L. 225-211 of the French Commercial Code	3.8.2
4.3	Employee share ownership at the period end (proportion of share capital represented)	Article L. 225-102, paragraph 1 of the French Commercial Code	3.8.8.1
4.4	Any adjustments made to securities giving rights to share capital in the event of share buybacks or financial transactions	Articles R. 228-90 and R. 228-91 of the French Commercial Code	-
4.5	Information on transactions by executive corporate officers and related persons in the Company's shares	Article L. 621-18-2 of the French Monetary and Financial Code	3.3.5
4.6	Dividends paid during the last three financial years	Article 243 bis of the French Tax Code	5.1/3.8.6.2

	Mandatory disclosures	Applicable laws and standards	Section
5	**NON-FINANCIAL STATEMENT**		
5.1	Business model	Articles L. 225-102-1 and R. 225-105, I of the French Commercial Code	1.3/2.1
5.2	Description of the main risks related to the business activity of the Company or the Group including, when relevant and proportional, the risks created by business relationships, the products or services	Articles L. 225-102-1 and R. 225-105, I, 1° of the French Commercial Code	4.1
5.3	Information on the manner in which the Company or the Group takes into account the social and environmental consequences of its business activity and the effects of this business activity in relation to respect for human rights and the fight against corruption (description of the policies implemented and reasonable diligence procedures implemented to prevent, identify and mitigate the main risks related to the business activity of the Company or the Group)	Articles L. 225-102-1, III, R. 225-104 and R. 225-105, I, 2° of the French Commercial Code	2.3/2.3.1 2.3.3/2.3.4
5.4	Results of the policies implemented by the Company or the Group, including key performance indicators	Articles L. 225-102-1 and R. 225-105, I, 3° of the French Commercial Code	2.3
5.5	Labour information (employment, work organisation, health and security, social relations, training, equal treatment)	Articles L. 225-102-1 and R. 225-105, II A. 1° of the French Commercial Code	2.3.1
5.6	Environmental information (general policy on environmental, pollution, circular economy, climate change matters)	Articles L. 225-102-1 and R. 225-105, II A. 2° of the French Commercial Code	2.3.3
5.7	Societal information (societal commitments in support of sustainable development, subcontracting and suppliers, fair practices)	Articles L. 225-102-1 and R. 225-105, II A. 3° of the French Commercial Code	2.2.1/2.2.2/2.2.3 2.3.2/2.3.4
5.8	Information related to measures to prevent corruption	Articles L. 225-102-1 and R. 225-105, II B. 1° of the French Commercial Code	2.3.4
5.9	Information related to measures to promote human rights	Articles L. 225-102-1 and R. 225-105, II B. 2° of the French Commercial Code	2.3.3.1.5
5.10	Specific disclosures: - the Company's technological accident risk prevention policy - the Company's ability to cover its civil liability in terms of property and people due to classified facilities - resources provided to oversee the processing of victim compensation in the event of a technological accident for which the Company may be held liable	Article L. 225-102-2 of the French Commercial Code	-
5.11	Collective agreements signed by the Company and their impact on its economic performance, as well as employee health, safety and working conditions	Articles L. 225-102-1, III and R. 225-105 of the French Commercial Code	2.3.1
5.12	Certificate issued by the independent third party on the information presented in the non-financial statement	Articles L. 225-102-1, III and R. 225-105-2 of the French Commercial Code	2.6
6	**OTHER INFORMATION**		
6.1	Additional tax information	Articles 223 *quater* and 223 *quinquies* of the French Tax Code	5.4.3
6.2	Injunctions or penalties for anti-competitive practices	Article L. 464-2 of the French Commercial Code	5.3 (note 34 to the consolidated financial statements)

7.3 CROSS-REFERENCE TABLE FOR THE UNIVERSAL REGISTRATION DOCUMENT WITH ANNEX 1 OF EUROPEAN REGULATION 2019/980

Information		Section[1]
1	**PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL**	
1.1	Persons responsible for the Universal Registration Document	6.2
1.2	Statement by the persons responsible for the Universal Registration Document	6.3
1.3	Statement by experts	-
1.4	Third party information	-
1.5	Statement of approval of the Universal Registration Document	-
2	**STATUTORY AUDITORS**	
	Statutory Auditors for the period covered by the historical financial information	6.4
3	**RISK FACTORS**	
	Provide a description of the material risks that are specific to the Company, in a limited number of categories, in a section headed "Risk factors"	4.1
4	**INFORMATION ABOUT THE ISSUER**	
4.1	Legal and commercial name of the Company	6.1.1
4.2	Place of registration of the Company, its registration number and legal entity identifier ('LEI')	6.1.4
4.3	Date of incorporation and length of life of the Company	6.1.5
4.4	Domicile and legal form of the Company, the legislation under which the Company operates, its country of incorporation, the address and telephone number of its registered office and website of the Company	6.1.2/6.1.3
5	**BUSINESS OVERVIEW**	
5.1	Principal activities	
	5.1.1 Description of the Company's operations and principal activities	1.3
	5.1.2 Significant new products and/or services that have been introduced	1.3
5.2	Principal markets	1.3/5.3 (notes 5.1, 5.2 and 6 to the consolidated financial statements)
5.3	Important events in the development of the Company's business	1.3
5.4	Strategy and objectives	1.3
5.5	Extent (if any) to which the Company is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	4.1.3.2/1.5.2
5.6	Basis for any statements made by the Company regarding its competitive position	1.3 (footnotes)

(1) Refers to chapter and section numbers of the Universal Registration Document.

Information			Section[1]
5.7	Investments		
	5.7.1	Material investments of the Company for each financial year for the period covered by the historical financial information up to the date on which the Universal Registration Document was filed	1.4/1.5.1
	5.7.2	Material investments of the Company that are in progress or for which firm commitments have already been made, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external)	1.4/1.5 and 5.3 (note 5.2 to the consolidated financial statements)
	5.7.3	Joint ventures and undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	-
	5.7.4	Environmental issues that may affect the Company's utilisation of its property, plant and equipment	-
6	**ORGANISATIONAL STRUCTURE**		
6.1	Brief description of the Group and the Company's position within the Group		1.2
6.2	List of the Company's significant subsidiaries		1.2
7	**OPERATING AND FINANCIAL REVIEW**		**5.2**
7.1	Financial position		
	7.1.1	Fair review of the development and performance of the Company's business as a whole, and of its position for each year and interim period for which historical financial information is required, including the causes of material changes	5.2.1/5.2.2
	7.1.2	Indications of: a) the Company's likely future development b) activities in the field of research and development	1.7
	7.2.1	Significant factors materially affecting the Company's income from operations	5.2.1/5.2.2
	7.2.2	Explanation of changes in sales or revenues	5.2.1/5.2.2
8	**CAPITAL RESOURCES**		
8.1	Information concerning capital resources		5.3 (note 26 to the consolidated financial statements)
8.2	Sources and amounts of the Company's cash flows		5.3 (note 25 to the consolidated financial statements)
8.3	Information on the Company's borrowing requirements and funding structure		5.3 (note 28 to the consolidated financial statements)
8.4	Any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Company's operations		5.3 (note 26 to the consolidated financial statements)
8.5	Anticipated sources of funds needed to fulfil commitments referred to in item 5.7.2		1.5.2

(1) Refers to chapter and section numbers of the Universal Registration Document.

Information		Section[1]
9	**REGULATORY ENVIRONMENT**	
9.1	Regulatory environment that the Company operates in and that may materially affect its business – Any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the Company's operations	1.3.1.B/1.3.2.B 1.3.3.1.B/1.3.3.2.B/ 1.3.3.3.B/1.3.3.4.B
10	**TREND INFORMATION**	
10.1	Provide a description of: a) the most significant recent trends affecting the business since the end of the last financial year b) any major change in the financial performance of the Group since the end of the last financial period, or provide an appropriate negative statement	1.6
10.2	Known trends, uncertainties, constraint, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year	1.6.3
11	**PROFIT FORECASTS OR ESTIMATES**	
11.1	Any published profit forecast or profit estimate (which is still outstanding and valid). If a profit forecast or profit estimate has been published and is still outstanding, but no longer valid, provide a statement to that effect	1.8
11.2	This new profit forecast or estimate shall be clear and unambiguous and contain a statement setting out the principal assumptions upon which the Company has based its forecast or estimate	-
11.3	Statement that the profit forecast or estimate has been compiled and prepared on a basis which is both: a) comparable with the historical financial information b) consistent with the Company's accounting policies	-
12	**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**	
12.1	Information on members of the administrative and management bodies	3.2/3.3/3.4
12.2	Conflicts of interests and/or other duties Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 12.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management Details of any restrictions agreed by the persons referred to in item 12.1 on the disposal within a certain period of time of their holdings in the Company's securities	3.3
13	**REMUNERATION AND BENEFITS**	
13.1	Remuneration of senior executives and members of the Board of Directors and Supervisory Board	3.5/3.6
13.2	Provisions for pension, retirement or similar benefits	3.5/3.6

(1) Refers to chapter and section numbers of the Universal Registration Document.

Information		Section[1]
14	**BOARD PRACTICES**	
14.1	Date of expiry of the current term of office	3.2.1.1
14.2	Service contracts	3.3.2/3.7
14.3	Information about the Company's Audit Committee and Remuneration Committee	3.2.4
14.4	Compliance with the corporate governance regime(s) applicable to the Company	3.2.7
14.5	Potential material impacts on corporate governance, including future changes in the composition of the Board and the Board Committees	3.2.1.1.C
15	**EMPLOYEES**	
15.1	Number of employees: breakdown of persons employed by main category of activity and geographic location; temporary employees	2.1/2.4
15.2	Shareholdings and stock options With respect to each person referred to in points a) and d) of the first sub-paragraph of item 12.1, provide information as to their share ownership and any options over such shares in the Company as of the most recent practicable date	3.2.2.1/3.5.2.2/3.8.9
15.3	Arrangements for involving employees in the Company's capital	3.8.9
16	**MAJOR SHAREHOLDERS**	
16.1	Notifiable shareholdings	3.8.8
16.2	Voting rights of major shareholders	3.8.8.4
16.3	Control of the Company: nature of such control	3.8.8
16.4	Arrangements, the operation of which may result in a change in control of the Company	3.8.8
17	**RELATED-PARTY TRANSACTIONS**	
17.1	Details of related-party transactions	3.3.2/3.7/5.3 (see note 35 to the consolidated financial statements)
18	**FINANCIAL INFORMATION CONCERNING THE COMPANY'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**	
18.1	Historical financial information	5.1.1/5.3 (note 39) and 5.5
18.2	Interim and other financial information	-
18.3	Auditing of historical annual financial information	-
	18.3.1 Auditing of historical annual financial information	5.6/5.7
	18.3.2 Other information audited by the Statutory Auditors	5.8/7.2
	18.3.3 Financial information not taken from the Company's audited financial statements	-
18.4	Pro forma financial information	-

(1) Refers to chapter and section numbers of the Universal Registration Document.

Information			Section[1]
18.5	Dividend policy		5.1
	18.5.1	Description of the Company's policy on dividend distributions and any restrictions thereon	5.1.3
	18.5.2	Amount of the dividend per share adjusted, where the number of shares in the Company has changed, to make it comparable	5.1.3
18.6	Legal and arbitration proceedings (last twelve months)		5.3 (note 34)
18.7	Significant change in the Company's financial position which has occurred since the end of the last financial period		1.6.2
19	**ADDITIONAL INFORMATION**		
19.1	Share capital		3.8
	19.1.1	Authorised capital, subscribed capital	3.8.1/3.8.4
	19.1.2	Shares not representing capital	-
	19.1.3	Shares in the Company held by the Company itself or by its subsidiaries	3.8.2
	19.1.4	Convertible securities, exchangeable securities or securities with warrants attached	3.8.3
	19.1.5	Terms of any acquisition rights and/or obligations over authorised but unissued capital, or an undertaking to increase the capital	-
	19.1.6	Any capital of any member of the Group which is under option	3.8.7
	19.1.7	A history of share capital	3.8.1
19.2	Memorandum and Articles of Association		3.10.1
	19.2.1	Corporate purpose	3.10.1
	19.2.2	Rights, preferences and restrictions attached to each class of the existing shares	3.10.1
	19.2.3	Provisions of the Company's Articles of Association, charters or rules that would have an effect of delaying, deferring or preventing a change in control of the Company	3.10.1/3.10.2
20	**MATERIAL CONTRACTS**		1.5
20.1	Material contracts (other than contracts entered into in the ordinary course of business) over the last two years		1.5
21	**DOCUMENTS AVAILABLE**		6.5

(1) Refers to chapter and section numbers of the Universal Registration Document.

7.4 CROSS-REFERENCE TABLE WITH THE NON-FINANCIAL STATEMENT

Content of the Non-financial statement (article L. 225-102-1 of the French Commercial Code)	Section of the Universal Registration Document
Business model	1.3 and 2.1
Analysis of main risks	4.1
Social impacts	2.3.1 and 2.3.2
Environmental impacts	2.3.3
Respect for human rights	2.3.1.5
Anti-corruption and tax-evasion initiatives	2.3.4.3
Impact on greenhouse gas emissions due to Company activity and to the use of the goods and services it produces	2.3.3
Measures in support of sustainable development	2.3.2
Measures in support of the circular economy	2.3.3.2
Measures to fight food wastage	2.3.3.2
Collective agreements signed by the Company and their impact on its economic performance, as well as employee health, safety and working conditions	2.3.1
Action taken to fight against discrimination and to promote diversity, and measures in support of people with disabilities	2.3.1.3
Other compulsory disclosures (agricultural and food legislation)	**Section of the Universal Registration Document**
Fight against food poverty, respect for animal welfare, and responsible, equitable and sustainable food	2.3.1.4 and 2.3.3.2

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