FINANCIAL REPORT FOR THE YEAR 2020

Financial Report and Audited Consolidated Financial Statements for the year ended December 31, 2020

March 3rd, 2021

vivendi

VIVENDI

European Company with a Management Board and a Supervisory Board and a share capital of €6,522,975,915.50

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Key consolidated financial data for the last five years

Preliminary comments:

As a reminder, in 2019, Vivendi applied a new accounting standard:

- *IFRS 16 – Leases: in accordance with IFRS 16, the impact of the change of accounting standard was recorded in the opening balance sheet as of January 1, 2019. In addition, Vivendi applied this change of accounting standard to the Statement of Financial Position, Statement of Earnings and Statement of Cash Flows in 2019; therefore, the data relative to prior years is not comparable. For a detailed description of these changes, please refer to Notes 1.1, 1.3.5.7 and 12 to the Consolidated Financial Statements for the year ended December 31, 2020.*

As a reminder, in 2018, Vivendi applied two new accounting standards:

- *IFRS 15 – Revenues from Contracts with Customers: in accordance with IFRS 15, as from 2017, Vivendi applied this change of accounting standard to revenues. The data presented below with respect to fiscal year 2016 are historical and therefore not restated; and*
- *IFRS 9 – Financial Instruments: in accordance with IFRS 9, as from 2018, Vivendi applied this change of accounting standard to the Statement of Earnings and Statement of Comprehensive Income restating its opening balance sheet as of January 1, 2018; therefore, the data relative to prior years in this report is not comparable.*

	Year ended December 31,					
	2020	2019	2018	2017	2016	
Consolidated data						
Revenues	16,090	15,898	13,932	12,518	10,819	
Income from operations (a)	1,815	1,719	1,439	1,098	853	
Adjusted earnings before interest and income taxes (EBITA) (a)	1,627	1,526	1,288	969	724	
Earnings before interest and income taxes (EBIT)	1,468	1,381	1,182	1,018	887	
Earnings attributable to Vivendi SE shareowners	1,440	1,583	127	1,216	1,256	
of which earnings from continuing operations attributable to Vivendi SE shareowners	1,440	1,583	127	1,216	1,236	
Adjusted net income (a)	1,228	1,741	1,157	1,300	755	
Net Cash Position/(Financial Net Debt) (a)	(4,953)	(4,064)	176	(2,340)	1,231	
Total equity	16,431	15,575	17,534	17,866	19,612	
of which Vivendi SE shareowners' equity	15,759	15,353	17,313	17,644	19,383	
Cash flow from operations (CFFO) (a)	696	903	1,126	989	729	
Cash flow from operations after interest and income tax paid (CFAIT) (a)	548	567	822	1,346	341	
Financial investments	(1,640)	(2,284)	(694)	(3,685)	(4,084)	
Financial divestments	360	1,068	2,303	976	1,971	
Dividends paid by Vivendi SE to its shareholders	690	636	568	499	2,588	(b)
Purchases/(sales) of Vivendi SE's treasury shares	2,157	2,673	-	203	1,623	
Per share data						
Weighted average number of shares outstanding	1,140.7	1,233.5	1,263.5	1,252.7	1,272.6	
Earnings attributable to Vivendi SE shareowners per share	1.26	1.28	0.10	0.97	0.99	
Adjusted net income per share	1.08	1.41	0.92	1.04	0.59	
Number of shares outstanding at the end of the period (excluding treasury shares)	1,092.8	1,170.6	1,268.0	1,256.7	1,259.5	
Equity per share, attributable to Vivendi SE shareowners	14.42	13.12	13.65	14.04	15.39	
Dividends per share paid	0.60	0.50	0.45	0.40	2.00	(b)

In millions of euros, number of shares in millions, data per share in euros.

a. The non-GAAP measures of Income from operations, EBITA, Adjusted net income, Net Cash Position (or Financial Net Debt), Cash flow from operations (CFFO) and Cash flow from operations after interest and income tax paid (CFAIT) should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related Notes, or as described in this Financial Report. Vivendi considers these to be relevant indicators of the group's operating and financial performance. Each of these indicators is defined in the appropriate section of this Financial Report. In addition, it should be noted that other companies may have definitions and calculations for these indicators that differ from those used by Vivendi, thereby affecting comparability. Furthermore, as of December 31, 2020, in the context of the COVID-19 pandemic, Vivendi had not changed the definition of these indicators, which are therefore comparable to fiscal year 2019.

b. With respect to fiscal year 2015, Vivendi paid an ordinary dividend of €3 per share, i.e., an aggregate dividend payment of €3,951 million. This amount included €2,588 million paid in 2016 (€1,318 million for the second interim dividend of €1 per share and €1,270 million representing the balance of €1 per share) and €1,363 million paid in 2015 (first interim dividend of €1 per share).

Note:

In accordance with European Commission Regulation (EC) 809/2004 (Article 28), which sets out the disclosure obligations for issuers of securities listed on a regulated market within the European Union (implementing Directive 2003/71/EC, the "Prospectus Regulation"), the following items are incorporated by reference into this report:

- the 2019 Financial Report, the Consolidated Financial Statements for the year ended December 31, 2019, prepared under IFRS and the related statutory auditors' report on the Consolidated Financial Statements, presented on pages 188 to 317 of the Universal Registration Document (*Document d'enregistrement universel)* No. D.20-0121, which was filed on March 11, 2020 with the French *Autorité des Marchés Financiers* (AMF) and on pages 188 to 315 of the English translation of the Universal Registration Document (*Document d'enregistrement universel)* No. D.20-0121; and
- the 2018 Financial Report, the Consolidated Financial Statements for the year ended December 31, 2018, prepared under IFRS and the related statutory auditors' report on the Consolidated Financial Statements, presented on pages 196 to 318 of the *Document de Référence* No. D.19-0132, which was filed on March 11, 2019 with the French *Autorité des Marchés Financiers* (AMF) and on pages 196 to 318 of the English translation of the *Document de Référence* No. D.19-0132.

I- 2020 Financial Report

Preliminary comments:

On March 1, 2021, the Management Board approved the Financial Report and the Audited Consolidated Financial Statements for the year ended December 31, 2020. Upon the recommendation of the Audit Committee, which met on March 1, 2021, the Supervisory Board, at its meeting held on March 3, 2021, reviewed the Financial Report and the Audited Consolidated Financial Statements for the year ended December 31, 2020, as previously approved by the Management Board on March 1, 2021.

The Consolidated Financial Statements for the year ended December 31, 2020 were audited and certified by the Statutory Auditors without qualified opinion. The Statutory Auditors' report on the Consolidated Financial Statements is included in the preamble to the Financial Statements.

1 Earnings analysis: group and business segments

Preliminary comments:

Non-GAAP measures

"Income from operations", "EBITA" and "adjusted net income", all non-GAAP measures, should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related Notes, or as described in this Financial Report. Vivendi considers these to be relevant indicators for the group's operating and financial performance.

Vivendi Management uses income from operations, EBITA and adjusted net income for reporting, management and planning purposes because they exclude most non-recurring and non-operating items from the measurement of the business segments' performances. Furthermore, as of December 31, 2020, in the context of the COVID-19 pandemic, Vivendi had not changed the definition of these indicators, which are therefore comparable to fiscal year 2019:

- *the difference between EBITA and EBIT consists of the amortization of intangible assets acquired through business combinations, as well as the other catalogs of rights acquired by our content production businesses, the impairment of goodwill and other intangibles acquired through business combinations, as well as other income and charges related to transactions with shareowners;*
- *income from operations is calculated as EBITA, as presented in the Adjusted Statement of Earnings, before share-based compensation costs and special items, due to their unusual nature and particular significance; and*
- *adjusted net income includes the following items: EBITA; income from equity affiliates – non-operational; interest (corresponding to interest expense on borrowings net of interest income earned on cash and cash equivalents); income from investments (including dividends and interest received from unconsolidated companies); and taxes and non-controlling interests related to these items. It does not include the following items: amortization of intangible assets acquired through business combinations and related to equity affiliates and other catalogs of rights acquired by our content production businesses; impairment losses on goodwill and other intangible assets acquired through business combinations; other charges and income related to transactions with shareowners; other financial charges and income; earnings from discontinued operations; provisions for income taxes and adjustments attributable to non-controlling interests; and non-recurring tax items (in particular, changes in deferred tax assets pursuant to Vivendi SE's Tax Group and the Consolidated Global Profit Tax Systems).*

In addition, it should be noted that other companies may have definitions and calculations for these non-GAAP measures that differ from those used by Vivendi, thereby affecting comparability.

1.1 Consolidated Statement of Earnings

	Year ended December 31,		% Change
	2020	2019	
REVENUES	**16,090**	**15,898**	**+ 1.2%**
Cost of revenues	(8,812)	(8,845)	
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(5,463)	(5,334)	
Income from operations*	**1,815**	**1,719**	**+ 5.6%**
Restructuring charges	(106)	(161)	
Other operating charges and income	(82)	(32)	
Adjusted earnings before interest and income taxes (EBITA)*	**1,627**	**1,526**	**+ 6.6%**
Amortization and depreciation of intangible assets acquired through business combinations	(159)	(145)	
EARNINGS BEFORE INTEREST AND INCOME TAXES (EBIT)	**1,468**	**1,381**	**+ 6.3%**
Income from equity affiliates - non-operational	126	67	
Interest	(37)	(46)	
Income from investments	36	10	
Other financial charges and income	589	65	
	588	***29***	
Earnings before provision for income taxes	**2,182**	**1,477**	**+ 47.7%**
Provision for income taxes	(575)	140	
Earnings from continuing operations	**1,607**	**1,617**	**- 0.6%**
Earnings from discontinued operations	-	-	
Earnings	**1,607**	**1,617**	**- 0.6%**
Non-controlling interests	(167)	(34)	
EARNINGS ATTRIBUTABLE TO VIVENDI SE SHAREOWNERS	**1,440**	**1,583**	**- 9.1%**
Earnings attributable to Vivendi SE shareowners per share - basic (in euros)	1.26	1.28	
Earnings attributable to Vivendi SE shareowners per share - diluted (in euros)	1.26	1.28	
Adjusted net income*	**1,228**	**1,741**	**- 29.5%**
Adjusted net income per share - basic (in euros)*	1.08	1.41	
Adjusted net income per share - diluted (in euros)*	1.07	1.41	

In millions of euros, except per share amounts.

* non-GAAP measures.

1.2 Analysis of the Consolidated Statement of Earnings

1.2.1 Revenues

In 2020, revenues were €16,090 million, compared to €15,898 million in 2019. This increase of €192 million (+1.2%) mainly resulted from the growth of Universal Music Group (UMG) (+€273 million), Canal+ Group (+€230 million, of which +€285 million related to M7[1]) and Editis[1] (+€38 million), partially offset by the slowdown in other activities, mainly Havas Group (-€241 million) and Vivendi Village (-€101 million), all of which were affected by the consequences of the COVID-19 pandemic. At constant currency and perimeter[1], revenues were almost stable (-0.6%) compared to 2019, with UMG's growth (+4.7%) offset by the slowdown in other activities, all of which were affected by the consequences of the COVID-19 pandemic, particularly Havas Group (-10.8%) and Vivendi Village (-71.9%).

For the second half of 2020, at constant currency and perimeter[1], revenues slightly increased (+0.7%) compared to the second half of 2019, and compared to a decrease of -2.0% for the first half of 2020. For the second half of 2020, the growth of UMG (+5.7%) and Editis (+8.6%) was almost offset by the slowdown in other activities, particularly Havas Group (-10.0%) and Vivendi Village (-80.9%), all of which were affected by the consequences of the COVID-19 pandemic.

For the fourth quarter of 2020, at constant currency and perimeter, revenues slightly increased (+0.7%) compared to the fourth quarter of 2019, and compared to an increase of +4.4% for the first quarter of 2020, a decrease of -7.9% for the second quarter and a slight increase of +0.7% for the third quarter (for the quarterly revenues by business segment, please refer to the Appendix to the Financial Report). For the

[1] *Constant perimeter notably reflects the impacts of the acquisition of M7 by Canal+ Group (September 12, 2019), the acquisition of the remaining interest in Ingrooves Music Group, which was consolidated by Universal Music Group (March 15, 2019) and the acquisition of Editis (January 31, 2019).*

fourth quarter, the growth of UMG (+5.4%) and Editis (+6.9%) offset the slowdown in other activities, particularly Havas Group (-6.7%) and Vivendi Village (-81.7%), all of which were affected by the consequences of the COVID-19 pandemic.

For a detailed analysis of revenues by business segment, please refer to Section 1.3 below and to Note 4.1 to the Consolidated Financial Statements for the year ended December 31, 2020.

1.2.2 Operating results

Cost of revenues was €8,812 million, compared to €8,845 million in 2019, a decrease of €33 million.

Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations were €5,463 million, compared to €5,334 million in 2019, an increase of €129 million.

Depreciation and amortization of tangible and intangible assets are included either in the cost of revenues or in selling, general and administrative expenses. Depreciation and amortization of tangible and intangible assets, excluding amortization of intangible assets acquired through business combinations, amounted to €659 million (compared to €599 million in 2019) including amortization of rights-of-use relating to leases for €229 million (compared to €220 million in 2019).

Income from operations was €1,815 million, compared to €1,719 million in 2019, an increase of €96 million (+5.6%). At constant currency and perimeter, income from operations increased by €53 million (+3.0%), primarily driven by the growth of Universal Music Group (+€228 million), partially offset by the slowdown at Havas Group (-€112 million) and Vivendi Village (-€31 million), which were affected by the consequences of the COVID-19 pandemic.

EBITA was €1,627 million, compared to €1,526 million in 2019, an increase of €101 million (+6.6%). At constant currency and perimeter, EBITA increased by €58 million (+3.7%), primarily driven by the growth of Universal Music Group (+€223 million) and Canal+ Group (+€21 million), partially offset by the slowdown at Havas Group (-€111 million) and Vivendi Village (-€38 million), which were affected by the consequences of the COVID-19 pandemic. EBITA included:

- **restructuring charges** were €106 million, compared to €161 million in 2019, primarily incurred by Canal+ Group (€42 million, compared to €92 million in 2019, notably relating to the ongoing plan aimed at transforming its French activities implemented during the second half of 2019), Havas Group (€33 million, compared to €35 million in 2019) and Universal Music Group (€20 million, compared to €24 million in 2019); and
- **other operating charges and income** excluded from income from operations, was a net charge of €82 million, compared to a net charge of €32 million in 2019. They notably included:
  - **the charge related to share-based compensation plans** for -€43 million, compared to -€32 million in 2019; and
  - **income from equity affiliates - operational** was a charge of €18 million, compared to a profit of €4 million in 2019.

For a detailed analysis of income from operations and EBITA by business segment, please refer to Section 1.3 below.

EBIT was €1,468 million, compared to €1,381 million in 2019, an increase of €87 million (+6.3%). It includes amortization and depreciation of intangible assets acquired through business combinations for €159 million, compared to €145 million in 2019.

1.2.3 Income from equity affiliates - non-operational

In 2020, **income from equity affiliates - non-operational** was a profit of €126 million, compared to a profit of €67 million in 2019, an increase of €59 million. This amount corresponds to Vivendi's share of Telecom Italia's net earnings, calculated based on the financial information publicly disclosed by Telecom Italia (corresponding to the fourth quarter of the previous year and the first nine months of 2020 due to a three-month reporting lag). Please refer to Note 13.2 to the Consolidated Financial Statements for the year ended December 31, 2020. In 2020, this amount notably included Vivendi's share (€77 million) of the capital gain recognized by Telecom Italia on the Inwit transaction.

1.2.4 Financial results

In 2020, **interest** was an expense of €37 million, compared to €46 million in 2019. Of this amount:

- interest expense on borrowings was €52 million, compared to €69 million in 2019. This change mainly reflected the decrease in the average interest rate on borrowings to 0.79% (compared to 1.17% in 2019), despite the increase in average outstanding borrowings to €6.6 billion (compared to €5.9 billion in 2019); and
- interest income earned on the investment of cash surpluses was €15 million, compared to €23 million in 2019. This change reflected the decrease in the average interest rate on cash investments to 0.49% (compared to 0.64% in 2019) and average outstanding cash investments to €3.0 billion (compared to €3.6 billion in 2019).

Income from investments was €36 million, compared to €10 million in 2019. It mainly included dividends received from investments.

Other financial charges and income were a net income of €589 million, compared to a net income of €65 million in 2019, an increase of €524 million. In 2020, the revaluation of the investments in Spotify and Tencent Music Entertainment was a net gain of €591 million, compared to €139 million in 2019, an increase of €452 million. In addition, in 2020, Vivendi received an additional payment of €56 million for the sale of GVT in 2015, following the favorable settlement of a tax litigation in Brazil.

As a reminder, on March 31, 2020, the sale of 10% of UMG's share capital to a Tencent-led consortium was recorded, in accordance with IFRS standards, as a sale of non-controlling interests and therefore has not impacted the Consolidated Financial Statement of Earnings. As a result, in accordance with IFRS 10, **the capital gain on the sale of 10% of UMG's share capital**, equal to the difference between the sale price of €2,842 million and the value of non-controlling interests in the Consolidated Financial Statements of €457 million, **was directly recorded as an increase in equity** attributable to Vivendi SE shareowners for €2,385 million (please refer to Note 2.1 to the Consolidated Financial Statements for the year ended December 31, 2020).

1.2.5 Provision for income taxes

In 2020, **provision for income taxes reported to adjusted net income** was a net charge of €454 million, compared to a net income of €177 million in 2019. As a reminder, in 2019, provision for income taxes reported to adjusted net income included a current tax income of €473 million resulting from a favorable decision from the French Council of State *(Conseil d'État)* on December 19, 2019 regarding the use of foreign tax receivables upon exit from the Global Profit Tax System (€244 million with respect to fiscal year 2012 and €229 million with respect to fiscal year 2015). Excluding this impact:

- provision for income taxes reported to adjusted net income increased by €158 million in 2020. This increase notably reflected the growth in UMG's and, to a lesser extent, Canal+ Group's earnings before tax, partially offset by the decrease in earnings from Havas Group affected by the consequences of the COVID-19 pandemic; and
- the effective tax rate in adjusted net income was 27.6% in 2020, compared to 19.9% in 2019. This 7.7 points increase in the effective tax rate in adjusted net income mainly reflected the decrease in 2020 in current savings expected from Vivendi's tax group in France, mainly due to the slowdown in certain activities affected by the consequences of the COVID-19 pandemic. In addition, in 2019, it included the favorable impact of adjustments to the income tax expense of previous years.

In 2020, **provision for income taxes reported to net income** was a net charge of €575 million, compared to a net income of €140 million in 2019. Excluding the impact of the current tax income resulting from the aforementioned favorable decision from the French Council of State *(Conseil d'État)*, provision for income taxes reported to net income increased by €242 million in 2020. Aside from the increase in provision for income taxes reported to adjusted net income (€158 million), this change mainly reflected the increase in the deferred tax charge relating to the revaluation of the investments in Spotify and Tencent Music Entertainment (€142 million in 2020, compared to €36 million in 2019).

1.2.6 Non-controlling interests

In 2020, **earnings attributable to non-controlling interests** were €167 million, compared to €34 million in 2019. This increase of €133 million primarily reflected the Tencent-led consortium's share of Universal Music Group's net earnings as from March 31, 2020 (please refer to Note 2.1 to the Consolidated Financial Statements for the year ended December 31, 2020).

1.2.7 Earnings attributable to Vivendi SE shareowners

In 2020, **earnings attributable to Vivendi SE shareowners** amounted to a profit of €1,440 million (or €1.26 per share - basic), compared to €1,583 million in 2019 (or €1.28 per share - basic), a decrease of €143 million. In 2019, it included the current tax income of €473 million recorded at the end of 2019 regarding the use of foreign tax receivables upon exit from the Global Profit Tax System. Excluding this impact, earnings attributable to Vivendi SE shareowners increased by €330 million, reflecting:

- the growth in EBITA (+€101 million);
- the growth in Vivendi's share of Telecom Italia's net earnings accounted for under the equity method (+€59 million); and
- the increase in financial income relating to the revaluation of the investments in Spotify and Tencent Music Entertainment (+€591 million);

partially offset by:

- the increase in provision for income taxes reported to net income (€242 million), mainly relating to the growth in UMG's earnings before tax, as well as the increase in the deferred tax charge relating to the revaluation of the investments in Spotify and Tencent Music Entertainment; and
- the increase in earnings attributable to non-controlling interests (€133 million).

1.2.8 Adjusted net income

In 2020, **adjusted net income** was a profit of €1,228 million (or €1.08 per share - basic), compared to €1,741 million in 2019 (or €1.41 per share - basic), a decrease of €513 million (-29.5%). In 2019, it included the current tax income of €473 million recorded at the end of 2019 regarding the use of foreign tax receivables upon exit from the Global Profit Tax System.

	Year ended December 31,		% Change
(in millions of euros)	2020	2019	
Revenues	**16,090**	**15,898**	**+ 1.2%**
Income from operations	**1,815**	**1,719**	**+ 5.6%**
EBITA	**1,627**	**1,526**	**+ 6.6%**
Income from equity affiliates - non-operational	186	127	
Interest	(37)	(46)	
Income from investments	36	10	
Adjusted earnings from continuing operations before provision for income taxes	1,812	1,617	+ 12.1%
Provision for income taxes	(454)	177	
Adjusted net income before non-controlling interests	1,358	1,794	
Non-controlling interests	(130)	(53)	
Adjusted net income	**1,228**	**1,741**	**- 29.5%**

Reconciliation of earnings attributable to Vivendi SE shareowners to adjusted net income

	Year ended December 31,	
(in millions of euros)	2020	2019
Earnings attributable to Vivendi SE shareowners (a)	**1,440**	**1,583**
Adjustments		
Amortization and depreciation of intangible assets acquired through business combinations	159	145
Amortization of intangible assets related to equity affiliates	60	60
Other financial charges and income	(589)	(65)
Provision for income taxes on adjustments	121	37
Impact of adjustments on non-controlling interests	37	(19)
Adjusted net income	**1,228**	**1,741**

a. As reported in the Consolidated Statement of Earnings.

Adjusted net income per share

	Year ended December 31,			
	2020		2019	
	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	1,228	1,228	1,741	1,741
Number of shares (in millions)				
Weighted average number of shares outstanding (a)	1,140.7	1,140.7	1,233.5	1,233.5
Potential dilutive effects related to share-based compensation	-	4.1	-	4.9
Adjusted weighted average number of shares	1,140.7	1,144.8	1,233.5	1,238.4
Adjusted net income per share (in euros)	**1.08**	**1.07**	**1.41**	**1.41**

a. Net of the weighted average number of treasury shares (44.7 million shares in 2020, compared to 28.0 million in 2019).

1.3 Analysis of revenues and operating results by business segment

(in millions of euros)	Year ended December 31, 2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Revenues					
Universal Music Group	7,432	7,159	+3.8%	+5.1%	+4.7%
Canal+ Group	5,498	5,268	+4.4%	+4.9%	-0.9%
Havas Group	2,137	2,378	-10.1%	-8.8%	-10.8%
Editis	725	687	+5.6%	+5.6%	-1.3%
Gameloft	253	259	-2.1%	-0.9%	-1.5%
Vivendi Village	40	141	-71.4%	-71.4%	-71.9%
New Initiatives	65	71	-7.5%	-7.5%	-7.5%
Elimination of intersegment transactions	(60)	(65)			
Total Vivendi	**16,090**	**15,898**	**+1.2%**	**+2.2%**	**-0.6%**
Income from operations					
Universal Music Group	1,377	1,168	+18.0%	+19.7%	+19.8%
Canal+ Group	485	431	+12.6%	+13.5%	-3.1%
Havas Group	163	268	-39.2%	-39.2%	-40.6%
Editis	51	59	-12.3%	-12.3%	+2.4%
Gameloft	(17)	(28)			
Vivendi Village	(51)	(16)			
New Initiatives	(65)	(68)			
Corporate	(128)	(95)			
Total Vivendi	**1,815**	**1,719**	**+5.6%**	**+7.1%**	**+3.0%**
EBITA					
Universal Music Group	1,329	1,124	+18.3%	+20.1%	+20.1%
Canal+ Group	435	343	+26.7%	+27.9%	+5.2%
Havas Group	121	225	-46.1%	-46.2%	-47.7%
Editis	38	52	-26.5%	-26.5%	-11.2%
Gameloft	(24)	(36)			
Vivendi Village	(59)	(17)			
New Initiatives	(75)	(65)			
Corporate	(138)	(100)			
Total Vivendi	**1,627**	**1,526**	**+6.6%**	**+8.3%**	**+3.7%**

a. Constant perimeter notably reflects the impacts of the acquisition of M7 by Canal+ Group (September 12, 2019), the acquisition of the remaining interest in Ingrooves Music Group, which was consolidated by Universal Music Group (March 15, 2019) and the acquisition of Editis (January 31, 2019).

1.3.1 Universal Music Group

(in millions of euros)	Year ended December 31, 2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Recorded music	5,967	5,634	+5.9%	+7.2%	+6.7%
Subscriptions and streaming	*3,833*	*3,325*	*+15.3%*	*+17.1%*	*+16.2%*
Other digital sales (b)	*413*	*428*	*-3.6%*	*-3.1%*	*-3.6%*
Physical sales	*945*	*1,011*	*-6.4%*	*-5.9%*	*-6.0%*
License and other	*776*	*870*	*-10.8%*	*-9.8%*	*-9.9%*
Music publishing	1,186	1,052	+12.7%	+14.4%	+14.4%
Merchandising and other	292	489	-40.3%	-39.6%	-39.6%
Elimination of intersegment transactions	(13)	(16)			
Revenues	**7,432**	**7,159**	**+3.8%**	**+5.1%**	**+4.7%**
EBITDA	**1,487**	**1,267**	**+17.3%**	**+19.0%**	**+19.0%**
EBITDA margin	*20.0%*	*17.7%*	*+2.3 pts*		
Income from operations	**1,377**	**1,168**	**+18.0%**	**+19.7%**	**+19.8%**
Income from operations margin	*18.5%*	*16.3%*	*+2.2 pts*		
Restructuring charges	(20)	(24)			
Income/(charges) related to share-based compensation plans	(10)	(5)			
Other special items excluded from income from operations	(18)	(15)			
EBITA	**1,329**	**1,124**	**+18.3%**	**+20.1%**	**+20.1%**
EBITA margin	*17.9%*	*15.7%*	*+2.2 pts*		
Recorded music revenues by geographic area					
North America	2,940	2,636	+11.6%	+12.7%	+11.4%
Europe	1,789	1,742	+2.7%	+3.6%	+3.6%
Asia	801	771	+3.9%	+3.5%	+3.5%
Latin America	181	184	-2.0%	+15.5%	+15.5%
Rest of the world	256	301	-15.1%	-13.6%	-13.6%
	5,967	**5,634**	**+5.9%**	**+7.2%**	**+6.7%**

a. Constant perimeter reflects the impact of significant acquisitions, including the acquisition of the remaining interest in Ingrooves Music Group by Universal Music Group (March 15, 2019).

b. Mainly included download sales.

Recorded music best sellers, in value (Source: *Consumption)*

Year ended December 31, 2020		Year ended December 31, 2019	
Artist	Title	Artist	Title
The Weeknd	*After Hours*	Billie Eilish	*When We All Fall Asleep, Where Do We Go?*
Billie Eilish	*When We All Fall Asleep, Where Do We Go?*	Post Malone	*Hollywood's Bleeding*
Post Malone	*Hollywood's Bleeding*	Taylor Swift	*Lover*
Lil Baby	*My Turn*	Ariana Grande	*Thank U, Next*
Pop Smoke	*Shoot For The Stars Aim For The Moon*	Lady Gaga and Bradley Cooper	*A Star Is Born*
BTS	*Map Of The Soul : 7 ~ The Journey ~*	The Beatles	*Abbey Road*
Justin Bieber	*Changes*	Shawn Mendes	*Shawn Mendes*
King & Prince	*L&*	Billie Eilish	*Don't Smile at Me*
Taylor Swift	*Folklore*	Post Malone	*Beerbongs & Bentleys*
Juice WRLD	*Legends Never Die*	King & Prince	*King & Prince*

In 2020, Universal Music Group's (UMG) revenues amounted to €7,432 million, up 4.7% at constant currency and perimeter compared to 2019 (+3.8% on an actual basis).

Recorded music revenues grew by 6.7% at constant currency and perimeter thanks mainly to the growth in subscription and streaming revenues (+16.2%), which more than offset the 6.0% decline in physical sales compared to 2019, and the 19.0% decline in download sales.

Recorded music best sellers for 2020 included new releases from The Weeknd, Lil Baby, Pop Smoke, BTS, Justin Bieber, King & Prince, Taylor Swift and Juice WRLD, as well as continued sales from Billie Eilish and Post Malone.

In 2020, UMG had four of the Top 5 artists of the year on Spotify globally (Drake, J Balvin, Juice WRLD and The Weeknd), the No. 1 song of the year (The Weeknd's *Blinding Lights*) and two of the Top 3 albums (The Weeknd's *After Hours* and Post Malone's *Hollywood's Bleeding*). In addition, based on US data from Nielsen Music/MRC, UMG had all of the Top 6 albums of the year with Lil Baby, Taylor Swift, Pop Smoke, The Weeknd, Juice WRLD and Post Malone.

Music publishing revenues increased 14.4% at constant currency and perimeter compared to 2019, driven by increased subscription and streaming revenues, as well as the receipt of a digital royalty claim in the second quarter of 2020.

On December 7, 2020, Universal Music Publishing Group (UMPG) announced a landmark agreement in which UMPG acquired Bob Dylan's entire catalog of songs, encompassing more than 600 copyrights, spanning 60 years, and recorded more than 6,000 times by an array of artists from many countries, cultures and music genres.

Merchandising and other revenues were down 39.6% at constant currency and perimeter compared to 2019, due to the impact of the health pandemic on both touring and retail activity.

Driven by the growth in revenues, revenues mix and cost control, UMG's EBITA amounted to €1,329 million, up 20.1% at constant currency and perimeter compared to 2019 (+18.3% on an actual basis).

On February 8, 2021, UMG and TikTok announced a global agreement that delivers equitable compensation for recording artists and songwriters, and significantly expands and enhances the companies' existing relationship, promoting the development of new innovative experiences and the ability to forge deeper bonds between fans and artists.

1.3.2 Canal+ Group

(in millions of euros)	Year ended December 31, 2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
International TV	2,135	1,781	+19.8%	+21.7%	+4.0%
TV in Mainland France (b)	3,003	3,053	-1.6%	-1.6%	-1.6%
Studiocanal	360	434	-17.0%	-16.7%	-18.2%
Revenues	**5,498**	**5,268**	**+4.4%**	**+4.9%**	**-0.9%**
Income from operations	**485**	**431**	**+12.6%**	**+13.5%**	**-3.1%**
Income from operations margin	*8.8%*	*8.2%*	*+0.6 pt*		
Income/(charges) related to share-based compensation plans	(10)	(5)			
Other special items excluded from income from operations	2	9			
EBITA before restructuring charges	**477**	**435**	**+9.7%**	**+10.5%**	**-5.6%**
EBITA before restructuring charges margin	*8.7%*	*8.3%*	*+0.4 pt*		
Restructuring charges	(42)	(92)			
EBITA	**435**	**343**	**+26.7%**	**+27.9%**	**+5.2%**
EBITA margin	*7.9%*	*6.5%*	*+1.4 pt*		

Canal+ Group subscribers (in thousands)	2020	2019	Change
Europe (excluding Mainland France and including M7)	*5,199*	*5,052*	*+147*
Africa	*5,983*	*4,899*	*+1,084*
Overseas	*685*	*657*	*+28*
Asia Pacific	*1,218*	*1,267*	*-49*
Overseas and international subscribers	**13,085**	**11,875**	**+1,210**
Self-distributed individual subscribers in Mainland France	4,719	4,548	+171
Wholesale subscribers (c)	3,436	3,355	+81
Collective subscribers in Mainland France	523	513	+10
Subscribers in Mainland France	**8,678**	**8,416**	**+262**
Total Canal+ Group subscribers	**21,763**	**20,291**	**+1,472**

a. Constant perimeter notably reflects the impacts of the acquisition of M7 by Canal+ Group (September 12, 2019).

b. Relates to pay-TV and free-to-air channels (C8, CStar and CNews) in mainland France.

c. Includes the strategic partnership agreements with Free, Orange and Bouygues Telecom, as well as subscribers to Thema packages. Certain subscribers may also have subscribed to a Canal+ offer.

At the end of December 2020, Canal+ Group’s total subscriber portfolio (individual and collective) reached 21.8 million, including 8.7 million in mainland France, compared to 20.3 million at the end of December 2019.

In 2020, Canal+ Group's revenues were €5,498 million, up 4.4% compared to 2019 (down 0.9% at constant currency and perimeter).

Pay-TV in mainland France recorded a net increase of its total subscriber base of 262,000 over the past 12 months.

Revenues from international operations increased sharply by 19.8% (up 4.0% at constant currency and perimeter), thanks to the significant growth in the number of subscribers (+1.2 million year-on-year) across all geographical areas except Asia-Pacific, and the success of the M7 integration.

Studiocanal’s revenues declined by 17.0% year-on-year, as the filming and distribution of movies and series were particularly affected by the pandemic. However, this decrease was partially offset by the good performance of the catalog.

In 2020, Canal+ Group’s profitability improved compared to 2019. EBITA recorded a strong increase of 26.7%, reaching €435 million, compared to €343 million in 2019.

In October 2020, Canal+ Group announced that it held 12% of the share capital of the South African company MultiChoice Group Ltd, the leader in pay-TV in anglophone and lusophone sub-Saharan Africa, becoming the second-largest shareholder.

Canal+ Group, the exclusive distributor of Disney+ in France since it became available in Canal+ offers on April 7, 2020, entered into distribution agreements with other operators in the fourth quarter of 2020 to expand this streaming service.

In December 2020, French Broadcasting Authority (*Conseil Supérieur de l’Audiovisuel*) (“CSA”) authorized Canal+ Group to renew its DTT license in France for three years, i.e., until December 6, 2023. This reception mode concerned nearly 2% of Canal+ Group subscribers at the end of December 2020.

On February 4, 2021, the Professional Football League and Canal+ Group announced a global agreement regarding the audiovisual rights for Ligue 1 Uber Eats and Ligue 2 BKT for the 2020-2021 season. Since the 25th day of Ligue 1 Uber Eats and Ligue 2 BKT, and until the end of the 2020-2021 season, Canal+ Group has had the exclusive audiovisual rights, live and in full, to all Ligue 1 Uber Eats matches and eight of the ten Ligue 2 BKT matches. In addition to the audiovisual rights to these matches, Canal+ Group will hold all the magazine rights during the week and on weekends.

In addition, on March 2, 2021, Canal+, which has been a partner of the TOP 14 for more than 35 years, won the latest call for tenders launched by the National Rugby League for broadcasting rights in France until the end of the 2026-2027 season. These exclusive broadcasting rights cover all TOP 14 matches, live as well as near-live clips, and all programs devoted to them, in all media formats.

1.3.3 Havas Group

	Year ended December 31,				
(in millions of euros)	2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter
Revenues	2,137	2,378	-10.1%	-8.8%	-10.8%
Net revenues (a)	**2,049**	**2,256**	**-9.2%**	**-7.8%**	**-9.9%**
Income from operations	**163**	**268**	**-39.2%**	**-39.2%**	**-40.6%**
Income from operations/net revenues	*8.0%*	*11.9%*	*-3,9 pts*		
Income/(charges) related to share-based compensation plans	(10)	(12)			
Other special items excluded from income from operations	1	4			
EBITA before restructuring charges	**154**	**260**	**-40.8%**	**-40.9%**	**-42.3%**
EBITA before restructuring charges/net revenues	*7.5%*	*11.5%*	*-4.0 pts*		
Restructuring charges	(33)	(35)			
EBITA	**121**	**225**	**-46.1%**	**-46.2%**	**-47.7%**
Net revenues by geographic area					
Europe	997	1,105	-9.8%	-9.5%	-12.7%
North America	796	831	-4.2%	-3.3%	-4.0%
Asia Pacific and Africa	164	193	-15.0%	-13.1%	-16.8%
Latin America	92	127	-27.7%	-15.4%	-13.9%
	2,049	**2,256**	**-9.2%**	**-7.8%**	**-9.9%**
Net revenues by segment					
Havas Creative	45%	46%			
Havas Health & You	23%	19%			
Havas Media	32%	35%			
	100%	**100%**			

a. Net revenues, a non-GAAP measure, corresponds to Havas Group's revenues less the pass-through costs rebilled to customers. Please refer to Note 1.3.4.3 to the Consolidated Financial Statements for the year ended December 31, 2020.

During the fourth quarter of 2020, global economic activity continued its gradual recovery, in line with the third quarter performance. The advertising market is more stable and continues to improve, albeit to varying degrees depending on the geographical region and sector.

Against this challenging backdrop, Havas Group reported a clear improvement in the fourth quarter with organic net revenue[2] growth of -7.5%, compared to -10.4% in the third quarter of 2020.

With the exception of Asia-Pacific, all geographical regions continued to improve or consolidate their performances[3]. The North American agencies continued to hold up well, thanks to a dynamic advertising market and the resilience of health and wellness communications. Under the impetus of both the Creative and Media businesses, Europe reported an overall stronger performance, although with contrasting results between countries. Latin America consolidated its recovery, and a new organization was implemented in the Asia-Pacific agencies.

Havas Group's revenues for 2020 were €2,137 million, down 10.1% (-10.8% at constant currency and perimeter) compared to 2019. Net revenues were €2,049 million, down 9.2% compared to 2019 and organic growth was -9.9% compared to 2019. Exchange rates had a negative impact of -1.4% (+2.5% in 2019) and acquisitions contributed +2.1%.

In 2020, EBITA was €121 million, compared to €225 million in 2019. Thanks to its agility, the benefits of the cost adjustment plan introduced at the beginning of the crisis enabled Havas Group to absorb more than 50% of the decline in its revenues over the full-year 2020 (before restructuring charges).

[2] *Net revenues correspond to revenues less pass-through costs rebilled to customers.*

[3] *Appendix VI: New contracts and award wins by Havas Group in 2020.*

Havas Group has begun 2021 with confidence: business activity, especially in the second half of 2020, proved highly dynamic, with the winning of prestigious new clients including Jacobs Douwe Egberts, Epic Games, Tetra Pack and PMU. The reinforcement of existing offerings and the launch of two new and groundbreaking initiatives, Havas CX and Havas Market, make Havas Group's expertise more attractive than ever. Thanks to its cost adjustment plan and the introduction of new organizational structures, Havas Group is in good shape and well equipped to make the most of any new growth opportunities its markets may present. At the same time, it is keeping a close eye on economic and social developments.

New contract and award wins in 2020:

In 2020, Havas continued its global development by winning numerous new clients in creative, media expertise and healthcare communications, both locally and globally.

- **Havas Creation:** 3M, AARP, Accor, Allianz, Amazon Workforce, BMW e-sports, EDF, Fanta, Harman JBL, Homeserve, John West, KFC, Suzuki, T3 Go, and Yili Group;
- **Havas health & you:** AbbVie, Astellas, AstraZeneca, Biomarin, Karyopharm, Kyowa Kirin, Novartis, Orexo, Pfizer, Roche, Sanofi, Servier, Takeda, UCB, and ViiV; and
- **Havas Media:** Telefonica, Sanofi, JDE Peets, Agrolimen, Lactalis, 3M, Europcar, Karo Pharma, Promote Iceland, Epic Games, Signify, and Tetra Pak, BBC, PMU and Audible.ca.

Main awards won:

BETC ranked first in the Contagious Pioneer 2020 Top 10 agencies and also received the special award of "Agency of the Year" at the Eurobest thanks to two Grand Prizes for its "Crocodile Inside" campaigns for Lacoste and "Underground Première" for 13ème Rue as well as 6 Gold. Camp + King took second place in the "Small Agency of the Year" ranking established by Advertising Age, one of the industry's leading magazines. In the latest Campaign Brief 2020 Bestads Rankings, Buzzman ranked 12th among the world's best agencies of the year.

The agencies' creativity was recognized at a large number of festivals and ceremonies, including the D&AD, where the group's agencies won 17 awards, including two Gold, five Silver and ten Bronze, as well as the first-ever "Black Pencil of the Decade", awarded to Host/Havas' "Palau Pledge" campaign.

At the One Show, they won 20 awards, including six Gold and five Silver, for BETC Paris' Crocodile Inside and Crocodile Free campaigns for Lacoste and Arnold Boston's two campaigns, "In Someone Else's Shoes" for Santander Bank and "Run For Life" for the Red Cross in Brazil.

At the Webby Awards, the group's agencies won 17 awards, led by two first prizes from HOY for its campaign "100 years making history" for Citroën, and Havas New York for its campaign "Adidas original archive video series".

Effies were awarded Chile, Austria, Argentina, Belgium, Russia, Germany, India, the United States, Poland, Peru, Colombia, Turkey (11 awards including 6 Gold) and France (14 awards including one Grand Prix and 5 Gold).

The Havas Media network shined at the Festival of Global Media. The "Waiting Wins" campaign for CANAL+ won two Golds, and the "Project Save" campaign for the Government of Valenzuela won one Gold.

Havas Creative's New Business team was elected New-Business Development Team of the Year by Campaign magazine for the second consecutive year. Havas Europe held the top spot in the 2020 R3 (R3 Worldwide's New Business League for Europe) ranking of the best New Business performances by creative networks in 2019.

1.3.4 Editis

(in millions of euros)	Year ended December 31, 2020	Year ended December 31, 2019 (a)	12-month pro forma data 2019	% Change	% Change at constant currency and perimeter
Literature	300	282	309	-2.0%	-2.8%
Education and Reference	185	184	191	-3.5%	-3.5%
Diffusion and Distribution	240	221	235	+2.5%	+2.5%
Revenues	**725**	**687**	**735**	**-1.0%**	**-1.3%**
Income from operations	**51**	**59**	**50**	**+2.2%**	**+2.4%**
Restructuring charges	(6)	(3)	(4)		
Income/(charges) related to share-based compensation plans	(1)	-	-		
Other special items excluded from income from operations	(6)	(4)	(3)		
EBITA	**38**	**52**	**43**	**-11.4%**	**-11.2%**

a. Corresponds to the financial data consolidated by Vivendi since February 1, 2019.

In an extremely turbulent environment in 2020 with the closure, during some periods, of a large number of the points of sale in France (the publishing market fell by -67% in April, -25% in May and -35% in November), the market ended the year just 2.7% lower than 2019 (source GfK 2020), demonstrating its resilience. However, certain segments, such as tourism, were heavily affected.

In 2020, Editis' revenues reached €725 million, a slight decrease of 1.3% at constant currency and perimeter compared to 2019. In 2020, the school reform had a lower impact than in 2019.

With its Nathan and Bordas brands, Editis is strengthening its leadership position in education and remains the leader in the very competitive market of senior-year high school curriculum reform.

Editis' general literature and that of its third-party publishing partners performed well, with several of Editis titles included among the year's best-sellers across all categories. Editis was the best-represented publishing group in the Top 20 best-selling new releases in 2020 in France, with nine titles sold by the group[4].

Likewise, several of Editis' new releases were selected for prestigious literary awards, such as *La Grâce* by Thibault de Montaigu (Plon publishing house), which was awarded the Prix de Flore[4].

Nimba Éditions, a 100% Ivorian publishing house launched with the support of Vivendi's local presence, published its first titles in December 2020. Nimba Éditions aims to reveal local talent and offer relevant and intelligent content to readers in Côte d'Ivoire and neighboring French-speaking countries.

In 2020, Editis' EBITA was €38 million, compared to €43 million for the same period in 2019 (12-month pro forma). Thanks to cost control, Income from operations was up by 2.4% at constant currency and perimeter compared to 2019.

Successes and literary prizes won by Editis in 2020:

Among the successes achieved by Editis' publishing houses are the following, hardback literature with Ken Follett's last novel, *Le Crépuscule et l'Aube* (Robert Laffont publishing house, worldwide release), and Marc Lévy's *C'est arrivé la nuit* (Robert Laffont/Versilio publishing house); cookbooks with the success of the first, second and third volumes of *Fait Maison* by Cyril Lignac; non-fiction with *Toujours Plus* by two-million subscriber influencer Léna Situations (Robert Laffont publishing house); comic books with the fifth volume of *L'Arabe du futur* by Riad Sattouf (Allary publishing house), and the youth segment with the good results of *L'agenda Scolaire* by Roxane (Solar publishing house).

Likewise several publications of Editis' new releases were selected for prestigious literary awards: *La Grâce* by Thibault de Montaigu (Plon publishing house) was awarded the Prix de Flore; *Apeirogon* by Colum McCann (Belfond publishing house) received the best foreign book award and the Prix Renaudot Poche was awarded to *Charles de Gaulle* by Eric Roussel (Perrin publishing house).

Third-party publishers were not outdone, with the Prix Interallié for *Un crime sans importance* by Irène Frain (Seuil publishing house), as well as, among others, the Prix Médicis for French literature, the Prix Médicis for foreign literature and the Prix Femina Romans Etrangers.

[4] *Appendix VII: Successes and prizes awarded to the publishing houses of Editis and its partners in 2020.*

1.3.5 Gameloft

(in millions of euros)	Year ended December 31, 2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter
Revenues	**253**	**259**	**-2.1%**	**-0.9%**	**-1.5%**
Income from operations	**(17)**	**(28)**			
Restructuring charges	(2)	(3)			
Income/(charges) related to share-based compensation plans	(3)	(4)			
Other special items excluded from income from operations	(2)	(1)			
EBITA	**(24)**	**(36)**			
Revenues by geographic area					
North America	96	92			
EMEA (Europe, the Middle East, Africa)	92	86			
Asia Pacific	50	62			
Latin America	15	19			
	253	**259**			

In 2020, Gameloft's revenues were €253 million, down 2.1% compared to 2019 (-1.5% at constant currency and perimeter). Sales on OTT platforms, representing 74% of Gameloft’s total revenues, were up by 0.9%, driven by the success of *Asphalt 9: Legends* on mobile phones, PCs and Nintendo Switch (+30% annual growth) and the resilience of the catalog. In 2020, *Disney Magic Kingdoms, March of Empires, Asphalt 9: Legends, Dragon Mania Legends* and *Asphalt 8: Airborne* recorded the highest sales, representing 53% of Gameloft's total revenues.

In 2020, Gameloft continued to implement its internal transformation plan, which resulted in a sharp drop in operating expenses and a significant increase in its margins. Consequently, in 2020, Gameloft’s EBITA improved by €12 million to -€24 million.

1.3.6 Vivendi Village

(in millions of euros)	Year ended December 31, 2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter
Revenues	**40**	**141**	**-71.4%**	**-71.4%**	**-71.9%**
Income from operations	**(51)**	**(16)**			
Restructuring charges	(2)	(1)			
Income/(charges) related to share-based compensation plans	(1)	-			
Other special items excluded from income from operations	(5)	-			
EBITA	**(59)**	**(17)**			

In 2020, Vivendi Village’s revenues were €40 million, a 71.9% decrease at constant currency and perimeter (-71.4% on an actual basis) compared to 2019.

Vivendi Village’s EBITA was a loss of €59 million, compared to a loss of €17 million in 2019.

After a very good start at the beginning of the first quarter of 2020, the lockdown measures gradually taken in Europe and Africa weighed very heavily on Vivendi Village's activities in 2020. Significant cost-cutting measures have been implemented. New concert and show formats accessible remotely by the public and based on different forms of monetization are being successfully tested. Two techno music events (Junction 2), in July 2020 and January 2021, each attracted 3 million fans worldwide. Paid livestream concerts featuring M Pokora and Jenifer were held in December 2020. These initiatives could prove to be a natural and sustainable complement to live performance activities and an additional revenue source.

1.3.7 New Initiatives

In 2020, New Initiatives, which brings together Dailymotion and the GVA entities, recorded revenues of €65 million, compared to €71 million in 2019.

New Initiatives' EBITA was a loss of €75 million, compared to a loss of €65 million in 2019.

In 2020, the audience for Dailymotion's premium content grew by 19% compared to 2019. This increase was driven by existing partnerships with the Vendée Globe and Numerama in France, EPCR (European Professional Club Rugby) and the EuroLigue basketball league in Europe, Daily Mail in the United Kingdom, CNN in the United States, Cocina al Natural in Mexico, as well as by the signing of new partnerships, notably with MoviePilot in Germany, Conde Nast and Genius in the United States, Sakshi and Vikatan in India, and Interworks and CTS in Asia. Dailymotion's program-based monetization platform also continued to grow and recorded a strong 31% increase in revenues in 2020 compared to 2019.

GVA is a FTTH (Fiber to the home) operator that has been active in Sub-Saharan Africa for three years and is already present in five countries. Specialized in providing ultra-high-speed Internet access in African cities, GVA's network covered more than half a million homes and businesses by the end of 2020. Two new operations were launched in 2020 in Abidjan (Côte d'Ivoire) and Kigali (Rwanda). In 2021, GVA expects to continue its strong growth based on the always high demand for ultra-high-speed home broadband service in Africa.

1.3.8 Corporate

Corporate’s income from operations was a net charge of €128 million, compared to a net charge of €95 million in 2019, an unfavorable change of €33 million, which notably included a €21 million reversal of accrual in 2019 due to the impact of the French “Pacte law” (*loi Pacte*) on pension plans.

Corporate’s EBITA was a net charge of €138 million, compared to a net charge of €100 million in 2019, an unfavorable change of €38 million, which notably included a €21 million reversal of accrual in 2019 due to the impact of the French “Pacte law” (*loi Pacte*) on pension plans.

2 Liquidity and capital resources

2.1 Liquidity and equity portfolio

Preliminary comments:

- *The "Financial Net Debt", a non-GAAP measure, should be considered in addition to, and not as a substitute for, GAAP measures presented in the Consolidated Statement of Financial Position, as well as any other measure of indebtedness reported in accordance with GAAP. Vivendi considers this to be a relevant indicator of the group's liquidity and capital resources. Vivendi Management uses this indicator for reporting, management and planning purposes.*
- *The "Financial Net Debt" is calculated as the sum of:*
  - i. *cash and cash equivalents, as reported in the Consolidated Statement of Financial Position, including (i) cash in banks and deposits, whether or not compensated, corresponding to cash, and (ii) money market funds which satisfy the ANC's and AMF's decision released in November 2018 and other highly liquid short-term investments with initial maturities of generally three months or less corresponding to cash equivalents, defined in accordance with IAS 7;*
  - ii. *cash management financial assets, included in the Consolidated Statement of Financial Position under "financial assets", relating to financial investments, which do not satisfy the criteria for classification as cash equivalents set forth in IAS 7, and, with respect to money market funds, the ANC's and AMF's decision released in November 2018. In addition, on March 20, 2020, Vivendi SE and Bolloré SE entered into a cash management agreement providing for advance payments, repayable at Vivendi SE's first request (for a detailed description, please refer to Note 16 to the Consolidated Financial Statements for the year ended December 31, 2020); and*
  - iii. *derivative financial instruments, net (assets and liabilities) where the underlying instruments are Financial Net Debt items, as well as cash deposits securing borrowings included in the Consolidated Statement of Financial Position under "financial assets";*

  less:
  - iv. *the value of borrowings at amortized cost.*
- *For a detailed description, please refer to Note 16 "Cash position" and Note 21 "Borrowings and other financial liabilities and financial risk management" to the Consolidated Financial Statements for the year ended December 31, 2020.*

2.1.1 Financial Net Debt

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	December 31, 2020	December 31, 2019
Cash and cash equivalents		976	2,130
Cash management financial assets		120	204
Cash position	16	**1,096**	**2,334**
Bonds		(5,050)	(5,450)
Bank credit facilities		(661)	(36)
Short-term marketable securities		(310)	(870)
Other		(28)	(42)
Borrowings at amortized cost	21	**(6,049)**	**(6,398)**
Financial Net Debt		**(4,953)**	**(4,064)**

2.1.2 Changes in the Financial Net Debt

(in millions of euros)	Cash and cash equivalents	Borrowings at amortized cost and other financial items (a)	Financial Net Debt
Financial Net Debt as of December 31, 2019	**2,130**	**(6,194)**	**(4,064)**
(Outflows) / inflows:			
Operating activities	1,226	-	1,226
Investing activities	(1,645)	(81)	(1,726)
Financing activities	(675)	327	(348)
Foreign currency translation adjustments	(60)	19	(41)
Financial Net Debt as of December 31, 2020	**976**	**(5,929)**	**(4,953)**

a. "Other financial items" include cash management financial assets and derivative financial instruments relating to the interest rate and foreign currency risk management (assets and liabilities).

As of December 31, 2020, Vivendi's Financial Net Debt amounted to -€4,953 million, compared to a Financial Net Debt of -€4,064 million as of December 31, 2019, i.e., an increase of €889 million. This change was mainly attributable to the following items:

- Vivendi repurchased its own shares for €2,157 million (please refer to Note 16 to the Consolidated Financial Statements for the year ended December 31, 2020);
- in 2020, Vivendi acquired listed equity securities for €1,257 million, including Lagardère for €595 million and MultiChoice Group Ltd by Canal+ Group for €294 million;
- on April 23, 2020, Vivendi paid a dividend with respect to fiscal year 2019 of €0.60 per share representing an aggregate amount of €690 million; and
- on July 3, 2020, Banijay Group Holding completed the acquisition of 100% of Endemol Shine Group's share capital. This transaction was notably financed by a capital increase to which Vivendi subscribed for €100 million. As from this date, Vivendi holds 32.9% of Banijay Group Holding's share capital.

These items were partially offset by the following:

- Vivendi received a cash inflow of €2,842 million from the sale of 10% of Universal Music Group's share capital to a Tencent-led consortium (please refer to Note 2.1 to the Consolidated Financial Statements for the year ended December 31, 2020); and
- cash flow from operations (CFFO) provided by operating activities for €696 million.

Vivendi believes that the cash flow generated by its operating activities, its cash surpluses, net of amounts used to reduce Vivendi's debt, as well as funds available through undrawn bank credit facilities (please refer to Note 21.3 to the Consolidated Financial Statements for the year ended December 31, 2020) will be sufficient to cover expenses and investments necessary for its operations, its debt service (including redemption of bonds), the payment of income taxes, the distribution of dividends and any potential share repurchases under existing authorizations, as well as its investment projects, if any, for the next 12 months.

2.1.3 Equity portfolio

As of December 31, 2020, Vivendi held a portfolio of listed non-controlling equity interests (including Telecom Italia) for an aggregate market value of approximately €5.33 billion (before taxes), compared to €3.95 billion as of December 31, 2019.

As of March 1, 2021 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020), the value of the portfolio of listed non-controlling equity interests (including Telecom Italia) was approximately €5.66 billion (before taxes).

2.2 Cash flow from operations analysis

Preliminary comments:

- *Under Vivendi's definition, EBITDA is calculated as EBITA, as presented in the Adjusted Statement of Earnings, before amortization and depreciation of tangible and intangible assets, restructuring charges, gains/(losses) on the sale of tangible and intangible assets, income from equity affiliates - operational and other non-recurring operating items.*
- *"Cash flow from operations" (CFFO) and "cash flow from operations after interest and income tax paid" (CFAIT), both non-GAAP measures, should be considered in addition to, and not as substitutes for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related notes or as described in this Financial Report. Vivendi considers these to be relevant indicators of the group's operating and financial performance.*

	Year ended December 31,		
(in millions of euros)	2020	2019	% Change
Revenues	16,090	15,898	+1.2%
Operating expenses excluding depreciation and amortization	(13,667)	(13,620)	-0.4%
EBITDA	*2,423*	*2,278*	*+6.3%*
Restructuring charges paid	(115)	(101)	-13.7%
Content investments, net	(1,481)	(676)	x 2,2
of which payments to artists and catalog acquisitions by UMG:			
Payments and catalog acquisitions	*(2,541)*	*(1,483)*	-71.4%
Recoupment of payments	*1,024*	*1,018*	+0.6%
	(1,517)	(465)	*x 3,3*
of which film and television rights, net at Canal+ Group:			
Acquisition paid	*(471)*	*(502)*	+6.2%
Consumption	*615*	*567*	+8.4%
	144	*65*	*x 2,2*
of which sports rights, net at Canal+ Group:			
Acquisition paid	*(739)*	*(1,015)*	+27.2%
Consumption	*719*	*987*	-27.1%
	(20)	*(28)*	*+30.5%*
of which other rights and contents, net at Canal+ Group:			
Acquisition paid	*(207)*	*(366)*	+43.4%
Consumption	*165*	*174*	-5.2%
	(42)	*(192)*	*+78.1%*
Neutralization of change in provisions included in operating expenses	199	(24)	na
Other cash operating items	(4)	7	na
Other changes in net working capital	293	67	x 4,4
Net cash provided by/(used for) operating activities before income tax paid	***1,315***	***1,551***	***-15.2%***
Dividends received from equity affiliates and unconsolidated companies	71	11	x 6,4
Capital expenditures, net (capex, net)	(435)	(405)	-7.5%
Repayment of lease liabilities and related interest expenses (a)	(255)	(254)	-0.2%
Cash flow from operations (CFFO)	**696**	**903**	**-23.0%**
Interest paid, net	(37)	(46)	+19.8%
Other cash items related to financial activities	(22)	(7)	x 2,9
Income tax (paid)/received, net	(89)	(283)	+68.5%
Cash flow from operations after interest and income tax paid (CFAIT)	**548**	**567**	**-3.2%**

na: not applicable.

a. Included a €214 million repayment of lease liabilities and €41 million of related interest expenses for the year ended December 31, 2020 (compared to €211 million and €43 million for the year ended December 31, 2019, respectively).

2.2.1 Changes in cash flow from operations (CFFO)

In 2020, **cash flow from operations (CFFO)** generated by the group's business segments amounted to €696 million (compared to €903 million in 2019), a decline of €207 million.

Net cash EBITDA from the change in the working capital of the group's business segments amounted to €5,190 million (compared to €4,817 million in 2019), an increase of €373 million. This growth mainly resulted from the operating performances of Universal Music Group (+€397 million).

This increase was more than offset by the change in **content investments**, which amounted to €4,011 million (compared to €3,427 million in 2019), an increase of €584 million. The increase in advance payments to artists and acquisitions of catalogs by Universal Music Group (-€1,059 million, including the impact of the acquisition of Bob Dylan's catalog) was partially offset by the temporary postponement of certain content investments at Canal+ Group (+€465 million) due to the COVID-19 pandemic.

Furthermore, **capital expenditures** by the group's business segments amounted to €435 million (compared to €405 million in 2019), an increase of €30 million, mainly at Canal+ Group.

2.2.2 Cash flow from operations (CFFO) by business segment

	Year ended December 31,		
(in millions of euros)	2020	2019	% Change
Universal Music Group	50	704	-92.9%
Canal+ Group	545	167	x 3,3
Havas Group	270	239	+13.0%
Editis	71	22	x 3,2
Gameloft	(13)	(26)	
Vivendi Village	(86)	(24)	
New Initiatives	(88)	(72)	
Corporate	(53)	(107)	
Cash flow from operations (CFFO)	**696**	**903**	**-23.0%**

2.2.3 Changes in cash flow from operations after interest and income tax paid (CFAIT)

In 2020, **cash flow from operations after interest and income tax paid (CFAIT)** was a €548 million net inflow (compared to a €567 million net inflow in 2019), a decline of €19 million. The decrease in net cash flow from operations (-€207 million) was almost offset by a lower net outflow relating to income taxes (+€194 million).

In 2020, **cash flow relating to income taxes** was a €89 million net outflow, compared to a €283 million net outflow in 2019, representing savings of €194 million. As a reminder, in 2019, pursuant to a decision of the Versailles Administrative Court of Appeal regarding the use of foreign tax receivables by Vivendi for the payment of income tax in respect of the fiscal year ended December 31, 2012, on February 15, 2019, Vivendi complied with the tax authorities' request and repaid an amount of €239 million (€218 million principal and €21 million moratorium interest). Following a favorable decision from the French Council of State (*Conseil d'État*) dated December 19, 2019, the tax authorities repaid €223 million to Vivendi on December 27, 2019 (€218 million principal and €5 million moratorium interest). In January 2020, the tax authorities repaid €250 million to Vivendi, i.e., a balance of €21 million with respect to moratorium interest for fiscal year 2012 and €229 million with respect to fiscal year 2015 (€203 million principal and €26 million moratorium interest).

In 2020, financial activities generated a €59 million net outflow (compared to €53 million in 2019). In 2020, this amount mainly included net interest paid (€37 million, compared to €46 million in 2019). In addition, cash outflows generated by foreign exchange risk hedging instruments was a €7 million outflow (compared to a €25 million inflow in 2019).

2.2.4 Reconciliation of CFAIT to net cash provided by operating activities

	Year ended December 31,	
(in millions of euros)	2020	2019
Cash flow from operations after interest and income tax paid (CFAIT)	**548**	**567**
Adjustments		
Repayment of lease liabilities and related interest expenses	255	254
Capital expenditures, net (capex, net)	435	405
Dividends received from equity affiliates and unconsolidated companies	(71)	(11)
Interest paid, net	37	46
Other cash items related to financial activities	22	7
Net cash provided by operating activities (a)	**1,226**	**1,268**

a. As presented in the Consolidated Statement of Cash Flows.

2.3 Analysis of investing and financing activities

2.3.1 Investing activities

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	Year ended December 31, 2020
Financial investments		
Acquisition of listed equity securities (a)		(1,257)
Advances under the Bolloré SE current account	16	(150)
Increase in Banijay Group Holding's capital	16	(100)
Other financial investments		(133)
Total financial investments		**(1,640)**
Financial divestments		
Disposal of cash management financial assets	16	151
Repayment under the Bolloré SE current account	16	80
Other financial divestments (b)		129
Total financial divestments		**360**
Dividends received from equity affiliates and unconsolidated companies		70
Capital expenditures, net	4	(435)
Net cash provided by/(used for) investing activities (c)		**(1,645)**

a. Included the acquisition of Lagardère shares for €595 million and the acquisition of MultiChoice shares by Canal+ Group for €294 million (please refer to Note 2 to the Consolidated Financial Statements for the year ended December 31, 2020).

b. Included an additional payment of €56 million for the sale of GVT in 2015, following the favorable settlement of a tax litigation in Brazil.

c. As presented in the Consolidated Statement of Cash Flows.

2.3.2 Financing activities

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	Year ended December 31, 2020
Transactions with shareowners		
Sale of 10% of Universal Music Group's share capital	2	2,842
Sale/(purchase) of Vivendi SE's treasury shares	17	(2,157)
Dividends paid by consolidated companies to their non-controlling interests		(98)
Distribution to Vivendi SE's shareowners	17	(690)
Capital increase subscribed by employees as part of the Stock Purchase Plan	20	130
Exercise of stock subscription options by executive management and employees	20	23
Other		(83)
Total transactions with shareowners		**(33)**
Transactions on borrowings and other financial liabilities		
Issuance of bank credit facilities	21	704
Redemption of short-term marketable securities	21	(1,028)
Interest paid, net	6	(37)
Other		(26)
Total transactions on borrowings and other financial liabilities		**(387)**
Repayment of lease liabilities and related interest expenses	12 ; 6	(255)
Net cash provided by/(used for) financing activities (a)		**(675)**

a. As presented in the Consolidated Statement of Cash Flows.

3 Outlook

Dividend

On March 1, 2021 (the date of Vivendi's Management Board Meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020 and the allocation of earnings for the fiscal year then ended), the Management Board decided to propose to shareholders the payment of an ordinary dividend of €0.60 per share. This proposal was presented to, and approved by, Vivendi's Supervisory Board at its meeting held on March 3, 2021, and it will be submitted to the General Shareholders' Meeting to be held on June 22, 2021 for approval.

4 Forward-Looking Statements

Cautionary note

This Financial Report contains forward-looking statements with respect to Vivendi's financial condition, results of operations, business, strategy, plans and outlook, including the impact of certain transactions and the payment of dividends and distributions, as well as share repurchases. Although Vivendi believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Vivendi's control, including, but not limited to, risks related to antitrust and other regulatory approvals, and to any other approvals that may be required in connection with certain transactions, as well as the risks described in the documents filed by Vivendi with the *Autorité des marchés financiers* (the "AMF") (the French securities regulator), and in its press releases, if any, which are also available in English on Vivendi's website (www.vivendi.com). Accordingly, readers are cautioned against relying on such forward-looking statements. These forward-looking statements are made as of the date of this Financial Report. Vivendi disclaims any intention or obligation to provide, update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Although the COVID-19 pandemic is having a more significant impact on certain countries or businesses than others, in 2020, Vivendi has demonstrated resilience in adapting its activities to continue to best serve and entertain its customers, while reducing costs to preserve its margins. The business activities showed good resilience, in particular, music and pay television. However, as previously mentioned, the other businesses such as Havas Group and Vivendi Village (in particular live entertainment) were affected by the pandemic's effect. Editis has enjoyed a strong rebound in its businesses in France since June 2020.

Vivendi continually monitors the current and potential consequences of the crisis. It is difficult at this time to determine how it will impact Vivendi's results in 2021. Businesses related to advertising and live performance have a risk of being more impacted than others. Nevertheless, the Group remains confident in the resilience of its main businesses. It continues to make every effort to ensure the continuity of its activities, as well as to best serve and entertain its customers and audiences while complying with the guidelines of authorities in each country where it operates.

In 2020, Vivendi tested the value of goodwill allocated to its Cash-Generating Units (CGU) or groups of CGU by applying valuation methods consistent with previous years. Vivendi ensured that the recoverable amount of CGU or groups of CGU tested exceeded their carrying value (including goodwill). Government measures implemented to address the COVID-19 pandemic in the main regions where Vivendi operates, have slowed down the conduct of certain business activities, such as Havas Group, Studiocanal and Vivendi Village and have slowed down the conduct of the operating performance of these activities. Notwithstanding the uncertainties created by the COVID-19 pandemic, Vivendi considered that the decline in the operating performance of these businesses observed in 2020 is unlikely to be permanent and should not affect their long-term outlook.

In 2020, Vivendi's Financial Net Debt increased by €889 million, from €4,064 million as of December 31, 2019, to €4,953 million as of December 31, 2020. In addition, Vivendi has significant financing capacity. As of December 31, 2020, €3.3 billion of the group's committed credit facilities were available.

As of December 31, 2020, the average "economic" term of the group's financial debt, calculated based on the assumption that the available medium-term credit lines may be used to redeem the group's shortest term borrowings, was 4.8 years (compared to 5.3 years as of December 31, 2019).

For a detailed description on borrowings and other financial liabilities and financial risk management, please refer to Note 21 to the Consolidated Financial Statements for the year ended December 31, 2020.

5 Other Disclaimers

Unsponsored ADRs

Vivendi does not sponsor any American Depositary Receipt (ADR) facility in respect of its shares. Any ADR facility currently in existence is "unsponsored" and has no ties whatsoever to Vivendi. Vivendi disclaims any liability in respect of any such facility.

Translation

This Financial Report is an English translation of the French version of the report and is provided solely for the convenience of English-speaking readers. This translation is qualified in its entirety by the French version, which is available on the company's website (www.vivendi.com). In the event of any inconsistencies between the French version of this Financial Report and the English translation, the French version will prevail.

II- Appendix to the Financial Report

1 Quarterly revenues by business segment

	2020			
(in millions of euros)	Three months ended March 31,	Three months ended June 30,	Three months ended September 30,	Three months ended December 31,
Revenues				
Universal Music Group	1,769	1,690	1,855	2,118
Canal+ Group	1,372	1,302	1,380	1,444
Havas Group	524	495	484	634
Editis	116	146	232	231
Gameloft	61	69	63	60
Vivendi Village	23	3	8	6
New Initiatives	15	13	16	21
Elimination of intersegment transactions	(10)	(12)	(16)	(22)
Total Vivendi	**3,870**	**3,706**	**4,022**	**4,492**

	2019			
(in millions of euros)	Three months ended March 31,	Three months ended June 30,	Three months ended September 30,	Three months ended December 31,
Revenues				
Universal Music Group	1,502	1,756	1,800	2,101
Canal+ Group	1,252	1,266	1,285	1,465
Havas Group	525	589	567	697
Editis (a)	89	171	210	217
Gameloft	68	65	61	65
Vivendi Village	23	43	42	33
New Initiatives	15	19	16	21
Elimination of intersegment transactions	(15)	(15)	(11)	(24)
Total Vivendi	**3,459**	**3,894**	**3,970**	**4,575**

a. As a reminder, Vivendi has fully consolidated Editis since February 1, 2019.

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III- Audited Consolidated Financial Statements for the year ended December 31, 2020

Statutory auditors' report on the Consolidated Financial Statements

To the Annual General Meeting of Vivendi SE,

Opinion

In compliance with the engagement entrusted to us by your annual general meetings, we have audited the accompanying consolidated financial statements of Vivendi SE for the year ended 31 December 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2020 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 the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes)* for the period from 1 January 2020 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) No. 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. These measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on how audits are performed.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 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 judgment, 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.

- ***Valuation of goodwill allocated to cash-generating units (CGUs) or groups of CGUs: Groupe Canal + (Pay TV / Free TV), Studio Canal, Havas, Editis and Gameloft*** *(Notes 1.3.5.2, 1.3.5.8 and 10 to the consolidated financial statements)*

Key audit matter	Our response
As at 31 December 2020, goodwill is recorded in the balance sheet for a net carrying amount of €14,183 million, for a total balance sheet of €38,122 million. It has been allocated to the cash generating units (CGUs) or, where applicable, groups of cash-generating units, of the activities into which the companies acquired have been integrated. The goodwill relating to the CGUs: Groupe Canal + (Pay TV / Free TV), Studio Canal, Havas, Editis and Gameloft totals €9,109 million. Each year, management ensures that the carrying amount of the goodwill does not exceed its recoverable amount. The impairment test methods thus implemented by management are described in the notes to the consolidated financial statements and take into account the projected holding period for equity investments defined by the Group; they involve significant judgements and assumptions, notably concerning, as the case may be: - future cash-flow forecasts; - perpetual growth rates used for projected flows; - discount rates applied to estimated cash flows; - the selection of sample companies included among the transaction or stock market comparables ; - the assessment of the impact of the crisis related to the COVID-19 pandemic on the long-term prospects. Consequently, any variation in these assumptions may have a significant impact on the recoverable amount of the goodwill and necessitate the recognition of an impairment loss, where applicable. We consider the valuation of goodwill to be a key audit matter due to (i) its materiality in the group's financial statements, (ii) the judgements and assumptions required to determine its recoverable amount.	We analysed the compliance of the methods adopted by your company with the accounting standards in force, in particular concerning the determination of the CGUs and the methods used to estimate the recoverable amount. We obtained the impairment tests for each CGU or group of CGUs and examined the determination of the value of each CGU. We paid particular attention to those for which the carrying amount is close to the estimated recoverable amount, those for which the historical performance showed differences in relation to the forecasts, and those operating in volatile economic environments. We assessed the competence of the independent evaluators appointed by your company for the valuation of certain CGUs or groups of CGUs. We took note of the key assumptions used for all the CGUs or groups of CGUs and, as the case may be: - compared the business forecasts underpinning the determination of cash flows with the information available, including the market prospects and past achievements, and in relation to management's latest estimates (assumptions, budgets and strategic plans where applicable); - compared the perpetual growth rates used for the projected flows with market analyses and the consensus of the main professionals concerned; - compared the discount rates used with our internal databases, assisted by financial valuation specialists included in our teams; - examined the selection of companies included among the transaction or stock market comparables in order to compare it with the relevant samples according to market analysts and our knowledge of the operating sectors; - compared the market data used with available public and non-public information. We obtained and reviewed the sensitivity analyses performed by management, which we compared with our own calculations to assess what level of variation in the assumptions would require the recognition of goodwill impairment. Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.

- ***Valuation of the Telecom Italia equity affiliate*** *(Notes 1.3.2 and 13.2 to the consolidated financial statements)*

Key audit matter	Our response
The net value of the Telecom Italia equity-accounted investment amounts to €3,179 million as at 31 December 2020. At year-end, your company ensures that it is not necessary to recognize an impairment loss for this investment, by comparing its recoverable amount with the carrying amount recorded in the group's financial statements. The recoverable amount has been estimated using the usual valuation methods (value in use determined by discounting future cash flows, and fair value determined using market data). Your company used the services of an independent evaluator to assist you in the valuation of this asset's recoverable amount. Given the decline observed in Telecom Italia's stock market performance during the last financial year, we consider the assessment of this equity-accounted investment to be a key audit matter.	We obtained the documentation relating to the valuation of the equity-accounted value of Telecom Italia. We assessed the competence of the independent evaluator appointed by your company. With the assistance of our valuation specialists: - we took note of the models and key assumptions used to determine discounted cash flows (perpetual growth rate, discount rate), comparing these items with the information in our internal databases; - we took note of the market multiples used by the independent evaluator to assess the relevance of the estimates resulting from the discounted cash flows method, comparing these items with market practice and data. - assessed the compatibility of this analysis with the principle of forward holding of Telecom Italia expressed by Vivendi's management. Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.

- ***Analysis of the disputes with the Mediaset group and foreign institutional investors*** *(Notes 1.3.8, 1.5, 18 and and 25 to the consolidated financial statements)*

Key audit matter	Our response
The group's activities are conducted in a constantly evolving environment and within a complex international regulatory framework. The group is not only subject to significant changes in the legislative environment and in the application and interpretation of regulations, but it also has to contend with litigation arising in the normal course of its business. Your company exercises its judgement in assessing the risks relating to the disputes with the Mediaset group and with certain foreign institutional investors, and recognizes a provision when the expense liable to result from these disputes is probable and the amount can either be quantified or estimated within a reasonable range. We consider these disputes to be a key audit matter given the amounts at stake and the level of judgement required for the determination of any provisions.	We analysed all the information made available to us, relating to (i) the disputes between your company and the Mediaset group and its shareholders and (ii) the disputes between your company and certain foreign institutional investors concerning alleged harm resulting from financial communications of your company and its former CEO between 2000 and 2002. We examined the risk estimates performed by management and notably compared them with the information disclosed in the answers received from the lawyers and legal advisers in response to our requests for confirmation concerning these disputes. Finally, we verified the information concerning these disputes disclosed in the notes to the consolidated financial statements.

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 relating to the Group given in the Management Board's management report.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L. 823-

10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained in this statement. This information should 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**

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the consolidated financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No. 2019/815 of 17 December 2018 to years beginning on or after 1 January 2021. Therefore, this report does not include a conclusion on the compliance with this format of 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*).

- **Appointment of the Statutory Auditors**

We were appointed as statutory auditors of Vivendi SE by the annual general meetings held on 25 April 2017 for DELOITTE & ASSOCIES and on 15 June 2000 for ERNST & YOUNG et Autres.

As at 31 December 2020, DELOITTE & ASSOCIES was in its fourth year and ERNST & YOUNG et Autres in its twenty-first year of total uninterrupted engagement.

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 it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by your Management Board.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

- **Objectives 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 consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), 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 judgment 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 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 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 to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, 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 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) No 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 3, 2021

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES	ERNST & YOUNG et Autres
Thierry Quéron and Géraldine Segond	Jacques Pierres and Claire Pajona

Consolidated Statement of Earnings

	Note	Year ended December 31, 2020	2019
Revenues	4	**16,090**	**15,898**
Cost of revenues		(8,812)	(8,845)
Selling, general and administrative expenses		(5,685)	(5,495)
Restructuring charges	4	(106)	(161)
Impairment losses on intangible assets acquired through business combinations	4	(1)	(20)
Income from equity affiliates - operational		(18)	4
Earnings before interest and income taxes (EBIT)	4	**1,468**	**1,381**
Income from equity affiliates - non-operational	13	126	67
Interest	6	(37)	(46)
Income from investments		36	10
Other financial income	6	704	235
Other financial charges	6	(115)	(170)
		588	***29***
Earnings before provision for income taxes		**2,182**	**1,477**
Provision for income taxes	7	(575)	140
Earnings from continuing operations		**1,607**	**1,617**
Earnings from discontinued operations		-	-
Earnings		**1,607**	**1,617**
Of which			
Earnings attributable to Vivendi SE shareowners		**1,440**	**1,583**
Non-controlling interests		167	34
Earnings attributable to Vivendi SE shareowners per share - basic	8	**1.26**	**1.28**
Earnings attributable to Vivendi SE shareowners per share - diluted	8	1.26	1.28

In millions of euros, except per share amounts, in euros.

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

(in millions of euros)	Note	Year ended December 31, 2020	2019
Earnings		**1,607**	**1,617**
Actuarial gains/(losses) related to employee defined benefit plans, net		12	(143)
Financial assets at fair value through other comprehensive income		(118)	(37)
Comprehensive income from equity affiliates, net	13	2	(8)
Items not subsequently reclassified to profit or loss		**(104)**	**(188)**
Foreign currency translation adjustments		(672)	170
Unrealized gains/(losses), net		2	(4)
Comprehensive income from equity affiliates, net	13	(167)	61
Other impacts, net		(1)	22
Items to be subsequently reclassified to profit or loss		**(838)**	**249**
Charges and income directly recognized in equity	9	**(942)**	**61**
Total comprehensive income		**665**	**1,678**
Of which			
Total comprehensive income attributable to Vivendi SE shareowners		**576**	**1,639**
Total comprehensive income attributable to non-controlling interests		89	39

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Financial Position

(in millions of euros)	Note	December 31, 2020	December 31, 2019
ASSETS			
Goodwill	10	14,183	14,690
Non-current content assets	11	3,902	2,746
Other intangible assets		848	883
Property, plant and equipment		1,125	1,097
Rights-of-use relating to leases	12	1,068	1,245
Investments in equity affiliates	13	3,542	3,520
Non-current financial assets	14	4,285	2,263
Deferred tax assets	7	736	782
Non-current assets		**29,689**	**27,226**
Inventories		366	277
Current tax receivables	7	128	374
Current content assets	11	1,346	1,423
Trade accounts receivable and other	15	5,482	5,661
Current financial assets	14	135	255
Cash and cash equivalents	16	976	2,130
Current assets		**8,433**	**10,120**
TOTAL ASSETS		**38,122**	**37,346**
EQUITY AND LIABILITIES			
Share capital		6,523	6,515
Additional paid-in capital		2,368	2,353
Treasury shares		(2,441)	(694)
Retained earnings and other		9,309	7,179
Vivendi SE shareowners' equity		**15,759**	**15,353**
Non-controlling interests		672	222
Total equity	17	**16,431**	**15,575**
Non-current provisions	18	1,060	1,127
Long-term borrowings and other financial liabilities	21	4,171	5,160
Deferred tax liabilities	7	1,166	1,037
Long-term lease liabilities	12	1,070	1,223
Other non-current liabilities		916	183
Non-current liabilities		**8,383**	**8,730**
Current provisions	18	670	494
Short-term borrowings and other financial liabilities	21	2,230	1,777
Trade accounts payable and other	15	10,095	10,494
Short-term lease liabilities	12	221	236
Current tax payables	7	92	40
Current liabilities		**13,308**	**13,041**
Total liabilities		**21,692**	**21,771**
TOTAL EQUITY AND LIABILITIES		**38,122**	**37,346**

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

(in millions of euros)	Note	Year ended December 31, 2020	2019
Operating activities			
EBIT	5	1,468	1,381
Adjustments	22	1,035	779
Content investments, net		(1,481)	(676)
Gross cash provided by operating activities before income tax paid		***1,022***	***1,484***
Other changes in net working capital		293	67
Net cash provided by operating activities before income tax paid		***1,315***	***1,551***
Income tax (paid)/received, net	7.2	(89)	(283)
Net cash provided by operating activities		**1,226**	**1,268**
Investing activities			
Capital expenditures	4	(438)	(413)
Purchases of consolidated companies, after acquired cash	2	(96)	(2,106)
Investments in equity affiliates	13	(120)	(1)
Increase in financial assets	14	(1,425)	(177)
Investments		***(2,079)***	***(2,697)***
Proceeds from sales of property, plant, equipment and intangible assets	4	3	8
Proceeds from sales of consolidated companies, after divested cash		65	22
Disposal of equity affiliates	13	10	-
Decrease in financial assets	14	285	1,046
Divestitures		***363***	***1,076***
Dividends received from equity affiliates	13	41	8
Dividends received from unconsolidated companies	14	30	3
Net cash provided by/(used for) investing activities		**(1,645)**	**(1,610)**
Financing activities			
Net proceeds from issuance of common shares in connection with Vivendi SE's share-based compensation plans	20	153	175
Sales/(purchases) of Vivendi SE's treasury shares	17	(2,157)	(2,673)
Distributions to Vivendi SE's shareowners	17	(690)	(636)
Other transactions with shareowners	2	2,759	(13)
Dividends paid by consolidated companies to their non-controlling interests		(98)	(41)
Transactions with shareowners		***(33)***	***(3,188)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	21	5	2,101
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	21	(1)	(6)
Principal payment on short-term borrowings	21	(1,071)	(787)
Other changes in short-term borrowings and other financial liabilities	21	739	870
Interest paid, net	6	(37)	(46)
Other cash items related to financial activities		(22)	(7)
Transactions on borrowings and other financial liabilities		***(387)***	***2,125***
Repayment of lease liabilities and related interest expenses	12 ; 6	(255)	(254)
Net cash provided by/(used for) financing activities		**(675)**	**(1,317)**
Foreign currency translation adjustments of continuing operations		(60)	(4)
Change in cash and cash equivalents		**(1,154)**	**(1,663)**
Cash and cash equivalents			
At beginning of the period	16	**2,130**	**3,793**
At end of the period	16	**976**	**2,130**

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statements of Changes in Equity

Year ended December 31, 2020

(in millions of euros, except number of shares)	Note	Capital					Retained earnings and other			Total equity
		Common shares		Additional paid-in capital	Treasury shares	Subtotal	Retained earnings	Other comprehensive income	Subtotal	
		Number of shares (in thousands)	Share capital							
BALANCE AS OF DECEMBER 31, 2019		***1184 576***	**6 515**	**2 353**	**(694)**	**8 174**	**8 303**	**(902)**	**7 401**	**15 575**
Attributable to Vivendi SE shareowners		***1184 576***	***6 515***	***2 353***	***(694)***	***8 174***	***8 059***	***(880)***	***7 179***	***15 353***
Attributable to non-controlling interests		***-***	***-***	***-***	***-***	***-***	***244***	***(22)***	***222***	***222***
Contributions by (distributions to) Vivendi SE shareowners		***1 420***	**8**	**15**	**(1 747)**	**(1 724)**	**(756)**	**-**	**(756)**	**(2 480)**
Sales/(purchases) of treasury shares	17	-	-	-	(1 986)	(1 986)	-	-	-	(1 986)
Dividend paid on April 23, 2020 with respect to fiscal year 2019 (€0.60 per share)	17	-	-	-	-	-	(690)	-	(690)	(690)
Capital increase related to share-based compensation plans	20	*1 420*	8	15	239	262	(66)	-	(66)	196
of which employee Stock Purchase Plans (July 21, 2020)		-	-	-	*190*	*190*	*(60)*	-	*(60)*	*130*
exercise of stock-options by executive management and employees		*1 420*	*8*	*15*	-	*23*	-	-	-	*23*
Changes in Vivendi SE's ownership interest in its subsidiaries that do not result in a loss of control		**-**	**-**	**-**	**-**	**-**	**2 413**	**(103)**	**2 310**	**2 310**
of which sale of 10% of Universal Music Group's share capital	2.1	-	-	-	-	-	*2 419*	*(103)*	*2 316*	*2 316*
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SE SHAREOWNERS (A)		***1 420***	**8**	**15**	**(1 747)**	**(1 724)**	**1 657**	**(103)**	**1 554**	**(170)**
Contributions by (distributions to) non-controlling interests		-	-	-	-	-	(94)	-	(94)	(94)
Changes in non-controlling interests that result in a gain/(loss) of control		-	-	-	-	-	-	-	-	-
Changes in non-controlling interests that do not result in a gain/(loss) of control		-	-	-	-	-	354	101	455	455
of which sale of 10% of Universal Music Group's share capital	2.1	-	-	-	-	-	*354*	*101*	*455*	*455*
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)		**-**	**-**	**-**	**-**	**-**	**260**	**101**	**361**	**361**
Earnings		-	-	-	-	-	1 607	-	1 607	1 607
Charges and income directly recognized in equity	9	-	-	-	-	-	-	(942)	(942)	(942)
TOTAL COMPREHENSIVE INCOME (C)		**-**	**-**	**-**	**-**	**-**	**1 607**	**(942)**	**665**	**665**
TOTAL CHANGES OVER THE PERIOD (A+B+C)		***1 420***	***8***	***15***	***(1 747)***	***(1 724)***	***3 524***	***(944)***	***2 580***	***856***
Attributable to Vivendi SE shareowners		*1 420*	*8*	*15*	*(1 747)*	*(1 724)*	*3 091*	*(961)*	*2 130*	*406*
Attributable to non-controlling interests		-	-	-	-	-	*433*	*17*	*450*	*450*
BALANCE AS OF DECEMBER 31, 2020		***1185 996***	**6 523**	**2 368**	**(2 441)**	**6 450**	**11 827**	**(1 846)**	**9 981**	**16 431**
Attributable to Vivendi SE shareowners		***1185 996***	***6 523***	***2 368***	***(2 441)***	***6 450***	***11 150***	***(1 841)***	***9 309***	***15 759***
Attributable to non-controlling interests		***-***	***-***	***-***	***-***	***-***	***677***	***(5)***	***672***	***672***

Year ended December 31, 2019

(in millions of euros, except number of shares)	Capital					Retained earnings and other			Total equity
	Common shares		Additional paid-in capital	Treasury shares	Subtotal	Retained earnings	Other comprehensive income	Subtotal	
	Number of shares (in thousands)	Share capital							
BALANCE AS OF DECEMBER 31, 2018	**1306 234**	**7 184**	**4 475**	**(649)**	**11 010**	**7 466**	**(942)**	**6 524**	**17 534**
Attributable to Vivendi SE shareowners	***1306 234***	***7 184***	***4 475***	***(649)***	***11 010***	***7 221***	***(918)***	***6 303***	***17 313***
Attributable to non-controlling interests	-	-	-	-	-	***245***	***(24)***	***221***	***221***
Restatements related to the application of IFRS 16 (a)	-	-	-	-	-	**(122)**	-	**(122)**	**(122)**
Attributable to Vivendi SE shareowners	-	-	-	-	-	*(121)*	-	*(121)*	*(121)*
Attributable to non-controlling interests	-	-	-	-	-	*(1)*	-	*(1)*	*(1)*
BALANCE AS OF JANUARY 1, 2020	**1306 234**	**7 184**	**4 475**	**(649)**	**11 010**	**7 343**	**(941)**	**6 402**	**17 412**
Attributable to Vivendi SE shareowners	***1306 234***	***7 184***	***4 475***	***(649)***	***11 010***	***7 100***	***(918)***	***6 182***	***17 192***
Attributable to non-controlling interests	-	-	-	-	-	***243***	***(23)***	***220***	***220***
Contributions by/distributions to Vivendi SE shareowners	**(121 658)**	**(669)**	**(2 122)**	**(45)**	**(2 836)**	**(634)**	-	**(634)**	**(3 470)**
Capital reduction through cancellation of treasury shares	*(130 931)*	(720)	(2 245)	2 965	-	-	-	-	-
Sales/(purchases) of treasury shares	-	-	-	(3 033)	(3 033)	-	-	-	(3 033)
Dividend paid on April 18, 2019 with respect to fiscal year 2018 (€0.50 per share)	-	-	-	-	-	(636)	-	(636)	(636)
Capital increase related to share-based compensation plans	*9 273*	51	123	23	197	2	-	2	199
of which employee Stock Purchase Plans (July 17, 2019)	*5 376*	*30*	*84*	-	*114*	-	-	-	*114*
exercise of stock options by executive management and employees	*3 897*	*21*	*40*	-	*61*	-	-	-	*61*
Changes in Vivendi SE's ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	**(8)**	-	**(8)**	**(8)**
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SE SHAREOWNERS (A)	**(121 658)**	**(669)**	**(2 122)**	**(45)**	**(2 836)**	**(642)**	-	**(642)**	**(3 478)**
Contributions by (distributions to) non-controlling interests	-	-	-	-	-	(39)	-	(39)	(39)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	2	-	2	2
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	-	-	-	-	-	**(37)**	-	**(37)**	**(37)**
Earnings	-	-	-	-	-	1 617	-	1 617	1 617
Charges and income directly recognized in equity	-	-	-	-	-	22	39	61	61
TOTAL COMPREHENSIVE INCOME (C)	-	-	-	-	-	**1 639**	**39**	**1 678**	**1 678**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***(121 658)***	***(669)***	***(2 122)***	***(45)***	***(2 836)***	***960***	***39***	***999***	***(1 837)***
Attributable to Vivendi SE shareowners	*(121 658)*	*(669)*	*(2 122)*	*(45)*	*(2 836)*	*959*	38	*997*	*(1 839)*
Attributable to non-controlling interests	-	-	-	-	-	*1*	*1*	*2*	*2*
BALANCE AS OF DECEMBER 31, 2019	**1184 576**	**6 515**	**2 353**	**(694)**	**8 174**	**8 303**	**(902)**	**7 401**	**15 575**
Attributable to Vivendi SE shareowners	***1184 576***	***6 515***	***2 353***	***(694)***	***8 174***	***8 059***	***(880)***	***7 179***	***15 353***
Attributable to non-controlling interests	-	-	-	-	-	***244***	***(22)***	***222***	***222***

a. As a reminder, as from January 1, 2019, Vivendi applied the new accounting standard IFRS 16 – *Leases*. Please refer to Notes 1 and 12.

The accompanying notes are an integral part of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

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

Vivendi is an integrated content, media and communications group. The company operates businesses throughout the media value chain, from talent discovery to the creation, production and distribution of content. Universal Music Group is the world leader in music, engaged in recorded music, music publishing and merchandising. It owns more than 50 labels covering all music genres. Canal+ Group is the leading pay-TV operator in France, also operating in Benelux, Poland, Central Europe, Africa and Asia. Its subsidiary Studiocanal is a leading European player in the production, sale and distribution of movies and TV series. Havas Group is one of the world's largest global communications group covering all of the communications disciplines: creativity, media expertise and healthcare/wellness. Editis is the second-largest French-language publishing group with more than 50 prestigious publishing houses and a large portfolio of internationally-acclaimed authors. Gameloft is one of the leading mobile game publishers in the world, with 1.5 million games downloaded daily across all platforms. Vivendi Village brings together Vivendi Ticketing (in Europe and the United States), as well as live performances through Olympia Production, Festival Production and venues in Paris (L'Olympia and Théâtre de L'Œuvre) and in Africa (CanalOlympia). New Initiatives groups together Dailymotion, one of the world's largest video content aggregation and distribution platforms and Group Vivendi Africa (GVA), a subsidiary dedicated to the development of ultra-high-speed Internet service in Africa.

The Consolidated Financial Statements reflect the financial and accounting situation of Vivendi and its subsidiaries (the "group") together with interests in equity affiliates. Amounts are reported in euros and all values are rounded to the nearest million.

On March 1, 2021, at a meeting held at the headquarters of the company, the Management Board approved the Financial Report and the Audited Consolidated Financial Statements for the year ended December 31, 2020. They were reviewed by the Audit Committee at its meeting held on March 1, 2021 and by the Supervisory Board at its meeting held on March 3, 2021.

The Consolidated Financial Statements for the year ended December 31, 2020 will be submitted to Vivendi's shareholders for approval at the Annual General Shareholders' Meeting to be held on June 22, 2021.

Note 1 Accounting policies and valuation methods

1.1 Compliance with accounting standards

The 2020 Consolidated Financial Statements of Vivendi SE have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU), and in accordance with IFRS published by the International Accounting Standards Board (IASB) with mandatory application as of December 31, 2020.

Amendments to IFRS standards applicable as from January 1, 2020, had no material impact on Vivendi's Consolidated Financial Statements.

1.2 Presentation of the Consolidated Financial Statements

1.2.1 Consolidated Statement of Earnings

The main line items presented in Vivendi's Consolidated Statement of Earnings are revenues, income from equity affiliates, interest, provision for income taxes, net earnings from discontinued or held for sale operations, and net earnings. The Consolidated Statement of Earnings presents a subtotal of Earnings Before Interest and Tax (EBIT) equal to the difference between charges and income (excluding financing activities, discontinued or held for sale operations, and income taxes).

The charges and income relating to financing activities consist of interest, income from investments, as well as other financial charges and income as defined in paragraph 1.2.3 and presented in Note 6.

Changes in presentation of the Consolidated Statement of Earnings

To ensure the consistency of the presentation of Vivendi's Consolidated Statement of Earnings with the one prepared by Bolloré Group, which decided to fully consolidate Vivendi into its Consolidated Financial Statements as from April 26, 2017, Vivendi made the following changes in the presentation of its Consolidated Statement of Earnings as from January 1, 2017:

- when the companies over which Vivendi exercises a significant influence engage in operations that are similar in nature to the group's operations, income from equity affiliates is classified as "Earnings Before Interest and Income Taxes" (EBIT); and
- the impacts related to financial investment operations, which were previously reported as "other operating charges and income" in EBIT, are reclassified as "other financial charges and income". They include capital gains or losses on the divestiture or depreciation of equity affiliates and other financial investments.

Moreover, the impacts of transactions with shareowners (except when directly recognized in equity) continue to be recorded in EBIT.

In accordance with IAS 1, Vivendi has applied these changes in the presentation of all periods previously published.

1.2.2 Consolidated Statement of Cash Flows

Net cash provided by operating activities

Net cash provided by operating activities is calculated using the indirect method based on EBIT. EBIT is adjusted for non-cash items and changes in net working capital. Net cash provided by operating activities excludes the cash impact of financial charges and income and net changes in working capital related to property, plant and equipment, and intangible assets.

Net cash used for investing activities

Net cash used for investing activities includes changes in net working capital related to property, plant and equipment, and intangible assets as well as cash from investments (particularly dividends received from equity affiliates). It also includes any cash flows arising from the gain or loss of control of subsidiaries.

Net cash used for financing activities

Net cash used for financing activities includes net interest paid on borrowings, cash and cash equivalents, bank overdrafts, the cash impact of other items related to financing activities such as premiums from the early redemption of borrowings and the settlement of derivative instruments, as well as the cash payments for the principal amount of the lease liability and any interest thereon. It also includes cash flows from changes in ownership interests in a subsidiary that do not result in a loss of control (including increases in ownership interests).

1.2.3 Operating performance of each operating segment and the group

Vivendi considers Adjusted Earnings Before Interest and Tax (EBITA), income from operations, Adjusted net income (ANI), and Cash Flow From Operations (CFFO), all non-GAAP measures, to be relevant indicators of the group's operating and financial performance.

EBITA

Vivendi considers EBITA, a non-GAAP measure, to be a relevant measure to assess the performance of its operating segments as reported in the segment data. It enables Vivendi to compare the operating performance of operating segments regardless of whether their performance is driven by the operating segment's organic growth or by acquisitions. To calculate EBITA, the accounting impact of the following items is excluded from the income from EBIT:

- the amortization of intangible assets acquired through business combinations as well as other rights catalogs acquired by Vivendi's media and content businesses;
- impairment losses on goodwill, other intangibles acquired through business combinations and other rights catalogs acquired by Vivendi's media and content businesses; and
- other income and charges related to transactions with shareowners, as defined above in Note 1.2.1.

Income from operations

Vivendi considers income from operations, a non-GAAP measure, to be a relevant measure to assess the performance of its operating segments as reported in the segment data. As defined by Vivendi, income from operations is calculated as EBITA, before share-based compensation costs related to equity-settled plans and cash-settled plans, and special items due to their unusual nature or particular significance.

Adjusted net income

Vivendi considers adjusted net income, a non-GAAP measure, to be a relevant measure to assess the group's operating and financial performance. Vivendi Management uses adjusted net income because it better illustrates the underlying performance of continuing operations by excluding most non-recurring and non-operating items. Adjusted net income includes the following items:

- EBITA (**);
- income from equity affiliates – non-operational (*);
- interest (*), equal to interest expense on borrowings net of interest income earned on cash and cash equivalents;
- income from investments (*), including dividends and interest received from unconsolidated companies; and
- taxes and non-controlling interests related to these items.

It does not include the following items:

- amortization of intangibles acquired through business combinations and other rights catalogs acquired by Vivendi's media and content businesses (**), as well as impairment losses on goodwill, other intangibles acquired through business combinations, and other rights catalogs acquired by Vivendi's media and content businesses (*) (**);
- other financial charges and income (*), equal to capital gains or losses related to divestitures, or the depreciation of equity affiliates and other financial investments, the profit and loss recognized in business combinations as well as the profit and loss related to the change in value of financial assets and the termination or change in value of financial liabilities, which primarily include changes in the fair value of derivative instruments, premiums from the early redemption of borrowings, the early unwinding of derivative instruments, the cost of issuing or cancelling credit facilities, the cash impact of foreign exchange transactions (other than those related to operating activities, included in EBIT), as well as the effect of undiscounting assets and liabilities (including lease liabilities), and the financial components of employee benefits (interest cost and expected return on plan assets);
- earnings from discontinued operations (*); and
- provisions for income taxes and adjustments attributable to non-controlling interests and non-recurring tax items (notably the changes in deferred tax assets pursuant to Vivendi SE's tax group and the Consolidated Global Profit Tax Systems, and the reversal of tax liabilities relating to risks extinguished over the period).

(*) Items as presented in the Consolidated Statement of Earnings; (**) Items as presented by operating segment in the segment data.

Cash Flow From Operations (CFFO)

Vivendi considers cash flow from operations (CFFO), a non-GAAP measure, to be a relevant measure to assess the group's operating and financial performance. CFFO includes net cash provided by operating activities, before income tax paid, as presented in the Statement of Cash Flows, dividends received from equity affiliates and unconsolidated companies, as well as cash payments for the principal of the lease liability and any interest thereon, which are presented as financing activities in the consolidated statement of cash flows. It also includes capital expenditures, net that relate to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets, which are included in net cash used for investing activities, as well as income tax paid.

Net cash provided by operating activities of discontinued operations are excluded from CFFO.

1.2.4 Consolidated Statement of Financial Position

Assets and liabilities that are expected to be realized, or intended for sale or consumption, within the entity's normal operating cycle (generally 12 months), are recorded as current assets or liabilities. If their maturity exceeds this period, they are recorded as non-current assets or liabilities. Moreover, certain reclassifications were made to the 2019 and 2018 Consolidated Financial Statements to conform to the presentation of the 2020 and 2019 Consolidated Financial Statements.

1.3 Principles governing the preparation of the Consolidated Financial Statements

Pursuant to IFRS principles, the Consolidated Financial Statements have been prepared on a going concern basis, and on a historical cost basis, with the exception of certain assets and liabilities, notably IFRS 13 – *Fair Value Measurement* relating to measurement and disclosures applies. Relevant categories are detailed below.

The Consolidated Financial Statements include the financial statements of Vivendi and its subsidiaries after eliminating intragroup items and transactions. Vivendi has a December 31st year-end. Subsidiaries that do not have a December 31st year-end prepare interim financial statements as of that date, except when their year-end falls within the three months preceding December 31st.

Acquired subsidiaries are included in the Consolidated Financial Statements of the group as of the date of acquisition.

1.3.1 Use of estimates

The preparation of Consolidated Financial Statements in compliance with IFRS requires the group's management to make certain estimates and assumptions that they consider reasonable and realistic. Although these estimates and assumptions are regularly reviewed by Vivendi Management, based in particular on past or anticipated achievements, facts and circumstances may lead to changes in these estimates and assumptions which could have an impact on the reported amount of group assets, liabilities, equity or earnings.

The main estimates and assumptions relate to the measurement of:

- revenue: estimates of provisions for returns and price guarantees (please refer to Note 1.3.4);
- goodwill and other intangible assets: valuation methods used to identify intangible assets acquired through business combinations (please refer to Note 1.3.5.2);
- goodwill, intangible assets with indefinite useful lives and assets in progress: assumptions relating to impairment tests performed on each of the group's cash-generating units (CGUs), future cash flows and discount rates are updated annually (please refer to Notes 1.3.5.8 and 10);
- UMG content assets: estimates of the future performance of beneficiaries who received advances are recognized in the Statement of Financial Position (please refer to Notes 1.3.5.3 and 11);
- provisions: risk estimates performed on an individual basis, noting that the occurrence of events during the course of procedures may lead to a risk reassessment at any time (please refer to Notes 1.3.8 and 18);
- employee benefits: assumptions are updated annually, such as the probability of employees remaining within the group until retirement, expected changes in future compensation, the discount rate and the inflation rate (please refer to Notes 1.3.8 and 19);
- share-based compensation: assumptions are updated annually, such as the estimated term, volatility and the estimated dividend yield (please refer to Notes 1.3.10 and 20);
- lease liabilities and right-of-use assets, at the commencement date of each lease contract please refer to Notes 1.3.5.7 and 12):
  - assessing the lease term that relates to the non-cancellable period of the lease, taking into account all options to extend the lease that Vivendi is reasonably certain to exercise and all options to terminate the lease that Vivendi is reasonably certain not to exercise; and
  - estimating the lessee's incremental borrowing rate, taking into account their residual lease term and their duration to reflect the interest rate of a loan with a similar payment profile to the lease payments.
- deferred taxes: estimates used for the recognition of deferred tax assets are updated annually with factors such as expected tax rates and future tax results of the group (please refer to Notes 1.3.9 and 7); and
- certain financial instruments: valuation method at fair value defined according to the three following classification levels (please refer to Notes 1.3.5.9, 1.3.7, 14, 16 and 21):
  - Level 1: fair value measurement based on quoted prices in active markets for identical assets or liabilities;
  - Level 2: fair value measurement based on observable market data (other than quoted prices included under Level 1); and
  - Level 3: fair value measurement based on valuation techniques using inputs for the asset or liability that are not based on observable market data.

  The fair value of trade accounts receivable, and other cash and cash equivalents, and trade accounts payable is a reasonable estimate of fair value, due to the short maturity of these instruments.

1.3.2 Principles of consolidation

For a list of Vivendi's major subsidiaries, joint ventures and associated entities, please refer to Note 26.

Consolidation

All companies in which Vivendi has a controlling interest, namely those in which it has the power to govern financial and operational policies to obtain benefits from their operations, are fully consolidated.

Control as defined by IFRS 10 – *Consolidated Financial Statements* is based on the three criteria below to be fulfilled cumulatively to assess if the parent company exercises control:

- a parent company has power over a subsidiary when the parent company has existing rights that give it the current ability to direct the relevant activities of the subsidiary, i.e., the activities that significantly affect the subsidiary's returns. Power may arise from existing or potential voting rights, or contractual arrangements. Voting rights must be substantial, i.e., exercisable at any time without limitation, particularly during decision-making processes related to significant activities. Assessment of the exercise of power depends on the nature of the subsidiary's relevant activities, the internal decision-making process, and the allocation of rights among the subsidiary's other shareowners;
- the parent company is exposed, or has rights, to variable returns from its involvement with the subsidiary which may vary as a result of the subsidiary's performance. The concept of returns is broadly defined and includes, among other things, dividends and other

economic benefit distributions, changes in the value of the investment in the subsidiary, economies of scale, and business synergies; and

- the parent company has the ability to use its power to affect the returns. Exercising power without having any impact on returns does not qualify as control.

Consolidated Financial Statements of a group are presented as if the group was a single economic entity with two categories of owners: (i) the owners of the parent company (Vivendi SE shareowners) and (ii) the owners of non-controlling interests (minority shareholders of the subsidiaries). A non-controlling interest is defined as the interest in a subsidiary that is not attributable, whether directly or indirectly, to a parent company. As a result, changes to a parent company's ownership interest in a subsidiary that do not result in a loss of control only impact equity, as control of the economic entity does not change. Hence, in the event of the acquisition of an additional interest in a consolidated entity after January 1, 2009, Vivendi recognizes the difference between the acquisition price and the carrying value of non-controlling interests acquired as a change in equity attributable to Vivendi SE shareowners. Conversely, any acquisition of control achieved in stages or a loss of control gives rise to profit or loss in the statement of earnings.

Accounting for joint arrangements

IFRS 11 – *Joint Arrangements* establishes principles for financial reporting by parties to a joint arrangement.

In a joint arrangement, parties are bound by a contractual arrangement, giving these parties joint control of the arrangement. An entity that is a party to an arrangement shall assess whether the contractual arrangement gives all the parties or a group of the parties control of the arrangement collectively. Once it has been established that all the parties or a group of the parties collectively control the arrangement, joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement.

Joint arrangements are classified into two categories:

- joint operations: these are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators. A joint operator shall recognize 100% of wholly-owned assets/liabilities, expenses/revenues of the joint operation, and its share of any of those items held jointly; and
- joint ventures: these are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers. Each joint venturer shall recognize its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 – *Investments in Associates and Joint Ventures* (please see below).

Equity accounting

Entities over which Vivendi exercises significant influence as well as joint ventures are accounted for under the equity method.

Significant influence is deemed to exist when Vivendi holds, whether directly or indirectly, at least 20% of the voting rights in an entity unless it can be clearly established that Vivendi does not exercise a significant influence. Significant influence can be evidenced through further criteria, such as representation on the entity's board of directors or equivalent governing body, participation in policy-making of financial and operational processes, material transactions with the entity or the interchange of managerial personnel.

1.3.3 Foreign currency translation

The Consolidated Financial Statements are presented in millions of euros. The functional currency of Vivendi SE and the presentation currency of the group is the euro.

Foreign currency transactions

Foreign currency transactions are initially recorded in the functional currency of the entity at the exchange rate prevailing at the date of the transaction. At the closing date, foreign currency monetary assets and liabilities are translated into the entity's functional currency at the exchange rate prevailing on that date. All foreign currency differences are expensed, with the exception of differences resulting from borrowings in foreign currencies which constitute a hedge of the net investment in a foreign entity. These differences are allocated directly to charges and income directly recognized in equity until the divestiture of the net investment.

Financial statements denominated in a foreign currency

Except in cases of significant exchange rate fluctuation, financial statements of subsidiaries, joint ventures or other associated entities for which the functional currency is not the euro are translated into euros as follows: the Consolidated Statement of Financial Position is translated at the exchange rate at the end of the period, and the Consolidated Statement of Earnings and the Consolidated Statement of Cash Flows are translated using average monthly exchange rates for the period. The resulting translation gains and losses are recorded as foreign currency translation differences in charges and income directly recognized in equity. In accordance with IFRS 1, Vivendi elected to reverse the accumulated foreign currency translation differences against retained earnings as of January 1, 2004. These foreign currency translation differences resulted from the translation into euros of the financial statements of subsidiaries that use foreign currencies as their functional currencies. Consequently, these adjustments are not applied to earnings on the subsequent divestiture of subsidiaries, joint ventures or associates whose functional currency is not the euro.

1.3.4 Revenues and associated costs

Revenues from contracts with customers are recorded when performance obligations promised in the contract are satisfied, and for an amount for which it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Revenues are reported net of discounts.

Vivendi has made the accounting of intellectual property licensing revenues a major point of attention.

Intellectual property licensing (musical and audiovisual works)

These licenses transfer to a customer either a right to use an entity's intellectual property as it exists at the point in time at which the license is granted (static license), or a right to access an entity's intellectual property as it exists throughout the license period (dynamic license).

Revenues are accounted for when the performance obligation promised in the contract is satisfied (static license) or over time upon satisfaction (dynamic license), i.e., when the seller transfers the risks and rewards of the right to use/access the intellectual property and the customer obtains control of the use/access of that license. Consequently, revenues from static licenses are recognized at the point in time when the license is transferred and the customer is able to use and benefit from the license. Revenues from dynamic licenses are accounted for over time, over the license period from the date the customer is able to use and benefit from the license.

Analysis of the Agent/Principal relationship in sales transactions involving a third party

If the nature of the entity's promise is a performance obligation to provide the specified goods or services itself, then the entity acts on its own behalf and it is "principal" in the sale transaction: it accounts for revenue the gross amount of consideration to which it expects to be entitled in exchange for the goods or services provided, and the commission due to the third-party as cost of revenues. If the entity arranges for a third-party to provide the goods or services specified in the contract, then it recognizes as revenues the net amount of consideration to which it expects to be entitled in exchange for the goods or services provided.

1.3.4.1 Universal Music Group (UMG)

Recorded Music

The sales of recorded music (physical, digital downloading or streaming) are intellectual property licenses granted by UMG to distributors or digital platforms and which give them certain rights over the company's musical works. In its relationship with the distributor/digital platform and the end customer, UMG cannot be "principal", as the distributor or the digital platform is responsible for setting the transfer of control conditions of the right of use granted by the license to the end customer (broadcasting, price setting and conditions for reselling the physical devices).

Physical sales of recorded music (CDs, DVDs and Vinyls)

These intellectual property licenses are static licenses transferring to the customer a right to use UMG's recordings as they exist at the point in time at which the license is granted, i.e., on the physical device sold.

Revenues from the physical sales of recorded music, net of a provision for estimated returns (please refer to Note 1.3.4.6) and rebates, if any, are accounted for, either: (i) upon the sale to the distributor, at the shipping point for products sold free on board (FOB) or on delivery for products sold free on destination; or (ii) upon the sale to the final customer for consignment sales.

Digital sales of recorded music, via downloading or streaming by subscription or free of charge

These intellectual property licenses are generally dynamic licenses providing a right to access the entire catalog of recorded music as it exists throughout the license period considering potential add-ons to, or withdrawals from, the catalog during that period.

The consideration paid by the digital platform is variable in the form of a sales-based or a usage-based royalty. Revenues are then accounted for when these subsequent sales or usages occur. Revenues from digital sales of recorded music, for which UMG has sufficient, accurate, and reliable data from digital platforms, are recognized at the end of the month in which the sale or usage is made by the end customer. If such data is not available, revenues are recognized when the digital platform notifies UMG of the sale or usage by the end customer.

For digital sales of recorded music streaming by subscription or free of charge, certain contracts may include a non-refundable minimum guarantee which is generally recoupable and is in substance an advance payment. In the case of a dynamic license, the minimum guarantee is spread over the period to which it relates and takes into account the amount of royalties that are actually recoupable. The minimum guarantee is hence apportioned in accordance with the accounting for these royalties.

Music publishing

Music publishing relates to the use by a third party of the copyrights on musical works owned or administered by UMG, which are intellectual property licenses that UMG grant to the third party and which provides a right to access a catalog of recorded music, as these intellectual property licenses are dynamic licenses.

The consideration paid by the third-party, notably a collection society (e.g., a company for the collective management of intellectual-property rights) is variable in the form of a royalty based on the usage by the third party. The variable consideration being accounted for when these subsequent usages occur, revenues from music publishing are accounted for when the collection society notifies UMG of the usage by the end customer and collectability is assured.

Merchandising

Revenues from merchandising are recognized either upon sale to the end customer, from direct sales during touring, concessions and over the internet; on delivery for sales by a third-party distributor; when a contract is signed; or when an invoice has been issued and the collectability is assured for sales of rights attached to merchandising products.

1.3.4.2 Canal+ Group

Terrestrial, satellite or ADSL television subscription services

Subscription to programs

Each subscription to a contract for pay-TV services is considered as a series of distinct services that are substantially the same and that have the same pattern of transfer to the customer. The provision of set-top boxes, digital cards and access fees do not represent distinct services or goods, and they are combined with the subscription service as a single performance obligation satisfied over time, as the customer simultaneously receives and consumes the benefits provided by Canal+ Group's performance as the pay-TV services are supplied. In its relationship with the third-party distributor and the end customer, Canal+ Group acts as “principal” in the transaction with the end customer for the self-distribution contracts as it is responsible for the activation of the subscription of the end customer and for setting the selling price.

Revenues, net of potential gratuities granted, are then accounted for over the period the service is provided, starting from the activation date of the subscription and as the service is provided.

Video-on-demand and television-on-demand services

The video-on-demand service, which allows customers to have unlimited access to a catalog of programs through streaming and the television-on-demand service, and the provision of access to one-time programs by downloading or streaming, are distinct services from the subscription service. In its relationship with the third-party distributor and the end customer, Canal+ Group is not “principal”, as the third-party distributor is responsible for the performance of the service both technically and commercially.

The video-on-demand service is a performance obligation which is satisfied over time, and the revenues are accounted for over the period it is provided to the customer. The television-on-demand service is a performance obligation satisfied at a point in time, and the revenues are accounted for when the content is available for broadcasting.

Sales of advertising spaces

These are sales of television advertising spaces (in the form of classic TV commercials and of partnerships for shows or events) or online advertising spaces (videos and advertising banners).

Pay and free-to-air television

In regard to commercials, the distinct performance obligation is the reach of a given gross rating point (GRP) which generally comprises a set of advertising messages aimed at a specific target audience and satisfied over time. Revenues from these sales, net of rebates if any, are accounted for over the period of the advertising campaign, generally because the advertising commercials are broadcasted considering potential free periods granted.

Website

Each type of advertising imprint (advertising display) represents a distinct performance obligation, because the advertiser can benefit separately from each type of advertising imprint, satisfied at a point in time. Revenues from the sale of online advertising spaces, net of rebates, if any, are accounted for when the advertising imprints are produced, i.e., when the advertisements are broadcasted on the website.

Film and television programs

Physical sales of movies (DVDs and Blu-rays)

Please refer to the section on physical sales of recorded music (CDs, DVDs and Vinyls) at UMG.

Sales of exploitation rights of audiovisual works

These sales are intellectual property licenses granted by Canal+ Group to broadcasters or to distributors and which give them certain rights over its audiovisual works. These licenses are static licenses because they transfer a right to use the films as they exist at the point in time at which the licenses are granted. In its relationship with the third-party distributor and the end customer, Canal+ Group is not "principal" in the transaction with the end customer, as the distributor is responsible for the delivery of the film and for the price setting to the end customer.

Revenues from the sale of the exploitation rights are recorded from the moment the client is able to use it and obtain the remaining benefits. When the consideration paid by the customer is a fixed price, revenues from the sales of exploitation rights are recorded from the latest of the delivery and the opening of the exploitation window set contractually or legally (refer to the media chronology in France). When the consideration paid by the customer is variable in the form of a sales-based royalty to the end customer, revenues are recognized as the subsequent sale occurs.

1.3.4.3 Havas Group

Revenues from Havas Group derive substantially from fees and commissions for its activities:
- Creative: advice and services provided in the fields of communications and media strategy; and
- Media: planning and purchase of advertising spaces.

For each sale transaction, Havas Group identifies if it acts as "principal" or not, based on its level of responsibility in the execution of the performance obligation, the control of the inventory and the price setting. Revenues are then recognized, net of costs incurred for production when Havas Group does not act as "principal".

When Havas Group acts as "principal", certain pass-through costs rebilled to customers, which were deducted from revenues in accordance with IAS 18 (applicable until December 31, 2017), are now recorded as revenues and as costs of revenues in accordance with IFRS 15. Given that these pass-through costs are not included in the measurement of the operating performance, Havas Group decided to use a new indicator, "net revenues", corresponding to revenues less these pass-through costs rebilled to customers.

Commissions are accounted for at a point in time, either at the date the service is performed or at the date the media is aired or published.

Fees are accounted for as revenues as per the following:
- one-off or project fees are recognized at the point in time when the service is performed. If these fees include a qualitative aspect, their result is assessed by the client at the end of the project; and
- fixed fees are generally recognized over time on a straight-line basis reflecting the expected duration of the service; fees based on time spent are recognized as work is performed.

Certain contractual arrangements with clients also include performance incentives pursuant to which Havas Group is entitled to receive additional payments based upon its performance for the client, measured against specified qualitative and quantitative objectives. Havas Group recognizes the incentive portion of the revenue under these contractual arrangements when it is considered highly probable that the qualitative and quantitative goals are achieved in accordance with the arrangements.

1.3.4.4 Editis

Physical sales of books

The intellectual property licenses presented in Note 1.3.5.3 are static licenses transferring to the customer a right to use books sold by Editis as they exist at the point in time at which the license is granted, i.e., on the physical device sold.

Revenues from the physical sales of books, net of a provision for estimated returns (please refer to Note 1.3.4.6) and rebates, if any, are accounted at the shipping point of products.

1.3.4.5 Gameloft

Digital sales of video games on mobile devices

The gaming experience sold by Gameloft is composed of a license to use a video game on mobile devices (which can be pre-set on the mobile terminal), and, if any, adds-in, which allows the player to progress in the video game (virtual elements, time-limited events and multi-player functionality).

The grant of a video game to an end customer through a third-party distributor, digital platform, telecom operator or mobile device manufacturer, as well as the virtual elements acquired in the video game, the time-limited events and the multi-player functionality, represent a single performance obligation in the form of an intellectual property license granted by Gameloft to third-party distributors.

These licenses are static because they transfer a right to use the video game as it exists at the point in time at which the license is granted, as Gameloft has no obligation to update the video game. In its relationship with the third-party distributor and the end customer, Gameloft acts as "principal" in the transaction with the end customer, when Gameloft is responsible for providing the video game license and for setting the price to the end customer.

The consideration paid by the third-party distributor is variable in the form of a sales-based royalty. Revenues are then accounted for when the subsequent sale occurs.

Sales of advertising spaces in video games, in the form of videos and advertising banners

The advertising display in a video game is an advertising impression corresponding to a distinct performance obligation, as the advertiser can benefit separately from each type of advertising impression, satisfied at a point in time.

Revenues from the sale of advertising spaces in video games, net of rebates if any, are then accounted for when the advertising impressions are produced, i.e., when the advertisements are published. When the sale is made by a third party (media agency or auction platform), Gameloft is generally "principal" in the sale transaction with the advertiser, notably when Gameloft is responsible for technically supplying the advertising impression, as well as for setting the price.

1.3.4.6 Other

Provisions for estimated returns and price guarantees are deducted from sales of products to customers through distributors. The provisions are estimated based on past sales statistics and take into account the economic environment and product sales forecast to final customers.

Selling, general and administrative expenses primarily include salaries and employee benefits, consulting and service fees, insurance costs, travel and entertainment expenses, administrative department costs, provisions for receivables and other operating expenses.

Advertising costs are expensed when incurred.

Slotting fees and cooperative advertising expenses are recorded as a reduction in revenues. However, cooperative advertising is treated as a marketing expense and expensed when its expected benefit is individualized and can be estimated.

1.3.5 Assets

1.3.5.1 Capitalized financial interest

When appropriate, Vivendi capitalizes financial interest incurred during the construction and acquisition period of intangible assets, and property, plant and equipment, these interests being included in the cost of qualifying assets.

1.3.5.2 Goodwill and business combinations

Business combinations from January 1, 2009

Business combinations are recorded using the acquisition method. Under this method, upon the initial consolidation of an entity over which the group has acquired exclusive control:

- the identifiable assets acquired and the liabilities assumed are recognized at their fair value on the acquisition date; and
- non-controlling interests are measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. This option is available on a transaction-by-transaction basis.

On the acquisition date, goodwill is initially measured as the difference between:

(i) the fair value of the consideration transferred, plus the amount of non-controlling interests in the acquiree and, in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; and

(ii) the net fair value of the identifiable assets and liabilities assumed on the acquisition date.

The measurement of non-controlling interests at fair value results in an increase in goodwill up to the extent attributable to these interests, thereby leading to the recognition of a "full goodwill". The purchase price allocation shall be performed within 12 months after the acquisition date. If goodwill is negative, it is recognized in the Statement of Earnings. Subsequent to the acquisition date, goodwill is measured at its initial amount less recorded accumulated impairment losses (please refer to Note 1.3.5.8 below).

In addition, the following principles are applied to business combinations:

- on the acquisition date, to the extent possible, goodwill is allocated to each cash-generating unit likely to benefit from the business combination;
- contingent consideration in a business combination is recorded at fair value on the acquisition date, and any subsequent adjustment occurring after the purchase price allocation period is recognized in the Statements of Earnings;
- acquisition-related costs are recognized as expenses when incurred;
- in the event of the acquisition of an additional interest in a subsidiary, Vivendi recognizes the difference between the acquisition price and the carrying value of non-controlling interests acquired as a change in equity attributable to Vivendi SE shareowners; and
- goodwill is not amortized.

Business combinations prior to January 1, 2009

Pursuant to IFRS 1, Vivendi elected not to restate business combinations that occurred prior to January 1, 2004. IFRS 3, as published by the IASB in March 2004, retained the acquisition method. However, its provisions differed from those of its revised standard in respect of the main following items:

- minority interests were measured at their proportionate share of the acquiree's net identifiable assets as there was no option for measurement at fair value;
- contingent consideration was recognized in the cost of acquisition only if the payment was likely to occur and the amounts could be reliably measured;
- transaction costs that were directly attributable to the acquisition formed part of acquisition costs; and
- in the event of the acquisition of an additional interest in a subsidiary, the difference between the acquisition cost and the carrying value of minority interests acquired was recognized as goodwill.

1.3.5.3 Content assets

UMG

Royalty advances to artists, songwriters, and co-publishers are capitalized as an asset when their current popularity and past performances provide a reasonable basis to conclude that the probable future recoupment of such royalty advances against earnings otherwise payable to them is reasonably assured. Royalty advances are recognized as an expense as subsequent royalties are earned by the artist, songwriter or co-publisher. Any portion of capitalized royalty advances not deemed to be recoverable against future royalties is expensed during the period in which the loss becomes evident. These expenses are recorded in cost of revenues.

Royalties earned by artists, songwriters, and co-publishers are recognized as an expense in the period during which the sale of the product occurs, less a provision for estimated returns.

Music rights and catalogs include music catalogs, artists' contracts and music publishing rights acquired. The annual review of the value of the intangible assets, undertaken by Vivendi at year-end 2016 led to a change in the amortization method of music rights and catalogs as from January 1, 2017, which notably resulted in an extension of the amortization period from 15 to 20 years.

Canal+ Group

Film, television or sports broadcasting rights

When entering into contracts for the acquisition of film, television or sports broadcasting rights, the rights acquired are classified as contractual commitments. They are recorded in the Statement of Financial Position and classified as content assets as follows:

- film and television broadcasting rights are recognized at their acquisition cost when the program is available for screening and are expensed over their broadcasting period;
- sports broadcasting rights are recognized at their acquisition cost at the opening of the broadcasting period of the related sports season or upon the first significant payment and are expensed over their broadcasting period; and
- expensing of film, television or sports broadcasting rights is included in cost of revenues.

Theatrical films and television rights produced or acquired to be sold to third parties

Theatrical films and television rights produced or acquired before their initial exhibition to be sold to third parties, are recorded as a content asset at capitalized cost (mainly direct production and overhead costs) or at their acquisition cost. The cost of theatrical films and television rights are amortized, and other related costs are expensed, pursuant to the estimated revenue method (i.e., based on the ratio of the current period's gross revenues to estimated total gross revenues from all sources on an individual production basis). Vivendi considers that amortization pursuant to the estimated revenue method reflects the rate at which the entity plans to consume the future economic benefits related to the asset, and there is a high correlation between revenue and the consumption of the economic benefits embodied in the intangible assets.

Where appropriate, estimated losses in value are provided in full against earnings for the period in which the losses are estimated, on an individual product basis.

Film and television rights catalogs

Catalogs comprise film rights acquired for a second television screening, or produced or acquired film and television rights that are sold to third parties after their first television screening (i.e., after their first broadcast on a free terrestrial channel). They are recognized as an asset at their acquisition or transfer cost and amortized as groups of films, or individually, based respectively on the estimated revenue method.

Editis

Editorial creation

Editorial creation costs include all expenses incurred during the first phase of the production of a work (i.e., pre-press, reading, correction, flat-rate translation, photo rights, illustration, iconographic research and layout). The editorial phase covers the period of conception, creation and fine-tuning of a final layout.

Editorial creation expenditures are accounted for as a fixed asset if and only if:

- the costs can be reliably measured and relate to clearly individualized projects;
- the publishing company can demonstrate the technical and commercial feasibility of the project; and
- the publishing company can demonstrate the existence and intent of probable future economic benefits and the availability of sufficient resources to complete the development and marketing of the book.

Expenses relating to research budgets and market research are considered as expenses when incurred. For all projects, criteria for the recognition of intangible assets and the classification of expenditures are determined so as to be allocated by project.

Copyrights

Advances paid to authors (e.g., capital gains, guaranteed advances and minimum guaranteed payments) are recorded as intangible assets.

1.3.5.4 Research and development costs

Research costs are expensed when incurred. Development expenses are capitalized when the feasibility and, in particular, profitability of the project can reasonably be considered certain.

Cost of internal use software

Direct internal and external costs incurred for the development of computer software for internal use, including website development costs, are capitalized during the application development stage. Application development stage costs generally include software configuration, coding, installation and testing. Costs of significant upgrades and enhancements resulting in additional functionality are also capitalized. These capitalized costs are amortized over 5 to 10 years. Maintenance, minor upgrades, and enhancement costs are expensed as they are incurred.

Cost of developing video games

Development costs of video games are capitalized when, notably, both the technical feasibility and the management’s intention to complete the game so that it will be available for use and sale are verified, and when the recoverability is reasonably assured. Because of the uncertainty that exists regarding those criteria, the recognition requirements of IAS 38 are usually not met until the game is launched. Therefore, costs of developing mobile games are usually expensed as incurred.

1.3.5.5 Other intangible assets

Intangible assets separately acquired are recorded at cost, and intangible assets acquired in connection with a business combination are recorded at their fair value at the acquisition date. The historical cost model is applied to intangible assets after they have been recognized. Assets with an indefinite useful life are not amortized but are subject to an annual impairment test. Amortization is accrued for assets with a finite useful life. Useful life is reviewed at the end of each reporting period.

Other intangible assets include trade names and customer bases. By contrast, music catalogs, trade names, subscribers’ bases and market shares generated internally are not recognized as intangible assets.

1.3.5.6 Property, plant and equipment

Property, plant and equipment are carried at historical cost less any accumulated depreciation and impairment losses. Historical cost includes the acquisition cost or production cost, costs directly attributable to transporting an asset to its physical location and preparing it for its operational use, the estimated costs relating to the demolition and the collection of property, plant and equipment, and the rehabilitation of the physical location resulting from the incurred obligation.

When property, plant and equipment include significant components with different useful lives, they are recorded and amortized separately. Amortization is calculated using the straight-line method based on the estimated useful life of the assets. Useful lives of the main components are reviewed at the end of each reporting period and are as follows:

- buildings: 5 to 40 years;
- equipment and machinery: 3 to 8 years;
- set-top boxes: 5 to 7 years; and
- other: 2 to 10 years.

After initial recognition, the cost model is applied to property, plant and equipment.

Vivendi has elected not to apply the option available under IFRS 1, involving the remeasurement of certain property, plant and equipment at their fair value as of January 1, 2004.

Until December 31, 2018, and in accordance with IFRS 1, Vivendi decided on January 1, 2004, to apply IFRIC Interpretation 4 - *Determining whether an arrangement contains a lease*, which mainly applies to commercial supply agreements for the Canal+ Group satellite capacity, which are commercial service agreements that, in general, do not convey a right to use a specific asset. Contract costs under these agreements are consequently expensed as operational costs for the period.

1.3.5.7 Leases

Vivendi applies IFRS 16 with retrospective effect as from January 1, 2019 without restating comparative periods in the consolidated financial statements.

Licenses of intellectual property granted by a lessor and rights held by a lessee under licensing agreements being excluded from the scope of IFRS 16, and commercial supply agreements for the Canal+ Group satellite capacity being in general commercial service agreements for which contract costs are expensed as operational costs for the period, the main lease contracts for Vivendi correspond to real estate leases for which Vivendi is the lessee.

Real estate leases for which Vivendi is the lessee are recorded at the commencement date and result in the recognition of a lease liability equal to the present value of future lease payments, against a right-of-use asset relating to leases.

The determination of the lease liability as of January 1, 2019 was made by:

1) analyzing operating leases for which contractual obligations were disclosed as off-balance sheet commitments until December 31, 2018 (please refer to Note 22 "Contractual obligations and other commitments" to the Consolidated Financial Statements for the year ended December 31, 2018, page 302 of the 2018 Annual Report);
2) assessing the lease term that relates to the non-cancellable period of the lease, and taking into account all options to extend the lease which Vivendi is reasonably certain to exercise and all options to terminate the lease which Vivendi is reasonably certain not to exercise. Vivendi determined that real estate lease terms in France are generally nine years; and
3) estimating the incremental borrowing rate as of January 1, 2019 of each lease contract, taking into account their residual lease term at this date and their duration to reflect the interest rate of a loan with a similar payment profile to the lease payments.

As of January 1, 2019, regarding the main impacts, it is specified that:

- this valuation does not include the impact of the consolidation of Editis as from February 1, 2019;
- for some leases, as permitted by IFRS 16, Vivendi used hindsight; and
- Vivendi has applied the practical expedient provided by IFRS 16 to exclude initial direct costs from the measurement of the right-of-use asset at the date of initial application.

From that date, for each lease, the lease term assessment and incremental borrowing rate estimate are determined at the commencement date.

After initial recognition, the liability is:

- increased by the effect of undiscounting (interest expense on lease liabilities);
- decreased by the cash out for lease payments; and
- reassessed in the event of an amendment to the lease contract.

The right-of-use asset is recognized at cost at the effective date. The cost of the right-of-use asset includes:

- the lease liability;
- the initial direct costs (incremental costs of obtaining the lease);
- payments made prior to the commencement date less lease incentives received from the lessor;

- dismantling and restoration costs (measured and recognized in accordance with IAS 37); and
- the amortization period used is the lease term.

The lease liability is a current or non-current operating liability excluded from the calculation of Financial Net Debt. Depreciation of right-of-use assets is included in Adjusted Earnings Before Interest and Income Taxes (EBITA) and the income from operations. The effect of undiscounting the lease liability (interest expense on lease liabilities) is included in other financial charges and is therefore excluded from adjusted net income (ANI). Cash payments for the principal of the lease liability and any interest thereon, which are presented as financing activities in the consolidated statement of cash flows, impact Cash Flow From Operations (CFFO).

1.3.5.8 Asset impairment

Each time events or changes in the economic environment indicate a risk of impairment of goodwill, other intangible assets, property, plant and equipment, and assets in progress, Vivendi re-examines the value of these assets. In addition, in accordance with applicable accounting standards, goodwill, other intangible assets with an indefinite useful life, and intangible assets in progress are all subject to an annual impairment test undertaken in the fourth quarter of each fiscal year. This impairment test is performed to compare the recoverable amount of each Cash Generating Unit (CGU) or, if necessary, groups of CGU to the carrying value of the corresponding assets (including goodwill). A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Vivendi operates through different media and content businesses. Each business offers different products and services that are marketed through various channels. CGUs are independently defined at each business level, corresponding to the group operating segments. For a description of Vivendi's CGUs and groups of CGUs, please refer to Note 10.

The recoverable amount is determined for each individual asset as the higher of: (i) its value in use; and (ii) its fair value (less costs to sell) as described hereafter. If the asset does not generate cash inflows that are largely independent of other assets or groups of assets, the recoverable amount is determined for the group of assets. In particular, an impairment test of goodwill is performed by Vivendi for each CGU or group of CGUs, depending on the level at which Vivendi Management measures return on operations.

The value in use of each asset or group of assets is determined, subject to exceptions, as the discounted value of future cash flows (Discounted Cash Flow method (DCF)) by using cash flow projections consistent with the budget of the following year and the most recent forecasts prepared by the operating segments.

Applied discount rates are determined by reference to available external sources of information, usually based on financial institutions' benchmarks, and reflect the current assessment by Vivendi of the time value of money and risks specific to each asset or group of assets.

Perpetual growth rates used for the evaluation of CGUs are those used to prepare budgets for each CGU or group of CGUs, and beyond the period covered, are consistent with growth rates estimated by the business by extrapolating growth rates used in the budgets, without exceeding the long-term average growth rate for the markets in which the group operates.

The fair value (less costs to sell) is the price that would be received from the sale of an asset or group of assets in an orderly transaction between market participants at the measurement date, less costs to sell. These values are generally determined on the basis of market data (stock market prices or comparison with similar listed companies, with the value attributed to similar assets or companies in recent transactions) or, in the absence of such data, on the basis of discontinued cash flows.

If the recoverable amount is lower than the carrying value of an asset or group of assets, an impairment loss equal to the difference is recognized in EBIT. In the case of a group of assets, this impairment loss is first recorded against goodwill.

The impairment losses recognized in respect of property, plant and equipment, and intangible assets (other than goodwill) may be reversed in a later period if the recoverable amount becomes greater than the carrying value, within the limit of impairment losses previously recognized. Impairment losses recognized in respect of goodwill cannot be reversed at a later date.

1.3.5.9 Financial assets

Financial assets are initially recognized at fair value corresponding, in general, to the consideration paid, which is best evidenced by the acquisition cost (including associated acquisition costs, if any). Thereafter, financial assets are measured at fair value or at amortized cost depending on which financial asset category they belong to.

From January 1, 2018, financial assets are classified into the accounting categories "financial assets at amortized cost", "financial assets at fair value through other comprehensive income" and "financial assets at fair value through profit or loss".

This classification depends on the entity's business model for managing the financial assets and on contractual terms enabling to determine whether the cash flows are solely payments of principal and interest (SPPI). The financial assets that contain an embedded derivative should be considered in full to determine whether their cash flows are SPPI.

Financial assets at fair value

These include financial assets at fair value through other comprehensive income, derivative financial instruments with a positive value (please refer to Note 1.3.7) and other financial assets measured at fair value through profit or loss. Most of these financial assets are actively traded in organized financial markets, as their fair value is calculated by reference to the published market price at the period end. Fair value is estimated for financial assets which do not have a published market price on an active market. As a last resort, when a reliable estimate of fair value cannot be made using valuation techniques in the absence of an active market, the group values financial assets at historical cost, less any impairment losses.

Financial assets at fair value through other comprehensive income include:

- unconsolidated companies that are not held for trading: Vivendi elected to classify these into the category "fair value through other comprehensive income". Unrealized gains and losses on financial assets at fair value through other comprehensive income are recognized in charges and income directly recognized in equity until the financial asset is sold, collected or removed from the Statement of Financial Position in another way, at which time the accumulated gain or loss previously reported in charges and income directly recognized in equity is transferred to retained earnings and never reclassified to profit or loss. Dividends and interest received from unconsolidated companies are recognized in profit or loss; and
- debt instruments held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Unrealized gains and losses on financial assets at fair value through other comprehensive income are recognized in charges and income directly recognized in equity until the financial asset is sold, collected or removed from the Statement of Financial Position in other ways, at which time the accumulated gain or loss previously reported in charges and income directly recognized in equity is expensed in other financial charges and income.

Other financial assets measured at fair value through profit or loss mainly consist of assets held for trading which Vivendi intends to sell in the near future (primarily marketable securities) and other financial assets unless it is measured at amortized cost or at fair value through other comprehensive income. Unrealized gains and losses on these assets are recognized in other financial charges and income.

Financial assets at amortized cost

Financial assets at amortized cost consist of debt instruments held within a business model whose objective is to hold financial assets to collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. At the end of each period, these assets are measured at amortized cost using the effective interest method. If there is objective evidence that an impairment loss has been incurred, the amount of this loss, measured as the difference between the financial asset's carrying value and its recoverable amount (equal to the present value of estimated future cash flows discounted at the financial asset's initial effective interest rate), is recognized in profit or loss. Impairment losses may be reversed if the recoverable amount of the asset subsequently increases in the future.

Impairment of financial assets

Vivendi assesses the expected credit loss associated with its financial assets recognized at amortized cost and debt instrument recognized at fair value through other comprehensive income on a prospective basis. A loss allowance for expected credit loss based on probability of default is recognized at initial recognition. The loss allowance is updated for changes in these expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

To assess whether there has been a significant increase in credit risk, Vivendi compares the credit risk at the reporting date with the credit risk at the date of initial recognition based on reasonable forward-looking information and events, including credit ratings if available, significant adverse economic changes (actual or expected), financial or business environment that are expected to result in a material change in the borrower's ability to meet its obligations.

The definition of default and write off policy are defined specifically within each operating entity.

1.3.5.10 Inventories

Inventories are valued at the lower of cost or net realizable value. Cost comprises purchase costs, production costs and other supply and packaging costs. These are usually calculated using the weighted average cost method. Net realizable value is the estimated selling price in the normal course of business, less estimated completion costs and selling costs.

1.3.5.11 Trade accounts receivable

Trade accounts receivable are initially recognized at fair value, which is generally equal to their nominal value. Expected loss rates on trade receivables are calculated by the relevant operating entities over their lifetime from initial recognition and are based on historical data that also incorporates forward-looking information. In addition, account receivables from customers subject to insolvency proceedings or customers with whom Vivendi is involved in litigation or a dispute are generally impaired in full.

1.3.5.12 Cash and cash equivalents

The “cash and cash equivalents” category, defined in accordance with IAS 7, consists, on the one hand, of cash in banks and remunerated or unremunerated demand deposits which correspond to cash, and, on the other hand, monetary UCITS, which meet the qualification requirements of the ANC’s and AMF’s decision released in November 2018, and other highly liquid investments with initial maturities of generally three months or less which correspond to cash equivalents.

Investments in securities, investments with initial maturities of more than three months without an early termination option and bank accounts subject to restrictions (blocked accounts), other than restrictions due to regulations specific to a country or activity sector (e.g., exchange controls), are not classified as cash equivalents but as financial assets.

Moreover, the historical performances of the investments are monitored regularly to confirm their cash equivalents accounting classification.

1.3.6 Assets held for sale and discontinued operations

A non-current asset or a group of assets and liabilities is held for sale when its carrying value may be recovered principally through its divestiture and not by its continued utilization. To meet this definition, the asset must be available for immediate sale and the divestiture must be highly probable. These assets and liabilities are recognized as assets held for sale and liabilities associated with assets held for sale, without offset. The related assets recorded as assets held for sale are valued at the lowest value between the fair value (net of divestiture fees) and the carrying value (i.e., at their cost less accumulated depreciation and impairment losses), and are no longer depreciated.

An operation is qualified as discontinued when it represents a separate major line of business and the criteria for classification as an asset held for sale have been met or when Vivendi has sold the asset. Discontinued operations are reported on a single line of the Statement of Earnings for the periods reported, comprising the earnings after tax of discontinued operations until divestiture and the gain or loss after tax on sale or fair value measurement, less costs to divest the assets and liabilities of the discontinued operations. In addition, cash flows generated by discontinued operations are reported on a separate line of the Statement of Consolidated Cash Flows for the relevant periods.

1.3.7 Financial liabilities

Long-term and short-term borrowings and other financial liabilities include:

- bonds and credit facilities, as well as various other borrowings (including commercial paper and debt related to finance leases) and related accrued interest;
- obligations arising out of commitments to purchase non-controlling interests;
- bank overdrafts; and
- the negative value of other derivative financial instruments. Derivatives with positive values are recorded as financial assets in the Statement of Financial Position.

Borrowings

All borrowings are initially accounted for at fair value net of transaction costs directly attributable to the borrowing. Borrowings bearing interest are subsequently valued at amortized cost, applying the effective interest method. The effective interest rate is the internal yield rate that discounts future cash flows over the term of the borrowing. In addition, where the borrowing comprises an embedded derivative (e.g., an exchangeable bond) or an equity instrument (e.g., a convertible bond), the amortized cost is calculated for the debt component only, after separation of the embedded derivative or equity instrument. In the event of a change in expected future cash flows (e.g., redemption occurs earlier than initially expected), the amortized cost is adjusted against earnings to reflect the value of the new expected cash flows, discounted at the initial effective interest rate.

Commitments to purchase non-controlling interests

Vivendi has committed to purchase the non-controlling interests of some of the minority shareowners of its fully consolidated subsidiaries. These purchase commitments may be optional (e.g., put options) or mandatory (e.g., forward purchase contracts).

The following accounting treatment has been applied in respect of commitments made on or after January 1, 2009:

- upon initial recognition, the commitment to purchase non-controlling interests is recognized as a financial liability for the present value of the purchase price under the put option or forward purchase contract, mainly offset by the book value of non-controlling interests and the remaining balance through equity attributable to Vivendi SE shareowners;
- subsequent changes to the value of the commitment are recognized as a financial liability through an adjustment to equity attributable to Vivendi SE shareowners; and
- upon maturity of the commitment, if the non-controlling interests are not purchased, the previously recognized entries are reversed; if the non-controlling interests are purchased, the amount recognized in financial liabilities is reversed, offset by the cash outflow relating to the purchase of the non-controlling interests.

Derivative financial instruments

Vivendi uses derivative financial instruments to manage and reduce its exposure to fluctuations in interest rates, and foreign currency exchange rates. All instruments are either listed on organized markets or traded over-the-counter with highly-rated counterparties. These instruments include interest rate and currency swaps, and forward exchange contracts. All these derivative financial instruments are used for hedging purposes. At the inception of the hedging relationship there is the formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge.

Derivatives are initially measured at fair value on the settlement date and are subsequently remeasured at fair value on each succeeding reporting date. The recognition of subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if applicable, the nature of the hedged item and the type of hedging relationship designated. When these contracts qualify as hedges for accounting purposes, gains and losses arising on these contracts are offset in earnings against the gains and losses relating to the hedged item.

When forward contracts are used as hedging instruments, Vivendi only qualifies as hedging instruments the change in the fair value of the forward contract related to the variation of the spot exchange rate. Changes in the forward points are excluded from the hedging relationship and are recognized in the financial result.

Fair value hedge

When the derivative financial instrument hedges exposures to fluctuations in the fair value of an asset or a liability recognized in the Statement of Financial Position or of a firm commitment which is not recognized in the Statement of Financial Position, it is a fair value hedge. The instrument is remeasured at fair value in earnings, with the gains or losses arising on remeasurement of the hedged portion of the hedged item offset on the same line of the Statement of Earnings, or, as part of a forecasted transaction relating to a non-financial asset or liability, at the initial cost of the asset or liability.

Cash flow hedge

When the derivative financial instrument hedges cash flows, it is a cash flow hedge. The hedging instrument is remeasured at fair value and the portion of the gain or loss that is determined to be an effective hedge is recognized through charges and income directly recognized in equity, whereas its ineffective portion is recognized in earnings; when the hedged item is realized, accumulated gains and losses recognized in equity are released to the Statement of Earnings and recorded on the same line as the hedged item; as part of a forecasted transaction on a non-financial asset or liability, they are recognized at the initial cost of the asset or liability.

Net investment hedge

When the derivative financial instrument hedges a net investment in a foreign operation, it is recognized in the same way as a cash flow hedge. Derivative financial instruments which do not qualify as a hedge for accounting purposes are remeasured at fair value and resulting gains and losses are recognized directly in earnings, without remeasurement of the underlying instrument.

Furthermore, income and expenses relating to foreign currency instruments used to hedge highly probable budget exposures and firm commitments contracted pursuant to the acquisition of editorial content rights (including sports, audiovisual and film rights) are recognized in EBIT. In all other cases, gains and losses arising on the fair value remeasurement of instruments are recognized in other financial charges and income.

1.3.8 Other liabilities

Provisions

Provisions are recognized when, at the end of the reporting period, Vivendi has a legal obligation (statutory, regulatory or contractual) or a constructive obligation, as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the obligation can be reliably estimated. Where the effect of the time value of money is material, provisions are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. If the amount of the obligation cannot be reliably estimated, no provision is recorded and a disclosure is made in the Notes to the Consolidated Financial Statements.

Employee benefit plans

In accordance with the laws and practices of each country in which it operates, Vivendi participates in, or maintains, employee benefit plans providing retirement pensions, post-retirement health care, life insurance and post-employment benefits to eligible employees, former employees, retirees and such of their beneficiaries who meet the required conditions. Retirement pensions are provided for substantially all employees through defined contribution plans, which are integrated with local social security and multi-employer plans, or defined benefit plans, which are generally managed via group pension plans. The plan funding policy implemented by the group is consistent with applicable government funding requirements and regulations.

Defined contribution plans

Contributions to defined contribution and multi-employer plans are expensed during the year.

Defined benefit plans

Defined benefit plans may be funded by investments in various instruments such as insurance contracts or equity and debt investment securities, excluding Vivendi shares or debt instruments.

Pension expenses and defined benefit obligations are calculated by independent actuaries using the projected unit credit method. This method is based on annually updated assumptions, which include the probability of employees remaining with Vivendi until retirement, expected changes in future compensation and an appropriate discount rate for each country in which Vivendi maintains a pension plan. The assumptions adopted and the means of determining these assumptions, are presented in Note 19. A provision is recorded in the Statement of Financial Position equal to the difference between the actuarial value of the related benefits (actuarial liability) and the fair value of any associated plan assets, and this includes past service costs and actuarial gains and losses.

The cost of defined benefit plans consists of three components recognized as follows:

- the service cost is included in selling, general and administrative expenses. It comprises current service cost, past service cost resulting from a plan amendment or a curtailment, immediately recognized in profit and loss, and gains and losses on settlement;
- the financial component, recorded in other financial charges and income, consists of the undiscounting of the obligation, less the expected return on plan assets determined using the discount rate retained for the valuation of the benefit obligation; and
- the remeasurements of the net defined benefit liability (asset), recognized in items of other comprehensive income not reclassified as profit and loss, mainly consist of actuarial gains and losses, i.e., changes in the present value of the defined benefit obligation and plan assets resulting from changes in actuarial assumptions and experience adjustments (representing the differences between the expected effect of some actuarial assumptions applied to previous valuations and the effective impact).

Where the value of plan assets exceeds benefit obligations, a financial asset is recognized up to the present value of future refunds and the expected reduction in future contributions.

Some other post-employment benefits, such as life insurance and medical coverage (mainly in the United States) are subject to provisions which are assessed through an actuarial calculation comparable to the method used for pension provisions.

On January 1, 2004, in accordance with IFRS 1, Vivendi decided to record unrecognized actuarial gains and losses against consolidated equity.

1.3.9 Deferred taxes

Differences existing at closing between the tax base value of assets and liabilities and their carrying value in the Consolidated Statement of Financial Position give rise to temporary differences. Pursuant to the liability method, these temporary differences result in the accounting of:

- deferred tax assets, when the tax base value is greater than the carrying value (expected future tax saving); and
- deferred tax liabilities, when the tax base value is lower than the carrying value (expected future tax expense).

Deferred tax assets and liabilities are measured at the expected tax rates for the year during which the asset will be realized or the liability settled, based on tax rates (and tax regulations) enacted or substantially enacted by the closing date. They are reviewed at the end of each year, in line with any changes in applicable tax rates.

Deferred tax assets are recognized for all deductible temporary differences, tax loss carry-forwards and unused tax credits, insofar as it is probable that a taxable profit will be available, or when a current tax liability exists to make use of those deductible temporary differences, tax loss carry-forwards and unused tax credits, except where the deferred tax asset associated with the deductible temporary difference is generated by initial recognition of an asset or liability in a transaction which is not a business combination, and that, at the transaction date, does not impact earnings, nor tax income or loss.

For deductible temporary differences resulting from investments in subsidiaries, joint ventures and other associated entities, deferred tax assets are recorded to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that a taxable profit will be available against which the temporary difference can be utilized.

The carrying value of deferred tax assets is reviewed at each closing date, and revalued or reduced to the extent that it is more or less probable that a taxable profit will be available to allow the deferred tax asset to be utilized. When assessing the probability of a taxable profit being available, account is taken, primarily, of prior years' results, forecasted future results, non-recurring items unlikely to occur in the future and the tax strategy. As such, the assessment of the group's ability to utilize tax losses carried forward is to a large extent judgment-based. If the future taxable results of the group proved to differ significantly from those expected, the group would be required to increase or decrease the carrying value of deferred tax assets with a potentially material impact on the Statement of Financial Position and Statement of Earnings of the group.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability results from goodwill or initial recognition of an asset or liability in a transaction which is not a business combination, and that, at the transaction date, does not impact earnings, tax income or loss.

For taxable temporary differences resulting from investments in subsidiaries, joint ventures and other associated entities, deferred tax liabilities are recorded except to the extent that both of the following conditions are satisfied: the parent, investor or venturer is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

Current tax and deferred tax shall be charged or credited directly to equity, and not earnings, if the tax relates to items that are credited or charged directly to equity.

1.3.10 Share-based compensation

With the aim of aligning the interests of its executive management and employees with its shareholders' interests by providing them with an additional incentive to improve the company's performance and increase its share price on a long-term basis, Vivendi maintains several share-based compensation plans (share purchase plans, performance share plans and bonus share plans) or other equity instruments based on the value of the Vivendi share price (stock options), which are settled either in equity instruments or in cash. Grants under these plans are approved by the Management Board and the Supervisory Board. In addition, the definitive grant of stock options and performance shares is contingent upon the achievement of specific performance objectives set by the Management Board and the Supervisory Board. Moreover, all granted plans are conditional upon active employment at the vesting date.

In addition, Dailymotion has set up a long-term incentive plan for certain key executives. This plan will be settled in cash and the value will be derived from the growth of Dailymotion's enterprise value.

Please refer to Note 20 for details of the features of these plans and for the status of the plans initially granted by Gameloft S.E. and by Havas Group.

Share-based compensation is recognized as a personnel cost at the fair value of the equity instruments granted. This expense is spread over the vesting period, i.e., three years for stock option plans and for performance share plans (two years for performance shares granted before June 24, 2014), and two years for Vivendi's bonus share plans, other than in specific cases.

Vivendi uses a binomial model to assess the fair value of such instruments. This method relies on assumptions updated at the valuation date such as the calculated volatility of the relevant shares, the discount rate corresponding to the risk-free interest rate, the expected dividend yield, and the probability of relevant managers and employees remaining employed within the group until the exercise of their rights.

However, depending on whether the instruments granted are equity-settled or cash-settled, the valuation and recognition of the expense will differ:

Equity-settled instruments:

- the expected term of the option granted is deemed to be the mid-point between the vesting date and the end of the contractual term;
- the value of the instruments granted is estimated and fixed at grant date; and
- the expense is recognized with a corresponding increase in equity.

Cash-settled instruments:

- the expected term of the instruments granted is deemed to be equal to one-half of the residual contractual term of the instrument for vested rights, and to the average of the residual vesting period at the remeasurement date and the residual contractual term of the instrument for unvested rights;

- the value of instruments granted is initially estimated at grant date and is then re-estimated at each reporting date until the payment date and the expense is adjusted pro rata taking into account the vested rights at each such reporting date;
- the expense is recognized as a provision; and
- moreover, as plans settled in cash are primarily denominated in US dollars, the value fluctuates based on the EUR/USD exchange rate.

Share-based compensation cost is allocated to each operating segment, pro rata to the number of equity instruments or equivalent instruments granted to their managers and employees.

The dilutive effect of stock options and performance shares settled in equity through the issuance of Vivendi shares which are in the process of vesting is reflected in the calculation of diluted earnings per share.

In accordance with IFRS 1, Vivendi elected to retrospectively apply IFRS 2 as of January 1, 2004. Consequently, all share-based compensation plans for which rights remained to be vested as of January 1, 2004 were accounted for in accordance with IFRS 2.

1.4 Related parties

Group-related parties are those companies over which the group exercises exclusive control, joint control or significant influence, shareholders exercising joint control over group joint ventures, non-controlling interests exercising significant influence over group subsidiaries, corporate officers, group management and directors and companies over which the latter exercise exclusive control, joint control, or significant influence.

The transactions with subsidiaries over which the group exercises control are eliminated within the intersegment transactions (a list of the group's major consolidated entities is set out in Note 26). Moreover, commercial relationships among subsidiaries of the group, aggregated in operating segments, are conducted on an arm's length basis on terms and conditions similar to those which would be offered by third parties. The operating costs of Vivendi SE's headquarters, after the allocation of a portion of these costs to each of the group's businesses, are included in the Corporate operating segment.

1.5 Contractual obligations and contingent assets and liabilities

Once a year, Vivendi and its subsidiaries prepare detailed reports on all contractual obligations, commercial and financial commitments and contingent obligations, for which they are jointly and severally liable and that are material to the group. These detailed reports are updated by the relevant departments and reviewed by senior management on a regular basis. To ensure completeness, accuracy and consistency of these reports, some dedicated internal control procedures are carried out, including (but not limited to) the review of:

- minutes of meetings of the shareholders, Management Board, Supervisory Board and committees of the Supervisory Board in respect of matters such as contracts, litigation, and authorization of asset acquisitions or divestitures;
- pledges and guarantees with banks and financial institutions;
- pending litigation, claims (in dispute) and environmental matters as well as related assessments for unrecorded contingencies with internal and/or external legal counsels;
- tax examiner's reports and, if applicable, notices of reassessments and tax expense analyses for prior years;
- insurance coverage for unrecorded contingencies with the risk management department and insurance agents and brokers with whom the group contracted;
- related-party transactions for guarantees and other given or received commitments; and
- more generally, major contracts and agreements.

1.6 New IFRS standards and IFRIC interpretations that have been published but are not yet effective

Among IFRS standards and IFRIC interpretations issued by the IASB/IFRS IC and endorsed by the European Union as of the date of approval of these Consolidated Financial Statements, that are not yet effective and which Vivendi has not elected for early adoption, the main standards which may have an impact on Vivendi are the amendments to the IFRS 9 – *Financial Instruments*, IFRS 7 – *Financial Instruments: Disclosures* and IFRS 16 – *Leases* standards which relate to the Interest Rate Benchmark Reform (Phase 2). These amendments which apply mandatorily from January 1, 2021, were issued by the IASB on August 27, 2020, endorsed by the EU on January 13, 2021, and published in the Official Journal of the EU on January 14, 2021.

Vivendi is currently assessing the potential impact of applying these amendments to the Statement of Earnings, the aggregate comprehensive income, the Statement of Financial Position, the Statement of Cash Flows, and the content of the Notes to the Consolidated Financial Statements.

Note 2 Major events

2.1 Sale of 20% and planned distribution of 60% of Universal Music Group's share capital

On December 31, 2019, Vivendi and a Tencent-led consortium, which includes Tencent Music Entertainment and other financial co-investors, entered into an agreement for a planned equity investment in Universal Music Group (UMG). This agreement provides for:

- the purchase by this consortium of 10% of UMG's share capital, based on an enterprise value of €30 billion for 100% of UMG's share capital; and
- an option for this consortium to acquire, on the same valuation basis, an additional interest of up to 10% of UMG's share capital until January 15, 2021.

Sale of a first tranche of 10% of Universal Music Group's share capital

On March 31, 2020, Vivendi completed the sale of 10% of UMG's share capital to a Tencent-led consortium. This transaction resulted in a cash inflow of €2,842 million for Vivendi.

As a reminder, on March 31, 2020, the sale of 10% of UMG's share capital to a Tencent-led consortium was recorded, in accordance with IFRS standards, as a sale of non-controlling interests and therefore has not impacted the Consolidated Financial Statement of Earnings. In Vivendi's Consolidated Financial Statements, in accordance with IFRS 10, the capital gain on the sale of 10% of UMG's share capital, equal to the difference between the sale price of €2,842 million and the value of sold non-controlling interests in the Consolidated Financial Statements of €457 million, was directly recorded as an increase in equity attributable to Vivendi SE shareowners for €2,385 million.

Sale of a second tranche of 10% of Universal Music Group's share capital

On December 17, 2020, the consortium decided to exercise the option to acquire an additional 10% of UMG.

On January 29, 2021, Vivendi completed the sale of the additional 10% of UMG's share capital to a Tencent-led consortium, based on an enterprise value of €30 billion for 100% of UMG's share capital. This transaction resulted in a cash inflow of €2,847 million for Vivendi.

For information, on January 29, 2021, the sale of an additional 10% of UMG's share capital to a Tencent-led consortium will be recorded, in accordance with IFRS standards, as a sale of non-controlling interests and therefore will not impact the Consolidated Financial Statement of Earnings. In Vivendi's Consolidated Financial Statements, in accordance with IFRS 10, the capital gain on the sale will be directly recorded as an increase in equity attributable to Vivendi SE shareowners.

As from this date, the Tencent-led consortium owns 20% of UMG.

The cash generated by these transactions may be used by Vivendi to reduce its financial debt and to finance acquisitions.

Planned distribution of 60% of Universal Music Group's share capital and its listing on the stock market

On February 13, 2021, Vivendi announced that it will study the planned distribution of 60% of UMG's share capital and its listing by the end of 2021. This distribution, exclusively in kind, would take the form of an exceptional distribution ("special dividend"). The listing of UMG's shares, issued by its holding company, would be applied for on the regulated market of Euronext NV in Amsterdam, in a country that has been one of UMG's historical homes.

A Vivendi Extraordinary Shareholders' Meeting will be called for March 29, 2021, to modify the company's by-laws and make the principle of this distribution in kind possible and pursue this project. Subject to a favorable shareholder vote, a Shareholders' Meeting could be called before the end of 2021 to vote on this distribution of UMG shares.

Minority interest in Universal Music Group's operations in China

In addition, a separate agreement was entered into on March 31, 2020, enabling Tencent Music Entertainment to acquire a minority interest in the share capital of the UMG's subsidiary that owns its Greater China operations.

2.2 Acquisition of Editis

On January 31, 2019, Vivendi completed the acquisition of 100% of Antinea 6's share capital, the holding company of Editis, the second-largest French-language publishing group. The purchase price was €829 million, including the repayment of Editis Group's debt on the acquisition date. On January 2, 2019, the French Competition Authority had authorized the transaction unconditionally.

Consolidation of Editis by Vivendi

As from February 1, 2019, Vivendi has fully consolidated Editis. As of December 31, 2020, the final goodwill attributable to Editis was €827 million (unchanged compared to the provisional goodwill as of December 31, 2019).

(in millions of euros)	January 31, 2019
Purchase price for 100% of Antinea 6's share capital, the holding company of Editis	332
Editis Group's debt repaid by Vivendi	497
Purchase price for 100% of Editis	**829**
Carrying value of Editis's acquired assets and incurred or assumed liabilities	2
Final goodwill	**827**

2.3 Acquisition of M7 by Canal+ Group

On September 12, 2019, Canal+ Group completed the acquisition of M7, one of the largest independent pay-TV companies in Europe, operating in Benelux and Central Europe.

Consolidation of M7 by Canal+ Group

As from September 12, 2019, Canal+ Group has fully consolidated M7. As of December 31, 2020, the final goodwill attributable to M7 was €1,009 million (compared to a provisional goodwill of €998 million as of December 31, 2019).

(in millions of euros)	September 12, 2019
Purchase price for 100% of M7	**1,136**
Carrying value of M7's acquired assets and incurred or assumed liabilities (a)	127
Final goodwill	**1,009**

a. Notably included the final allocation to acquired M7 subscriber bases and brands.

2.4 Vivendi's investment in Lagardère SCA

In 2020, Vivendi acquired 38,297 thousand shares of Lagardère SCA. On December 31, 2020, Vivendi owned 29.2% of the share capital and 22.4% in the voting rights of Lagardère SCA.

Following the announcement of very poor half-year results by Lagardère, on August 10, 2020, Vivendi and Amber Capital, in spite of their differences, entered into a pact. Within this context, Vivendi and Amber Capital took steps with Lagardère to obtain minority representation on Lagardère's Supervisory Board, including three seats for Amber Capital and one seat for Vivendi. The two companies, wishing to stabilize Lagardère's shareholder base, also entered into a five-year reciprocal right of first offer and pre-emption right with respect to their respective Lagardère shares.

After the Supervisory Board and Managing Partners of Lagardère rejected the proposals of Vivendi and Amber Capital (Lagardère's first and second-largest shareholders, respectively), in early September 2020, Vivendi and Amber filed a motion with the Paris Commercial Court seeking to convene an extraordinary general meeting of Lagardère's shareholders.

On October 14, 2020, the Paris Commercial Court dismissed Vivendi and Amber Capital's request to convene an extraordinary general meeting of Lagardère's shareholders. On October 19, 2020, Vivendi appealed against this decision. On December 17, 2020, the Paris Court of Appeal upheld the lower court's decision (please refer to Note 25).

2.5 Canal+ Group's investment in MultiChoice Group Ltd

In 2020, Canal+ Group acquired 53,100 thousand shares of MultiChoice Group Ltd., a leader in pay-TV in anglophone and lusophone sub-Saharan Africa. As on December 31, 2020, Canal+ Group owned 12.0% of the share capital and 12.4% of the voting rights of MultiChoice Group Ltd., thus becoming the second largest shareholder.

2.6 Contemplated acquisition of Prisma Media

On December 14, 2020, Vivendi announced that it had entered into exclusive negotiations to acquire 100% of Prisma Media. On December 23, 2020, Vivendi announced that it had entered into a put option agreement for 100% of Prisma Media, following exclusive negotiations with Gruner+Jahr/Bertelsmann and the favorable opinion of Vivendi's employee representative bodies.
In accordance with applicable regulations, the contemplated acquisition remains subject to the information and consultation process with Prisma Media's employee representative bodies as well as finalization of the legal documentation.

Note 3 COVID-19 pandemic impacts

Although the COVID-19 pandemic is having a more significant impact on certain countries or businesses than others, in 2020, Vivendi has demonstrated resilience in adapting its activities to continue to best serve and entertain its customers, while reducing costs to preserve its margins. The business activities showed good resilience, in particular, music and pay television. However, as previously mentioned, the other businesses such as Havas Group and Vivendi Village (in particular live entertainment) were affected by the pandemic's effects. Editis has enjoyed a strong rebound in its businesses in France since June 2020.

Vivendi continually monitors the current and potential consequences of the crisis. It is difficult at this time to determine how it will impact Vivendi's results in 2021. Businesses related to advertising and live performance have a risk of being more impacted than others. Nevertheless, the Group remains confident in the resilience of its main businesses. It continues to make every effort to ensure the continuity of its activities, as well as to best serve and entertain its customers and audiences while complying with the guidelines of authorities in each country where it operates.

In 2020, Vivendi tested the value of goodwill allocated to its Cash-Generating Units (CGU) or groups of CGU by applying valuation methods consistent with previous years. Vivendi ensured that the recoverable amount of CGU or groups of CGU tested exceeded their carrying value (including goodwill). Government measures implemented to address the COVID-19 pandemic in the main regions where Vivendi operates, have slowed down the conduct of certain business activities, such as Havas Group, Studiocanal and Vivendi Village and have slowed down the conduct of the operating performance of these activities. Notwithstanding the uncertainties created by the COVID-19 pandemic, Vivendi considered that the decline in the operating performance of these businesses observed in 2020 is unlikely to be permanent and should not affect their long-term outlook.

In 2020, Vivendi's Financial Net Debt increased by €889 million, from €4,064 million as of December 31, 2019, to €4,953 million as of December 31, 2020. In addition, Vivendi has significant financing capacity. As of December 31, 2020, €3.3 billion of the group's committed credit facilities were available.

As of December 31, 2020, the average "economic" term of the group's financial debt, calculated based on the assumption that the available medium-term credit lines may be used to redeem the group's shortest term borrowings, was 4.8 years (compared to 5.3 years as of December 31, 2019).

For a detailed description on borrowings and other financial liabilities and financial risk management, please refer to Note 21.

Note 4 Segment data

Vivendi Management evaluates the performance of its business segments and allocates necessary resources to them based on certain operating performance indicators (segment earnings and cash flow from operations). Income from operations and EBITA reflect the earnings of each business segment.

The operating segments presented hereunder are strictly identical to the information given to Vivendi's Management Board.

Vivendi's main businesses are aggregated within the following operating segments:

- **Universal Music Group**: sale of recorded music (digital and physical), exploitation of music publishing rights, as well as artist services and merchandising.
- **Canal+ Group**: publishing and distribution of premium and thematic pay-TV and free-to-air channels in France, Benelux, Poland, Central Europe, Africa and Asia, and production, sales and distribution of movies and TV series.
- **Havas Group**: communications group spanning all the communications disciplines (creativity, media expertise and healthcare/wellness).
- **Editis**: publishing group in France with leading positions in the fields of literature, educational and reference books, as well as in book selling and distribution.
- **Gameloft**: creation and publishing of downloadable video games for mobile phones, tablets, triple-play boxes and smart TVs.
- **Vivendi Village**: Vivendi Ticketing (in Europe and the United States through See Tickets) and live performances through Olympia Production, Festival Production, and the venues in Paris (L'Olympia and Théâtre de L'Œuvre) and Africa (CanalOlympia).
- **New Initiatives**: Dailymotion (video content aggregation and distribution platform) and Group Vivendi Africa (development of ultra-high-speed Internet service in Africa).
- **Corporate**: centralized services.

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

4.1 Revenues

By business segment

(in millions of euros)	Year ended December 31, 2020	2019
Universal Music Group	7,432	7,159
Canal+ Group	5,498	5,268
Havas Group	2,137	2,378
Editis	725	687
Gameloft	253	259
Vivendi Village	40	141
New Initiatives	65	71
Elimination of intersegment transactions	(60)	(65)
Revenues	**16,090**	**15,898**

By activity

(in millions of euros)	Year ended December 31, 2020	2019
Intellectual property licensing	8,465	8,042
Subscription services	4,940	4,599
Advertising, merchandising and other	2,745	3,322
Elimination of intersegment transactions	(60)	(65)
Revenues	**16,090**	**15,898**

By geographical area

Revenues are broken down by customer location.

	Year ended December 31,			
(in millions of euros)	2020		2019	
France	4,820	*30%*	4,792	*30%*
Rest of Europe	3,884	*24%*	3,850	*24%*
Americas	5,094	*32%*	5,001	*32%*
Asia/Oceania	1,536	*10%*	1,559	*10%*
Africa	756	*4%*	696	*4%*
Revenues	**16,090**	***100%***	**15,898**	***100%***

4.2 Other main aggregates of the Statement of Earnings

	Year ended December 31,	
(in millions of euros)	2020	2019
Income from operations		
Universal Music Group	1,377	1,168
Canal+ Group	485	431
Havas Group	163	268
Editis	51	59
Gameloft	(17)	(28)
Vivendi Village	(51)	(16)
New Initiatives	(65)	(68)
Corporate	(128)	(95)
	1,815	**1,719**
Restructuring charges		
Universal Music Group	(20)	(24)
Canal+ Group	(42)	(92)
Havas Group	(33)	(35)
Editis	(6)	(3)
Gameloft	(2)	(3)
Vivendi Village	(2)	(1)
New Initiatives	-	(1)
Corporate	(1)	(2)
	(106)	**(161)**
Income/(charges) related to share-based compensation plans		
Universal Music Group	(10)	(5)
Canal+ Group	(10)	(5)
Havas Group	(10)	(12)
Editis	(1)	-
Gameloft	(3)	(4)
Vivendi Village	(1)	-
New Initiatives	-	-
Corporate	(8)	(6)
	(43)	**(32)**
Other non-current operating charges and income		
Universal Music Group	(18)	(15)
Canal+ Group	2	9
Havas Group	1	4
Editis	(6)	(4)
Gameloft	(2)	(1)
Vivendi Village	(5)	-
New Initiatives	(10)	4
Corporate	(1)	3
	(39)	**-**
Adjusted earnings before interest and income taxes (EBITA)		
Universal Music Group	1,329	1,124
Canal+ Group	435	343
Havas Group	121	225
Editis	38	52
Gameloft	(24)	(36)
Vivendi Village	(59)	(17)
New Initiatives	(75)	(65)
Corporate	(138)	(100)
	1,627	**1,526**

Reconciliation of EBIT to EBITA and to income from operations

(in millions of euros)	Year ended December 31, 2020	2019
EBIT (a)	**1,468**	**1,381**
Adjustments		
Amortization of intangible assets acquired through business combinations	158	125
Impairment losses on intangible assets acquired through business combinations (a)	1	20
EBITA	**1,627**	**1,526**
Adjustments		
Restructuring charges (a)	106	161
Charges related to share-based compensation plans	43	32
Other non-current operating charges and income	39	-
Income from operations	**1,815**	**1,719**

a. As reported in the Consolidated Statement of Earnings.

4.3 Statement of Financial Position by operating segment

Segment assets and liabilities

(in millions of euros)	December 31, 2020	December 31, 2019
Segment assets (a)		
Universal Music Group	13,036	11,344
Canal+ Group	9,814	9,468
Havas Group	5,438	5,848
Editis	1,372	1,383
Gameloft	734	730
Vivendi Village	309	327
New Initiatives	360	328
Corporate	5,219	4,632
of which investments in equity affiliates	*3,179*	*3,248*
listed equity securities	*1,700*	*924*
	36,281	**34,060**
Segment liabilities (b)		
Universal Music Group	5,670	5,181
Canal+ Group	2,946	2,859
Havas Group	4,024	4,265
Editis	545	535
Gameloft	117	109
Vivendi Village	159	204
New Initiatives	72	75
Corporate	500	530
	14,032	**13,758**

a. Segment assets include goodwill, content assets, other intangible assets, property, plant and equipment, rights-of-use relating to leases, equity affiliates, financial assets, inventories and trade accounts receivable, and other.

b. Segment liabilities include provisions, other non-current liabilities, short-term and long-term lease liabilities and trade accounts payable and other.

For additional operating segment data, please refer to the following Notes: Note 10 “Goodwill” and Note 11 “Content assets and commitments”.

Segment assets by geographic area

(in millions of euros)	December 31, 2020		December 31, 2019	
France	13,197	*36%*	12,657	*37%*
Rest of Europe	11,520	*32%*	10,990	*32%*
Americas	10,303	*28%*	9,445	*28%*
Asia/Oceania	551	*2%*	684	*2%*
Africa	710	*2%*	284	*1%*
Segment assets	**36,281**	***100%***	**34,060**	***100%***

Capex, depreciation and amortization

	Year ended December 31,	
(in millions of euros)	2020	2019
Capital expenditures, net (capex net) (a)		
Universal Music Group	65	73
Canal+ Group	305	261
Havas Group	25	34
Editis	7	10
Gameloft	1	5
Vivendi Village	5	5
New Initiatives	26	16
Corporate	1	1
	435	**405**
Increase in tangible and intangible assets and rights-of-use relating to leases		
Universal Music Group	104	134
Canal+ Group	327	265
Havas Group	98	86
Editis	6	107
Gameloft	8	8
Vivendi Village	18	10
New Initiatives	26	16
Corporate	1	59
	588	**685**
Depreciation of tangible assets		
Universal Music Group	59	53
Canal+ Group	135	123
Havas Group	43	42
Editis	4	5
Gameloft	4	5
Vivendi Village	5	4
New Initiatives	5	5
Corporate	2	2
	257	**239**
Amortization of rights-of-use relating to leases		
Universal Music Group	69	64
Canal+ Group	41	39
Havas Group	84	78
Editis	12	15
Gameloft	8	8
Vivendi Village	4	4
New Initiatives	4	3
Corporate	7	9
	229	**220**
Amortization of intangible assets excluding those acquired through business combinations		
Universal Music Group	-	-
Canal+ Group	105	79
Havas Group	14	8
Editis	47	45
Gameloft	2	1
Vivendi Village	1	1
New Initiatives	4	6
Corporate	-	-
	173	**140**

(in millions of euros)	Year ended December 31, 2020	2019
Amortization of intangible assets acquired through business combinations		
Universal Music Group	108	85
Canal+ Group	46	29
Havas Group	-	-
Editis	2	2
Gameloft	1	8
Vivendi Village	-	-
New Initiatives	1	1
Corporate	-	-
	158	**125**
Impairment losses on intangible assets acquired through business combinations		
Universal Music Group	1	1
Canal+ Group	-	19
Havas Group	-	-
Editis	-	-
Gameloft	-	-
Vivendi Village	-	-
New Initiatives	-	-
Corporate	-	-
	1	**20**

a. Relates to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets.

Note 5 EBIT

Personnel costs and average employee numbers

(in millions of euros)	Note	Year ended December 31, 2020	2019
Salaries		2,800	2,783
Social security and other employment charges		593	592
Capitalized personnel costs		(23)	(18)
Wages and expenses		**3,370**	**3,357**
Share-based compensation plans	20	43	32
Employee benefit plans	19	123	73
Other		64	62
Personnel costs		**3,600**	**3,524**
Annual average number of full-time equivalent employees (in thousands)		*42.8*	*43.9*

Additional information on operating expenses

Advertising costs amounted to €393 million in 2020 (compared to €416 million in 2019).

Expenses recorded in the Statement of Earnings, with respect to service contracts related to satellite transponders amounted to €105 million in 2020 (compared to €115 million in 2019).

Research and development costs amounted to a net charge of €107 million in 2020 (compared to €124 million in 2019).

Taxes on production

Taxes on production amounted to €136 million in 2020 (compared to €132 million in 2019).

Note 6 Financial charges and income

Interest

(in millions of euros)		Year ended December 31,		
(Charge)/Income	Note	2020	2019	
Interest expense on borrowings	21	(52)	(69)	(a)
Interest income from cash, cash equivalents and investments		15	23	
Interest		**(37)**	**(46)**	
Fees and premiums on borrowings and credit facilities issued		*(2)*	*(3)*	
		(39)	**(49)**	

a. Included the annual coupon on the €700 million bond issued by Vivendi SE, which matured in December 2019 for €31 million.

Other financial income and charges

		Year ended December 31,	
(in millions of euros)	Note	2020	2019
Capital gain and revaluation on financial investments (a)		676	198
Effect of undiscounting assets (b)		-	-
Expected return on plan assets related to employee benefit plans	19.2	9	13
Foreign exchange gain		10	15
Change in value of derivative instruments		4	9
Other		5	-
Other financial income		**704**	**235**
Capital loss and downside adjustment on financial investments (a)		(8)	(50)
Effect of undiscounting liabilities (b)		(2)	(1)
Interest cost related to employee benefit plans	19.2	(19)	(29)
Fees and premiums on borrowings and credit facilities issued		(2)	(3)
Interest expenses on lease liabilities		(41)	(43)
Foreign exchange loss		(18)	(13)
Other		(25)	(31)
Other financial charges		**(115)**	**(170)**
Net total		**589**	**65**

a. Included the revaluation of the interests in Spotify and Tencent Music Entertainment for a net amount of €591 million (compared to €139 million in 2019). In 2020, it also included the additional payment of €56 million which Vivendi received for the sale of GVT in 2015, following the favorable settlement of a tax litigation in Brazil.

b. In accordance with applicable accounting standards, where the effect of the time value of money is material, assets and liabilities are initially recorded in the Statement of Financial Position at the present value of the expected revenues and expenses. At the end of each subsequent period, the present value of such assets and liabilities is adjusted to account for the passage of time.

Note 7 Income taxes

7.1 French Tax Group and Consolidated Global Profit Tax Systems

Vivendi SE benefits from the French Tax Group System and, up until December 31, 2011 inclusive, it benefited from the Consolidated Global Profit Tax System pursuant to Article 209 quinquies of the French Tax Code. As from January 1, 2012, Vivendi SE benefits only from the French Tax Group System.

- Under the French Tax Group System, Vivendi is entitled to consolidate its own tax profits and losses with the tax profits and losses of the French subsidiaries that are at least 95% owned, directly or indirectly, by it. As of December 31, 2020, this mainly applies to Canal+ Group, Havas Group, Editis and Gameloft entities in France, as well as the companies involved in the group's development projects in France (e.g., Vivendi Village and Dailymotion).
- Up until December 31, 2011, the Consolidated Global Profit Tax System enabled Vivendi to obtain a tax authorization which allowed the company to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that were at least 50% owned, directly or indirectly, by it and that were also located in France or abroad. This authorization was granted for an initial five-year period - from January 1, 2004 to December 31, 2008 - and was then renewed, on May 19, 2008, for a three-year period - from January 1, 2009 to December 31, 2011. As a reminder, on July 6, 2011, Vivendi filed a request with the French Ministry of Finance to renew its authorization to use the Consolidated Global Profit Tax System for a three-year period - from January 1, 2012 to December 31, 2014.
- In 2011, pursuant to changes in French Tax Law, the Consolidated Global Profit Tax System was terminated as of September 6, 2011, and the deduction for tax losses carried forward was capped at 60% of taxable income. Since 2012, the deduction for tax losses carried forward has been capped at 50% of taxable income.

The French Tax Group and Consolidated Global Profit Tax Systems have the following impact on the valuation of Vivendi's tax attributes (tax losses, foreign tax receivables and tax credits carried forward):

- In 2012, Vivendi, considering that it was entitled to use the Consolidated Global Profit Tax System up until the end of the authorization period granted by the French Ministry of Finance (i.e., until December 31, 2011), filed a contentious claim for a €366 million refund in respect of fiscal year 2011. In a decision dated October 25, 2017, marking the end of legal proceedings brought before administrative courts, the French Council of State (*Conseil d'Etat*) recognized that Vivendi had a legitimate expectation that it would be afforded the Consolidated Global Profit Tax System for the entire period covered by the authorization, including for the fiscal year ending December 31, 2011. Given that the power of final adjudication is vested in the French Council of State the amount of €366 million paid to Vivendi, coupled with moratorium interest of €43 million, was definitively acquired by Vivendi. As a result, Vivendi recorded a tax income of €409 million for the fiscal year ended December 31, 2017.
- Vivendi, considering that its foreign tax receivables available upon the exit from the Consolidated Global Profit Tax System could be carried forward after the end of the authorization period, requested a refund of the tax paid in respect of the fiscal year ended December 31, 2012. At the end of the legal proceedings initiated by Vivendi before the Administrative Court of Montreuil followed by the Versailles Administrative Court of Appeal, on December 19, 2019, Vivendi received a favorable decision from the French Council of State (*Conseil d'Etat*) regarding the use of foreign tax receivables upon exit from the Consolidated Global Profit Tax System. In addition, in light of the decision of the Court of First Instance in its litigation relating to the year 2012, Vivendi requested a refund of tax due for the year ended December 31, 2015. The decision of the French Council of State (*Conseil d'Etat*) on December 19, 2019, led the tax authorities to issue a refund of the tax paid by Vivendi for 2012 and to reduce the tax paid by Vivendi for 2015 automatically.
- The decision of the French Council of State (*Conseil d'Etat*) on December 19, 2019 resulted in the following measures:
  - in its Financial Statements for the year ended December 31, 2019, Vivendi recorded a current tax income of €473 million, i.e., €244 million with respect to fiscal year 2012 (€218 million principal and €26 million moratorium interest) and €229 million with respect to fiscal year 2015 (€203 million principal and €26 million moratorium interest); and
  - on December 27, 2019, the tax authorities repaid €223 million to Vivendi (€218 million principal and €5 million moratorium interest). In addition, in January 2020, the tax authorities repaid €250 million to Vivendi, i.e., a balance of €21 million with respect to moratorium interest for fiscal year 2012 and €229 million with respect to fiscal year 2015 (€203 million principal and €26 million moratorium interest).
- This decision allowed Vivendi to seek a refund of any additional corporate tax payment already made for the 2012-2016 period, notably following audit of its integrated subsidiaries, and will finally allow Vivendi to pay any future tax amount that will be claimed as a result of its own situation, or of its integrated subsidiaries, for the same 2012-2016 period.
- Moreover and finally, in light of the principle of the right to deferral of foreign tax receivables upon exit from the Global Profit Tax System recognized by the French Council of State (*Conseil d'Etat*) in its decision on December 19, 2019, Vivendi considered that its

foreign tax receivables were usable without limitation of duration, therefore beyond the 5-year period provided by decree. Vivendi therefore requested from the tax authorities, by means of a contentious claim filed on November 25, 2020, the refund of the tax paid for the fiscal year ended December 31, 2017, for €7 million.

- In the Financial Statements for the year ended December 31, 2020, the tax results of the subsidiaries comprised within the scope of Vivendi SE's French Tax Group System are calculated based on estimates. As a result, the amount of tax attributes as of December 31, 2020 could not be reliably determined. As of December 31, 2020, taking into account the impact of the estimated 2020 tax results and before the effects of the ongoing tax audits on the amount of tax attributes (please refer to Note 7.5), it is anticipated that Vivendi SE will likely be able to achieve €711 million in tax savings from tax attributes (based on the income tax rate applicable as of January 1, 2021, i.e., 28.41%). At a rate of 25.83% applicable in 2022, it is anticipated that Vivendi would achieve €647 million in tax savings from tax attributes.
- Vivendi SE values its tax attributes based on one year's forecasted results, taken from the following year's budget. On this basis, in 2021, it is anticipated that Vivendi will likely be able to achieve tax savings of €94 million from the French Tax Group System (based on the income tax rate applicable in 2021, i.e., 28.41%).

7.2 Provision for income taxes and income tax paid by geographic area

Provision for income taxes

(in millions of euros)	Year ended December 31,	
(Charge)/Income	2020	2019
Current		
France	(77)	405 (a)
Rest of Europe	(70)	(24)
United States	(140)	(77)
Rest of the world	(135)	(102)
	(422)	**202**
Deferred		
France	(14)	(21)
Rest of Europe (b)	(161)	(66)
United States	12	24
Rest of the world	10	1
	(153)	**(62)**
Provision for income taxes	**(575)**	**140**

a. Included a current tax income of €473 million resulting from a favorable decision from the French Council of State (*Conseil d'Etat*) on December 19, 2019 regarding the use of foreign tax receivables upon exit from the Global Profit Tax System, i.e., €244 million with respect to fiscal year 2012 (€218 million principal and €26 million moratorium interest) and €229 million with respect to fiscal year 2015 (€203 million principal and €26 million moratorium interest).

b. Included the deferred tax charge relating to the revaluation through profit or loss of the interests in Spotify and Tencent Music for an aggregate amount of -€142 million in 2020, compared to -€36 million in 2019.

Income tax paid

	Year ended December 31,	
(in millions of euros)	2020	2019
France (a)	198	(20)
Rest of Europe	(81)	(62)
United States	(110)	(109)
Rest of the world	(96)	(92)
Income tax (paid)/collected	**(89)**	**(283)**

a. As a reminder, in 2019, pursuant to a decision of the Versailles Administrative Court of Appeal regarding the use of foreign tax receivables by Vivendi for the payment of income tax in respect of the fiscal year ended December 31, 2012, on February 15, 2019, Vivendi complied with the tax authorities' request and repaid an amount of €239 million (€218 million principal and €21 million moratorium interest). Following a favorable decision of the French Council of State (*Conseil d'État*) on December 19, 2019, the tax authorities repaid €223 million to Vivendi (€218 million principal and €5 million moratorium interest) on December 27, 2019. In January 2020, the tax authorities repaid €250 million to Vivendi, i.e., a balance of €21 million with respect to moratorium interest for fiscal year 2012 and €229 million with respect to fiscal year 2015 (€203 million principal and €26 million moratorium interest).

7.3 Effective tax rate

(in millions of euros, except %)	Year ended December 31, 2020	2019	
Earnings (before non-controlling interests)	**1,607**	**1,617**	
Eliminations			
Income from equity affiliates	(108)	(71)	
Earnings from discontinued operations	-	-	
Provision for income taxes	575	(140)	
Earnings from continuing operations before provision for income taxes	**2,074**	**1,406**	
French statutory tax rate	*32.02%*	*34.43%*	
Theoretical provision for income taxes based on French statutory tax rate	**(664)**	**(484)**	
Reconciliation of the theoretical and effective provision for income taxes			
Earnings tax rates differences	180	180	
Impacts of the changes in tax rates	(3)	(11)	
Use or recognition of tax losses	150	187	
Depreciation or non-recognition of tax losses	(124)	(114)	
Changes in deferred tax assets related to Vivendi SE's French Tax Group and the Consolidated Global Profit Tax Systems	(18)	(6)	
Adjustments to tax expense from previous years	12	64	
Favorable settlement of the litigation related to the foreign tax receivables for 2012 and 2015	-	473	(a)
Other	(108)	(149)	
Provision for income taxes	**(575)**	**140**	
Effective tax rate	***27.7%***	***-9.9%***	
Adjustment			
- Favorable settlement of the litigation related to the foreign tax receivables for 2012 and 2015		*-473*	(a)
Restated effective tax rate	***27.7%***	***23.7%***	

a. Included a current tax income of €473 million resulting from a favorable decision of the French Council of State (*Conseil d'Etat*) on December 19, 2019, regarding the use of foreign tax receivables upon exit from the Global Profit Tax System, i.e., €244 million with respect to fiscal year 2012 (€218 million principal and €26 million moratorium interest) and €229 million with respect to fiscal year 2015 (€203 million principal and €26 million moratorium interest).

7.4 Deferred tax assets and liabilities

Changes in deferred tax assets/(liabilities), net

(in millions of euros)	Year ended December 31, 2020	2019
Opening balance of deferred tax assets/(liabilities), net	**(255)**	**(363)**
Provision for income taxes	(153)	(62)
Charges and income directly recorded in equity	(31)	22
Other business combinations	(2)	(92)
Changes in foreign currency translation adjustments and other	11	240
Closing balance of deferred tax assets/(liabilities), net	**(430)**	**(255)**

Components of deferred tax assets and liabilities

(in millions of euros)	December 31, 2020	December 31, 2019
Deferred tax assets		
Recognizable deferred taxes		
Tax attributes - Vivendi SE Tax Group (a) (b)	711	765
Tax attributes - US Tax Group (a) (c)	95	139
Tax attributes - Havas Group (a)	246	269
Tax attributes - Other subsidiaries (a)	337	351
Other	776	805
Of which non-deductible provisions	*91*	*125*
employee benefits	*191*	*211*
working capital	*170*	*171*
Total gross deferred taxes	**2,165**	**2,329**
Deferred taxes, unrecognized		
Tax attributes - Vivendi SE Tax Group (a) (b)	(617)	(653)
Tax attributes - US Tax Group (a) (c)	(95)	(139)
Tax attributes - Havas Group (a)	(234)	(257)
Tax attributes - Other subsidiaries (a)	(327)	(320)
Other	(155)	(178)
Total deferred tax assets, unrecognized	**(1,428)**	**(1,547)**
Recorded deferred tax assets	**737**	**782**
Deferred tax liabilities		
Asset revaluations (d)	(381)	(434)
Other	(786)	(603)
Recorded deferred tax liabilities	**(1,167)**	**(1,037)**
Deferred tax assets/(liabilities), net	**(430)**	**(255)**

a. The amounts of tax attributes presented in this table were estimated at the end of the relevant fiscal years. In jurisdictions which are significant to Vivendi, mainly France and the United States, tax returns are filed on May 1 and October 15 at the latest of the following year, respectively. As a result, the amount of tax attributes shown in this table and the amount reported to tax authorities may differ, and if necessary, may need to be adjusted in this table at the end of the following year.

b. Related to deferred tax assets recognizable in respect of tax attributes by Vivendi SE as head of the French Tax Group (please refer to Note 7.1); i.e., €711 million as of December 31, 2020 (compared to €765 million as of December 31, 2019), in respect of tax losses only, taking into account the estimated impact (€32 million) of transactions in fiscal year 2020 (taxable income and use or expiration of tax credits) and the change in corporate tax rate in France from 32.02% to 28.41% as from January 1, 2021 (-€86 million), but before taking into account the potential outcomes of ongoing tax audits (please refer to Note 7.5). In France, tax losses can be carried forward indefinitely and the foreign tax receivables can be carried forward upon exit from the Consolidated Global Profit Tax System.

c. Primarily related to deferred tax assets recognizable in respect of tax credits carried forward by Universal Music Group, Inc. in the United States as head of the US Tax Group, i.e., $114 million as of December 31, 2020 (compared to $154 million as of December 31, 2019), taking into account the estimated impact (-$40 million) of 2020 transactions, but before taking into account the final contingent outcome of ongoing tax audits (please refer to Note 7.5).

d. These tax liabilities, stemming from asset revaluations as part of the purchase price allocation of entities acquired by the group, are cancelled upon amortization or divestiture of the related assets and never generate any current tax liabilities.

7.5 Tax litigation

In the normal course of their business, Vivendi SE and its subsidiaries are subject to tax audits by the relevant tax authorities in the countries in which they conduct or conducted business. Various tax authorities have proposed adjustments to the financial results reported by Vivendi and its subsidiaries for fiscal year 2019 and prior years, under statutes of limitation applicable to Vivendi and its subsidiaries. In litigation situations, Vivendi's policy is to pay the taxes it intends to contest, and to seek a refund through appropriate legal proceedings. Regarding ongoing tax audits, no provision is recorded where the impact that could result from an unfavorable outcome cannot be reliably assessed. Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income of all its subsidiaries. Vivendi Management therefore considers that the outcome of the ongoing tax audits are unlikely to have a material impact on the group's financial position or liquidity.

Regarding the tax audit for fiscal years 2008 to 2012, Vivendi SE is subject to a rectification procedure for which the tax authorities challenge the accounting and tax treatment of NBC Universal shares received in consideration of the sale of Vivendi Universal Entertainment shares in 2004. Additionally, the tax authorities challenge the deduction of the €2.4 billion loss recorded as part of the sale of these shares in 2010 and 2011. Proceedings were brought before the National Direct Tax System (*Commission Nationale des Impôts Directs*), which rendered its opinion on December 9, 2016 (which was notified to Vivendi SE on January 13, 2017), in which it declared the discontinuation of the adjustments suggested by the tax authorities. Moreover, given that the disagreement was based on administrative doctrine, Vivendi asked for its cancellation on the ground that it was tantamount to adding to the law. On May 29, 2017, the French Council of State (*Conseil d'Etat*) favorably received Vivendi's appeal for misuse of authority. By a letter dated April 1, 2019 and following various appeals, the tax authorities confirmed the continuation of the rectification procedure. On June 18, 2019, Vivendi therefore initiated legal proceedings before the tax department that issued the taxation in question. As no reply was received from the tax authorities, on December 30, 2019, Vivendi filed a complaint before the Administrative Court of Montreuil. On December 14, 2020, after almost one year had passed since the complaint was filed, the tax authorities filed a statement of defense, to which Vivendi replied on January 21, 2021. On February 3, 2021, the court registry issued a statement closing the investigation as of March 1, 2021.

In addition, the tax audit for fiscal years 2013 to 2016 continues in respect of the group's consolidated earnings. With regard to Vivendi's individual earnings, on June 4, 2020, the tax authorities proposed a set of adjustments for €33 million (base) for these four financial years. This proposal will lead to a correction of Vivendi's tax losses carried forward and will not result in any current tax liabilities as any tax claimed will be paid by way of foreign tax receivables. Following Vivendi's reply to this proposal on July 21, 2020, the administration confirmed its position on September 14, 2020. Vivendi does not fully agree with the positions taken by the tax authorities but does not intend, given the stakes, to challenge them.

In respect of the US Tax Group, the tax audit for fiscal years 2011, 2012, and 2013 is now closed. On January 31, 2018, Vivendi was informed by the US tax authorities that fiscal years 2014, 2015 and 2016 were under audit, ongoing until December 31, 2020.

With regard to the Havas Group, Havas SA initiated legal proceedings for the refund of the withholding tax paid by the company between 2000 and 2002 on the redistribution of dividends from European subsidiaries (€34 million). On July 28, 2017, following the filing of the case before the Paris Administrative Court and Court of Appeal and the Versailles Court of Appeal, the French Council of State (*Conseil d'Etat*) found that the appeal in cassation made by Havas against the decision of the Versailles Court of Appeal was inadmissible. This decision irrevocably ended the tax litigation and barred Havas from obtaining a refund of the withholding tax. To restore Havas's right to compensation, three combined actions were taken: (i) a claim before the European Commission, (ii) a filing before the European Court of Human Rights, and (iii) a claim for compensation under an action for damages against the French state.

At the time of the sale of GVT to Telefonica Brasil in May 2015, Vivendi realized a capital gain that was subject to withholding tax in Brazil. On March 2, 2020, the Brazilian tax authorities challenged the methods for calculating this capital gain and asked Vivendi to pay an amount of 1 billion BRL (i.e., approximately €160 million) in duties, late interest and penalties. This additional tax assessment and the refusal to take into account the reduction of the capital gain resulting from price adjustments were unsuccessfully challenged before the administrative authorities. Vivendi will take legal action to assert its rights and believes that it has a strong chance of succeeding. Accordingly, no provision has been recorded in the financial statements for the year ended December 31, 2020 in respect of this assessment.

Note 8 Earnings per share

	Year ended December 31,			
	2020		2019	
	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)				
Earnings from continuing operations attributable to Vivendi SE shareowners	1,440	1,440	1,583	1,583
Earnings from discontinued operations attributable to Vivendi SE shareowners	-	-	-	-
Earnings attributable to Vivendi SE shareowners	1,440	1,440	1,583	1,583
Number of shares (in millions)				
Weighted average number of shares outstanding (a)	1,140.7	1,140.7	1,233.5	1,233.5
Potential dilutive effects related to share-based compensation	-	4.1	-	4.9
Adjusted weighted average number of shares	**1,140.7**	**1,144.8**	**1,233.5**	**1,238.4**
Earnings per share (in euros)				
Earnings from continuing operations attributable to Vivendi SE shareowners per share	1.26	1.26	1.28	1.28
Earnings from discontinued operations attributable to Vivendi SE shareowners per share	-	-	-	-
Earnings attributable to Vivendi SE shareowners per share	1.26	1.26	1.28	1.28

a. Net of the weighted average number of treasury shares (44.7 million shares in 2020, compared to 28.0 million shares in 2019).

Note 9 Charges and income directly recognized in equity

Details of changes in equity related to other comprehensive income

	Items not subsequently reclassified to profit or loss		Items to be subsequently reclassified to profit or loss				
(in millions of euros)	Actuarial gains/(losses) related to employee defined benefit plans (a)	Financial assets at fair value through other comprehensive income	Unrealized gains/(losses) Hedging instruments (b)	Foreign currency translation adjustments	Other comprehensive income from equity affiliates, net		**Other comprehensive income**
Balance as of December 31, 2018	**(242)**	**(431)**	**81**	**(269)**	**(81)**		**(942)**
Charges and income directly recognized in equity	(163)	(40)	(4)	170	53		16
Tax effect	23	-	-	-	-		23
Other	(3)	3	-	-	-		-
Balance as of December 31, 2019	**(385)**	**(468)**	**77**	**(99)**	**(28)**	(c)	**(903)**
Charges and income directly recognized in equity	13	(88)	2	(672)	(165)		(910)
Tax effect	(1)	(30)	-	-	-		(31)
Other	-	-	-	-	(2)		(2)
Balance as of December 31, 2020	**(373)**	**(586)**	**79**	**(771)**	**(195)**	(c)	**(1,846)**

a. Please refer to Note 19.

b. Please refer to Note 21.7.

c. Included foreign currency translation from Telecom Italia for -€218 million as of December 31, 2020, compared to -€9 million as of December 31, 2019.

Note 10 Goodwill

(in millions of euros)	December 31, 2020	December 31, 2019
Goodwill, gross	27,924	29,266
Impairment losses	(13,741)	(14,576)
Goodwill	**14,183**	**14,690**

10.1 Changes in goodwill

(in millions of euros)	December 31, 2019	Impairment losses	Business combinations	Changes in foreign currency translation adjustments and other	December 31, 2020
Universal Music Group	5,381	-	7	(473) (a)	4,915
Canal+ Group	5,660	-	12	(9)	5,663
Havas Group	2,053	-	45	(90)	2,008
Editis	837	-	1	-	838
Gameloft	594	-	6	-	600
Vivendi Village	162	-	(2)	(4)	156
New Initiatives	3	-	-	-	3
Total	**14,690**	**-**	**69**	**(576)**	**14,183**

(in millions of euros)	December 31, 2018	Impairment losses	Business combinations	Changes in foreign currency translation adjustments and other	December 31, 2019
Universal Music Group	4,977	-	75 (b)	329 (a)	5,381
Canal+ Group	4,595	-	1,068 (c)	(3)	5,660
Havas Group	1,940	-	87	26	2,053
Editis	-	-	837 (d)	-	837
Gameloft	591	-	3	-	594
Vivendi Village	125	-	31	6	162
New Initiatives	210	-	-	(207)	3
Total	**12,438**	**-**	**2,101**	**151**	**14,690**

a. Notably included the foreign currency translation of the dollar (USD) against the euro.

b. Notably included the provisional goodwill attributable to Ingrooves, consolidated by Universal Music Group as from March 15, 2019.

c. Primarily included the provisional goodwill recognized as a result of the acquisition of M7 consolidated by Canal+ Group since September 12, 2019 (please refer to Note 2.3).

d. Primarily included the provisional goodwill recognized as a result of the acquisition of Editis consolidated since February 1, 2019 (please refer to Note 2.2).

10.2 Goodwill impairment test

In 2020, Vivendi tested the value of goodwill allocated to its Cash-Generating Units (CGU) or groups of CGU by applying valuation methods consistent with previous years. Vivendi ensured that the recoverable amount of CGU or groups of CGU tested exceeded their carrying value (including goodwill). The recoverable amount is determined as the higher of the value in use, determined by the discounted value of future cash flows (Discounted Cash Flow method (DCF)), and the fair value (less costs to sell), determined on the basis of market data (stock market prices, comparable listed companies, comparison with the value attributed to similar assets or companies in recent acquisition transactions). For a description of the methods used for the impairment test, please refer to Note 1.3.5.8.

Presentation of CGU or groups of CGU

Operating Segments	Cash Generating Units (CGU)	CGU or groups of CGU tested
Universal Music Group	Recorded music	Universal Music Group (a)
	Music publishing	
	Artist services and merchandising	
Canal+ Group	Pay-TV in Mainland France	Canal+ Group excluding Studiocanal (a)
	Canal+ International (b)	
	Platforma Canal+ (Poland)	
	M7 (Central Europe and Benelux)	
	Free-to-air TV in France	
	Studiocanal	Studiocanal
Havas Group (c)	Havas Creative Group	Havas Group (a)
	Havas Health & You	
	Havas Media Group	
Editis	Editis	Editis
Gameloft	Gameloft	Gameloft
Vivendi Village	Paddington	Paddington
	Live entertainment in France	Live entertainment in France
	Live entertainment in the United Kingdom	Live entertainment in the United Kingdom
	Venues in France	Venues in France
	See Tickets France	Ticketing (Vivendi Ticketing) (a)
	See Tickets A.G. (formerly Startickets) (d)	
	See Tickets United Kingdom	
	See Tickets United States	
	See Tickets B.V. (formerly Paylogic)	
New Initiatives	Dailymotion	Dailymotion
	Group Vivendi Africa	Group Vivendi Africa

a. Corresponds to the level of monitoring return on investments.

b. Relates to pay-TV in overseas France, Africa and Asia.

c. In 2019, a goodwill impairment test was performed on the CGUs mainly in Spain, North America and France. In 2020, CGUs were redefined to reflect the current operational organization of the Havas Group, with the integration of Creative and Media activities within the Havas Villages, as well as the development of the Health & You division. As of December 31, 2020, Vivendi had also performed a goodwill impairment test for the Creative, Health & You and Media activities at the level of the consolidated Havas Group CGU, which is the level at which return on these investments is monitored.

d. As of December 31, 2020, no goodwill impairment test attributable to See Tickets A.G. (formerly Startickets) was completed given that the acquisition date of See Tickets A.G. (December 30, 2019) was close to the financial closing date.

During the fourth quarter of 2020, Vivendi performed a goodwill impairment test on each CGU or group of CGU, on the basis of valuations of recoverable amounts determined through internal valuations or with the assistance of third-party appraisers. As a result, Vivendi Management concluded that, as of December 31, 2020, the recoverable amount for each CGU or group of CGU tested exceeded their carrying value.

Presentation of key assumptions used for the determination of recoverable amounts

The value in use of each CGU or group of CGU is usually determined as the discounted value of future cash flows by using cash flow projections consistent with the 2021 budget and the most recent forecasts prepared by the operating segments. These forecasts are prepared on the basis of financial targets as well as the following main key assumptions: discount rate, perpetual growth rate and EBITA as defined in Note 1.2.3, capital expenditures, the competitive and regulatory environments, technological developments and level of commercial expenses. When the business plan of a CGU or group of CGU is not available at the time of the re-examination of the value of goodwill, Vivendi ensures that the recoverable amount exceeds the carrying value on the basis of market data only. The recoverable amount used for the relevant CGU or group of CGU was determined based on its value in use in accordance with the main key assumptions set out below.

In 2020, government measures implemented to address the COVID-19 pandemic in the main regions where Vivendi operates, namely population lockdowns and the closing of certain businesses, have slowed down the conduct of certain business activities, which adversely affected the operating performance of Vivendi's businesses in 2020, in particular Havas Group, Studiocanal and Vivendi Village. Notwithstanding the uncertainties created by the COVID-19 pandemic, Vivendi considered that the decline in the operating performance of these businesses observed in 2020 is unlikely to be permanent and should not affect their long-term outlook.

Operating segments	**CGU or groups of CGU tested**	Valuation Method		Discount Rate (a)		Perpetual Growth Rate	
		2020	2019	2020	2019	2020	2019
Universal Music Group	Universal Music Group (b)	Transaction	Transaction	na	na	na	na
Canal+ Group	Canal+ Group excluding Studiocanal (c)	Comparables	Comparables	na	na	na	na
	Studiocanal	DCF	DCF	7.70%	7.70%	1.00%	1.00%
Havas Group	Havas Group	DCF & comparables model (d)	(e)	7.80%	(e)	1.50%	(e)
Editis	Editis	DCF & comparables model	(f)	6.90%	(f)	1.50%	(f)
Gameloft	Gameloft	DCF & comparables model	DCF & comparables model	10.00%	9.00%	2.00%	2.00%
Vivendi Village	Paddington	DCF	DCF	8.80%	8.80%	1.00%	1.00%
	Live entertainment in France	DCF	DCF	9.50%	10.00%	1.00%	1.00%
	Live entertainment in the United Kingdom	DCF	DCF	10.10%	10.00%	1.00%	1.00%
	Venues in France	DCF	DCF	9.00%	9.00%	1.00%	1.00%
	Ticketing (Vivendi Ticketing)	DCF	DCF	9.30%	9.30%	2.00%	2.00%

na: not applicable.

a. The determination of recoverable amounts using a post-tax discount rate applied to post-tax cash flows provides recoverable amounts consistent with the ones that would have been obtained using a pre-tax discount rate applied to pre-tax cash flows.

b. On December 31, 2019, Vivendi and a consortium of investors led by Tencent entered into an agreement providing for the sale of 10% of UMG's share capital, based on an enterprise value of €30 billion for 100% of UMG's share capital, with the option to acquire, until January 15, 2021, on the same valuation basis, an additional amount of up to 10% of UMG's share capital. On March 31, 2020, Vivendi sold 10% of UMG's share capital to the Tencent-led consortium. On December 17, 2020, the consortium exercised its option to acquire an additional 10% of UMG. On January 29, 2021, Vivendi sold an additional 10% of UMG's share capital to the Tencent-led consortium based on the same enterprise value of €30 billion for 100% of UMG's share capital. On this basis, UMG's recoverable amount exceeded its carrying value (please refer to Note 2.1).

c. Based on multiple valuations observed in recent acquisitions, Vivendi considered that Canal+ Group's recoverable amount exceeded its carrying value.

d. Please refer to reference c. in the table above.

e. In 2019, DCF method for the CGUs in Spain, North America and France with a discount rate of 7.37%, 8.00% and 7.70%, respectively, and a perpetual growth rate of 2%.

f. As of December 31, 2019, no goodwill impairment test relating to Editis was performed given that the acquisition date of Editis (January 31, 2019) was close to the financial closing date.

Sensitivity of recoverable amounts of CGUs or groups of CGUs whose value in use is determined in particular by the DCF method

	December 31, 2020					
	Discount rate		Perpetual growth rate		Discounted cash flows	
	Applied rate (in %)	Increase in the discount rate required for the recoverable amount to be equal to the carrying amount (in number of points)	Applied rate (in %)	Decrease in the perpetual growth rate required for the recoverable amount to be equal to the carrying amount (in number of points)	Decrease in the discounted cash flows required for the recoverable amount to be equal to the carrying amount (in %)	
Canal+ Group						
Studiocanal	7.70%	+1.27 pts	1.00%	-2.12 pts	-17%	
Havas Group (a)	7.80%	+8.59 pts	1.50%	-24.31 pts	-62%	
Editis	6.90%	+1.14 pts	1.50%	-2.14 pts	-19%	
Gameloft (b)	na	na	na	na	na	

	December 31, 2019				
	Discount rate		Perpetual growth rate		Discounted cash flows
	Applied rate (in %)	Increase in the discount rate required for the recoverable amount to be equal to the carrying amount (in number of points)	Applied rate (in %)	Decrease in the perpetual growth rate required for the recoverable amount to be equal to the carrying amount (in number of points)	Decrease in the discounted cash flows required for the recoverable amount to be equal to the carrying amount (in %)
Canal+ Group					
Studiocanal	7.70%	+1.05 pts	1.00%	-1.71 pts	-15%
Havas Group (a)					
Spain	7.37%	+7.99 pts	2.00%	-13.43 pts	-57%
North America	8.00%	+8.27 pts	2.00%	-16.69 pts	-57%
France	7.70%	+6.00 pts	2.00%	-8.80 pts	-51%
Gameloft (b)	na	na	na	na	na

na: not applicable.

a. Please refer to reference d. in the table above.

b. Vivendi Management considered that Gameloft's recoverable amount as of December 31, 2019, which was determined using standard valuation methods (the value in use, determined as the discounted value of future cash flows, and the fair value, determined on the basis of market data: stock market prices, comparable listed companies, comparison with the value attributed to similar assets or companies in recent acquisition transactions) was at least equal to its carrying value.

Vivendi Village's business plans are based on the assumption of a return to a normal level of activity in the fourth quarter of 2021. Following the sensitivity analyses performed, the possible one-year delay in the return to a normal level of activity is unlikely to have a material impact on the long-term valuation outlook as this would result in a limited decrease in the recoverable amount (estimated at -13%), which will remain higher than the carrying value for the relevant CGUs.

Note 11 Content assets and commitments

11.1 Content assets

	December 31, 2020		
(in millions of euros)	Content assets, gross	Accumulated amortization and impairment losses	Content assets
Music catalogs and publishing rights	9,196	(6,866)	2,330
Advances to artists and repertoire owners	1,859	-	1,859
Merchandising contracts and artists services	20	(20)	-
Film and television costs	7,064	(6,486)	579
Sports rights	416	-	416
Editorial creations	902	(859)	43
Other	48	(27)	21
Content assets	**19,505**	**(14,258)**	**5,248**
Deduction of current content assets	(1,366)	20	(1,346)
Non-current content assets	**18,139**	**(14,238)**	**3,902**

	December 31, 2019		
(in millions of euros)	Content assets, gross	Accumulated amortization and impairment losses	Content assets
Music catalogs and publishing rights	8,999	(7,405)	1,594
Advances to artists and repertoire owners	1,266	-	1,266
Merchandising contracts and artists services	22	(22)	-
Film and television costs	7,111	(6,328)	783
Sports rights	466	-	466
Editorial creations	861	(816)	45
Other	44	(29)	15
Content assets	**18,769**	**(14,600)**	**4,169**
Deduction of current content assets	(1,440)	17	(1,423)
Non-current content assets	**17,329**	**(14,583)**	**2,746**

Changes in content assets

	Year ended December 31,	
(in millions of euros)	2020	2019
Opening balance	**4,169**	**3,540**
Amortization of content assets excluding those acquired through business combinations	(75)	(65)
Amortization of content assets acquired through business combinations	(108)	(84)
Impairment losses on content assets acquired through business combinations	-	-
Increase	3,987	3,440
Decrease	(2,530)	(2,769)
Business combinations	-	50
Foreign currency translation adjustments and other	(195)	57
Closing balance	**5,248**	**4,169**

11.2 Contractual content commitments

Commitments given recorded in the Statement of Financial Position: content liabilities

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

(in millions of euros)	Minimum future payments as of December 31, 2020				Total minimum future payments as of December 31, 2019
	Total	Due in			
		2021	2022 - 2025	After 2025	
Music royalties to artists and repertoire owners	2,315	2,305	10	-	2,264
Film and television rights (a)	174	174	-	-	198
Sports rights	275	275	-	-	394
Creative talent, employment agreements and others	535	278	252	5	362
Content liabilities	**3,299**	**3,032**	**262**	**5**	**3,218**

Off-balance sheet commitments given/(received)

(in millions of euros)	Minimum future payments as of December 31, 2020				Total minimum future payments as of December 31, 2019
	Total	Due in			
		2021	2022 - 2025	After 2025	
Film and television rights (a)	4,063	1,194	2,844	25	3,136
Sports rights	2,601 (b)	991	1,602	8	1,998
Creative talent, employment agreements and others (c)	1,374	747	599	28	1,362
Given commitments	**8,038**	**2,932**	**5,045**	**61**	**6,496**
Film and television rights (a)	(176)	(133)	(43)	-	(159)
Sports rights	(52)	(52)		-	(104)
Creative talent, employment agreements and others (c)			not available		
Other	(7)	(5)	(2)	-	(6)
Received commitments	**(235)**	**(190)**	**(45)**	**-**	**(269)**
Total net	**7,803**	**2,742**	**5,000**	**61**	**6,227**

a. Mainly includes contracts valid over several years for movies and TV production broadcasting rights (primarily exclusivity contracts with major US studios), pre-purchases of rights in the French cinema industry, Studiocanal's film production and co-production commitments (given and received), and Canal and Platforma Canal+ multichannel digital TV package broadcasting rights. They are recorded as content assets when the broadcast is available for initial release or after the initial significant payment. As of December 31, 2020, provisions recorded in respect of these commitments amounted to €52 million (compared to €22 million as of December 31, 2019).

   In addition, these amounts do not include commitments under contracts for channel diffusion rights and non-exclusive distribution of channels, in respect of which Canal+ Group did not grant or receive minimal guaranteed amounts. The variable amount of these commitments cannot be reliably determined and is not reported in either the Statement of Financial Position or in the commitments and is instead recorded as an expense for the period in which it was incurred. Based on an estimate of the future subscriber base at Canal+ Group, given commitments would have increased by a net amount of €380 million as of December 31, 2020, compared to €426 million as of December 31, 2019. These amounts notably included the distribution agreement signed with beIN Sports for the period from June 1, 2020 to May 31, 2025.

   Moreover, on November 8, 2018, Canal+ Group announced the renewal of its May 7, 2015 agreement with all the cinema professional organizations (ARP, BLIC and BLOC), extending until December 31, 2022, the historic partnership of more than 30 years between Canal+ and French cinema. Pursuant to this agreement, the Canal+ channel undertook to invest 12.5% of its annual revenues every year in the financing of European cinematographic works. With respect to audiovisual, pursuant to the agreements entered into with producers' and authors' organizations in France, the Canal+ channel is required to invest 3.6% of its total net annual revenue in the financing of heritage works every year. Only films for which an agreement in principle is made with producers are accounted for in the off-balance sheet commitments, as it is otherwise not possible to reliably determine a future and total estimate of commitments under agreements with cinema professional organizations and with producers' and authors' organizations.

b. Notably included broadcasting rights held by Canal+ Group to the following sporting events:
   - Lot 3 of the French professional Soccer League 1 for the three seasons from 2021/2022 to 2023/2024 with the deal signed with beIN Sports on February 12, 2020;

- the Soccer Champions League, on an exclusive basis for the two premium lots for three seasons, from 2021/2022 to 2023/2024, awarded on November 29, 2019;
- the English Premier League in France and in Poland, for the season 2021/2022;
- the National French Rugby Championship "Top 14", on an exclusive basis, for the two seasons 2021/2022 to 2022/2023;
- Formula 1, Formula 2 and GP3 racings: on January 21, 2020, Canal+ Group announced the extension of the agreement for the exclusive broadcast for the entire 2021 and 2022 seasons; and
- MotoGP™, Moto2 and Moto3 for the seasons 2021 to 2023.

These commitments will be recorded in the Statement of Financial Position either upon the start of every season or upon an initial significant payment.

c. Primarily relates to UMG, which routinely commits to pay agreed amounts to artists and other parties upon delivery of content or other products ("Creative talent and employment agreements"). Until the artist or the other party has delivered his or her content or until the repayment of an advance, UMG discloses its obligation as an off-balance sheet given commitment. While the artist or the other party is obligated to deliver content or another product to UMG (these arrangements are generally exclusive), this counterpart cannot be reliably determined and, thus, is not reported in received commitments.

Note 12 Leases

Since 2019, Vivendi applies the new accounting standard IFRS 16 – *Leases*. In accordance with IFRS 16, the impact of the change of accounting standard was recorded in the opening balance sheet as of January 1, 2019. For a detailed description, please refer to Note 1.3.5.7.

12.1 Rights-of-use relating to leases

As of December 31, 2020, the rights-of-use relating to leases amounted to €1,068 million (€1,245 million as of December 31, 2019) less the accumulated amortization and impairment losses for €822 million as of December 31, 2020 (€741 million as of December 31, 2019). These rights-of-use relate to real estate leases.

Changes in the rights-of-use

	Year ended December 31,	
(in millions of euros)	2020	2019
Opening balance	**1,245**	**1,131**
Amortization	(228)	(220)
Acquisitions/increase	132	265
Sales/decrease	(1)	(1)
Business combinations	-	40
Foreign currency translations and other	(80)	30
Closing balance	**1,068**	**1,245**

12.2 Maturity of lease liabilities

The maturity of lease liabilities is based on assumptions notably made upon the initial application of IFRS 16.

(in millions of euros)	December 31, 2020	December 31, 2019
< 1 year	221	236
Between 1 and 5 years	619	720
> 5 years	451	503
Lease liabilities	**1,291**	**1,459**

12.3 Lease-related expenses

Lease-related expenses recorded in the Statement of Earnings amounted to €271 million in 2020, compared to €263 million in 2019.

Note 13 Investments in equity affiliates

13.1 Main investments in equity affiliates

As of December 31, 2020, the main companies accounted for by Vivendi under the equity method were as follows:

- Telecom Italia: fixed and mobile telephony operator in Italy and Brazil;
- Banijay Group Holding: producer and distributor of television programs; and
- Vevo: premium music video and entertainment platform.

	Voting interest		Net carrying value of equity affiliates	
(in millions of euros)	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Telecom Italia (a)	23.75%	23.94%	3,179	3,248
Banijay Group Holding (b)	32.9%	31.4%	238	148
Vevo	49.4%	49.4%	62	78
Other			63	46
			3,542	**3,520**

a. As of December 31, 2020, Vivendi held 3,640 million Telecom Italia ordinary shares with voting rights, representing 23.75% of the ordinary shares with voting rights and 17.04% of the total share capital of Telecom Italia, taking into account non-voting savings shares with privileged dividend rights. Based on the stock market price as of December 31, 2020 (€0.377 per ordinary share), the market value of this interest amounted to €1,374 million. For an analysis of the value of Vivendi's interest in Telecom Italia as of December 31, 2020, please refer to paragraph 13.2 below.

b. On July 3, 2020, Banijay Group Holding completed the acquisition of 100% of Endemol Shine Group's share capital. This transaction was notably financed by a capital increase in which Vivendi subscribed for €100 million. Vivendi now holds 32.9% of Banijay Group Holding's share capital.

Change in value of investments in equity affiliates

	Years ended December 31,	
(in millions of euros)	2020	2019
Opening balance	**3,520**	**3,418**
Acquisitions	119	12
Sales	-	-
Write-downs	-	(9)
Income from equity affiliates (a)	108	71
Change in other comprehensive income	(166)	53
Dividends received	(40)	(8)
Other	1	(17)
Closing balance	**3,542**	**3,520**

a. Mainly included Vivendi's share of Telecom Italia's net earnings (please see below).

13.2 Telecom Italia

Equity accounting of Telecom Italia

As of December 31, 2020, Vivendi held 3,640 million Telecom Italia ordinary shares with voting rights, representing 23.75% of the ordinary shares with voting rights and 17.04% of the total share capital of Telecom Italia, taking into account non-voting savings shares with privileged dividend rights.

As of December 31, 2020, Vivendi continues to consider that it has the power to participate in Telecom Italia's financial and operating policy decisions, particularly given the 23.75% voting rights it holds in Telecom Italia. As a result, it is deemed to exercise a significant influence over Telecom Italia.

Vivendi's share of Telecom Italia's earnings

Vivendi relies on Telecom Italia's public financial information to account for its interest in Telecom Italia under the equity method. Given Vivendi's and Telecom Italia's respective publication dates of their financial statements, Vivendi always accounts for its share of Telecom Italia's net earnings with a three-month reporting lag. Therefore, in 2020, Vivendi's earnings take into account its share of Telecom Italia's net earnings for the fourth quarter of 2019 and for the first nine months of 2020, i.e., a total of €126 million, which was calculated as follows:

- €4 million, attributable to Vivendi's share of Telecom Italia's profit for the fourth quarter of 2019, calculated based on the financial information for the year ended December 31, 2019, as publicly disclosed by Telecom Italia on March 11, 2020;
- €182 million, attributable to Vivendi's share of Telecom Italia's profit for the first nine months of 2020, calculated based on the financial information for the first nine months of 2020, as publicly disclosed by Telecom Italia on November 10, 2020. This amount included Vivendi's share (€77 million) of the capital gain recognized by Telecom Italia on the Inwit transaction; and
- -€60 million, excluded from adjusted net income, relating to the amortization of intangible assets related to the purchase price allocation for Telecom Italia.

In addition, Vivendi's share of Telecom Italia's charges and income directly recognized in equity amounted to -€159 million in 2020, including -€209 million related to foreign currency translation adjustments.

On February 24, 2021, Telecom Italia publicly released its earnings for the fourth quarter of 2020, including a significant deferred tax income following a change in tax regulations in Italy. Due to a three-month reporting lag in the recognition of Vivendi's share of Telecom Italia's net earnings accounted for under the equity method, Vivendi will review the consistency of this deferred tax income in accordance with its accounting policies for the half-year closing as of June 30, 2021. Excluding this non-recurring tax impact, Vivendi's share of Telecom Italia's net earnings for the fourth quarter of 2020 is a €7 million profit, which will be recognized in the first quarter of 2021.

Value of Vivendi's interest in Telecom Italia as of December 31, 2020

As of December 31, 2020, the stock market price of Telecom Italia ordinary shares (€0.377 per share) remained lower than the purchase price paid by Vivendi (€1.071 per share). As of December 31, 2020, Vivendi performed an impairment loss test on its interest in Telecom Italia to determine whether its recoverable amount was greater than its carrying value. As every year, the test was carried out with the assistance of a third-party appraiser and the value determined using standard valuation methods (the value in use, determined as the discounted value of future cash flows, and the fair value, determined on the basis of market data: stock market prices, comparable listed companies, comparison with the value attributed to similar assets or companies in recent acquisition transactions).
Vivendi Management concluded that there were no triggering events that would indicate a decrease in the value of its interest in Telecom Italia compared to December 31, 2019. Notwithstanding the uncertainties created by the COVID-19 pandemic, Vivendi considers that the decrease in the stock market price of Telecom Italia ordinary shares is not permanent given Telecom Italia's long-term valuation outlook. In Vivendi's Consolidated Financial Statements for the year ended December 31, 2020, the value of Telecom Italia shares accounted for under the equity method was €3,179 million.

Financial information related to 100% of Telecom Italia

The main aggregates in the Consolidated Financial Statements, as publicly disclosed by Telecom Italia, are as follows:

(in millions of euros)	Nine-month Financial Statements as of September 30, 2020	Annual Financial Statements as of December 31, 2019
Date of publication by Telecom Italia:	*November 10, 2020*	*March 11, 2020*
Non-current assets	55,819	55,996
Current assets	9,036	14,108
Total assets	64,855	70,104
Total equity	21,473	22,626
Non-current liabilities	33,002	35,550
Current liabilities	10,380	11,928
Total liabilities	64,855	70,104
of which net financial debt (a)	*25,632*	*28,246*
Revenues	11,657	17,974
EBITDA (a)	5,118	8,151
Earnings attributable to Telecom Italia shareowners	1,178	916
Total comprehensive income/(loss) attributable to Telecom Italia shareowners	249	916

a. Non-GAAP measures ("Alternative Performance Measures"), as publicly disclosed by Telecom Italia.

Note 14 Financial assets

(in millions of euros)	December 31, 2020 Total	Current	Non-current	December 31, 2019 Total	Current	Non-current
Financial assets at fair value through profit or loss						
Term deposits (a)	-	-	-	154	154	-
Level 1						
Listed equity securities	1,862	-	1,862	1,001	-	1,001
Other financial assets	50	50	-	55	55	-
Level 2						
Unlisted equity securities	43	-	43	42	-	42
Derivative financial instruments	7	3	4	25	8	17
Level 3 - Other financial assets (b)	39	1	38	31	-	31
Financial assets at fair value through other comprehensive income						
Level 1 - Listed equity securities	2,095	-	2,095	925	-	925
Level 2 - Unlisted equity securities	20	-	20	22	-	22
Level 3 - Unlisted equity securities	24	-	24	38	-	38
Financial assets at amortized cost	**210**	**11**	**199**	**225**	**38**	**187**
Bolloré SE current account (a)	70	70	-	na	na	na
Financial assets	**4,420**	**135**	**4,285**	**2,518**	**255**	**2,263**

na: not applicable.

The three classification levels for the measurement of financial assets at fair value are defined in Note 1.3.1.

a. Relates to cash management financial assets included in the cash position (please refer to Note 16).

b. These financial assets notably included the fair value of the bond redeemable for either shares or cash (ORAN 2) subscribed to by Vivendi in 2016 in connection with its investment in Banijay Group Holding.

Listed equity and financial assets portfolio

December 31, 2020	Number of shares held	Voting interest		Ownership interest	Average purchase price (a)	Stock market price	Carrying value	Change in value over the period	Cumulative unrealized capital gain/(loss)	Sensitivity at +/-10 pts
	(in thousands)				(€/share)		(in millions of euros)			
Mediaset	340,246	9.99%	(b)	28.80%	3,70	2.09	710	(195)	(549)	+71/-71
Lagardère (c)	38,297	22.44%		29.21%	15,53	20.48	784	189	189	+78/-78
MultiChoice (c)	53,100	12.44%		12.00%	5,54	7.44	395	101	101	+40/-40
Other (d)							2,068	679	1,638	
Total							**3,957**	**774**	**1,379**	

December 31, 2019	Number of shares held	Voting interest		Ownership interest	Average purchase price (a)	Stock market price	Carrying value	Change in value over the period	Cumulative unrealized capital gain/(loss)	Sensitivity at +/-10 pts
	(in thousands)				(€/share)		(in millions of euros)			
Mediaset	340,246	9.99%	(b)	28.80%	3.70	2.66	905	(29)	(354)	+91/-91
Other (d)							1,021	210	959	
Total							**1,926**	**181**	**605**	

a. Includes acquisition fees and taxes.

b. The partnership agreement entered into between Vivendi and Mediaset on April 8, 2016 is the subject of litigation. On April 9, 2018, in compliance with the undertakings given to the Italian communications authority (AGCOM), Vivendi transferred the portion of its voting rights in excess of 10% to an independent Italian trustee (please refer to Note 25).

c. For a detailed description, please refer to Note 2.

d. Mainly Spotify and Tencent Music Entertainment.

Equity market value risks

As part of a sustainable investing strategy, Vivendi has built an equity portfolio comprising listed and non-listed French and European companies in the telecommunication and media sectors that are leaders in the production and distribution of content.

As of December 31, 2020, Vivendi held a portfolio of listed non-controlling equity interests (including Telecom Italia). The aggregate market value was approximately €5.3 billion (before taxes). Vivendi is exposed to the risk of fluctuation in the value of these interests: as of December 31, 2020, the net unrealized capital gains or losses represented a net unrealized capital loss amounting to approximately €1.2 billion (before taxes). A 10% uniform decrease in the value of all of these shares, valued as of December 31, 2020, would have a cumulative negative impact of approximately €1.7 billion on Vivendi's financial position; a 20% uniform decrease in the value of all of these shares would have a cumulative negative impact of approximately €2.2 billion on Vivendi's financial position.

Note 15 Net working capital

Changes in net working capital

(in millions of euros)	December 31, 2019	Changes in operating working capital (a)	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments	Other (b)	December 31, 2020
Inventories	277	109	-	-	(19)	(1)	366
Trade accounts receivable and other	5,661	10	18	10	(226)	9	5,482
Of which trade accounts receivable	*3,979*	*(206)*	*18*	*5*	*(152)*	*1*	*3,645*
trade accounts receivable write-offs	*(205)*	*(12)*	*(2)*	*1*	*6*	*(11)*	*(223)*
Working capital assets	**5,938**	**119**	**18**	**10**	**(245)**	**8**	**5,848**
Trade accounts payable and other	10,494	400	23	14	(467)	(369)	10,095
Other non-current liabilities	183	13	4	-	(19)	735	916
Working capital liabilities	**10,677**	**413**	**27**	**14**	**(486)**	**366**	**11,011**
Net working capital	**(4,739)**	**(294)**	**(9)**	**(4)**	**241**	**(358)**	**(5,163)**

(in millions of euros)	January 1, 2019 (c)	Changes in operating working capital (a)	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments	Other (b)	December 31, 2019
Inventories	206	-	66	-	3	2	277
Trade accounts receivable and other	5,311	(3)	262	(1)	52	40	5,661
Of which trade accounts receivable	*3,840*	*(110)*	*221*	*1*	*36*	*(9)*	*3,979*
trade accounts receivable write-offs	*(197)*	*16*	*(27)*	*-*	*(1)*	*4*	*(205)*
Working capital assets	**5,517**	**(3)**	**328**	**(1)**	**55**	**42**	**5,938**
Trade accounts payable and other	9,513	61	676	17	122	105	10,494
Other non-current liabilities	223	3	5	(1)	4	(51)	183
Working capital liabilities	**9,736**	**64**	**681**	**16**	**126**	**54**	**10,677**
Net working capital	**(4,219)**	**(67)**	**(353)**	**(17)**	**(71)**	**(12)**	**(4,739)**

a. Excludes content investments.

b. Mainly includes the change in net working capital relating to content investments, capital expenditures and other investments.

c. As from January 1, 2019, Vivendi applies the new accounting standard IFRS 16 – *Leases*.

Trade accounts receivable and other

Credit risk

Vivendi does not consider there to be a significant risk of non-recovery of trade accounts receivables for its business segments: the large individual customer base, the broad variety of customers and markets, as well as the geographic diversity of its business segments enable Vivendi to minimize the risk of credit concentration related to trade accounts receivable.

Vivendi's operational subsidiaries have set up procedures and systems for tracking their trade accounts receivable and recovering outstanding amounts. In addition, Havas has insured its main client credit risks worldwide with a leading credit insurer. Similarly, certain UMG subsidiaries have occasionally used the same insurance system.

Trade accounts payable and other

(in millions of euros)	Note	December 31, 2020	December 31, 2019
Trade accounts payable		4,498	5,057
Music royalties to artists and repertoire owners	11.2	2,305	2,251
Other		3,292	3,186
Trade accounts payable and other		**10,095**	**10,494**

Note 16 Cash position

Vivendi's cash position comprises cash and cash equivalents, as well as cash management financial assets classified as current financial assets. As defined by Vivendi, cash management financial assets relate to financial investments, which do not satisfy the criteria for classification as cash equivalents set forth in IAS 7, and, with respect to money market funds, the ANC's and AMF's decision released in November 2018.

On March 20, 2020, Vivendi SE and Bolloré SE entered into an intra-group cash management agreement on market terms to optimize investment and financing capacities within the two groups, in accordance with Article L. 511-7 of the French Monetary and Financial Code. Under this cash management agreement, on March 31, 2020, Vivendi SE advanced €150 million to Bolloré SE, repayable on first request by Vivendi SE (please refer to Note 23). As of December 31, 2020, the outstanding amount of this advance amounted to €70 million.

	December 31, 2020			December 31, 2019		
(in millions of euros)	Carrying value	Fair value	Level (a)	Carrying value	Fair value	Level (a)
Term deposits	-	na	na	154	na	na
Bolloré SE current account	70	na	na	na	na	na
Other financial assets	50	50	2	50	50	2
Cash management financial assets	**120**			**204**		
Cash	314	na	na	339	na	na
Term deposits and current accounts	662	na	na	1,602	na	na
Money market funds	-	na	na	189	189	1
Cash and cash equivalents	**976**			**2,130**		
Cash position	**1,096**			**2,334**		

na: not applicable.

a. The three classification levels for the measurement of financial assets at fair value are defined in Note 1.3.1.

In 2020, the average interest rate on Vivendi's investments was 0.49% (compared to 0.64% in 2019).

Investment risk and counterparty risk

Vivendi SE centralizes daily cash surpluses (cash pooling) of all controlled entities (i) which are not subject to local regulations restricting the transfer of financial assets, or (ii) which are not subject to other agreements.

As of December 31, 2020, the group's cash position amounted to €1,096 million (compared to €2,334 million as of December 31, 2019), of which €258 million was held by Vivendi SE (compared to €1,479 million as of December 31, 2019). On January 29, 2021, Vivendi completed the sale of an additional 10% of UMG's share capital to the Tencent-led consortium, based on an enterprise value of €30 billion for 100% of UMG's share capital. This transaction resulted in a cash inflow to Vivendi of €2,847 million (please refer to Note 2.1).

Vivendi's investment policy mainly aims to minimize its exposure to counterparty risk. Consequently, Vivendi allocates a portion of the amounts available within (i) mutual funds with a low risk class (1 or 2) as defined by the European Securities and Markets Authority's (ESMA) synthetic risk and reward indicator (SRRI) which comprises seven risk classes, and (ii) credit institutions with high long-term and/or short-term credit ratings (at least A- (Standard & Poor's)/A3 (Moody's) and A-2 (Standard & Poor's)/P-2 (Moody's), respectively). Moreover, Vivendi allocates investments among selected banks and limits the amount of each such investment.

Liquidity risk

As of March 1, 2021, (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020), Vivendi considers that the cash flows generated by its operating activities, its cash surpluses, net of the cash used to reduce its debt, as well as the cash available through undrawn bank credit facilities (please refer to Note 21.3) will be sufficient to cover its operating expenses and investments, its debt service (including redemption of bonds), the payment of income taxes, the distribution of dividends and any potential share repurchases under existing authorizations, as well as its investment projects, if any, for the next 12 months.

Note 17 Equity

Changes in the share capital of Vivendi SE

(in thousands)	December 31, 2020	December 31, 2019
Number of shares comprising the share capital (nominal value: €5.5 per share)	**1,185,996**	**1,184,576**
Treasury shares	(93,166)	(14,001)
Number of shares, net	**1,092,830**	**1,170,575**
Number of voting rights, gross	**1,262,578**	**1,258,445**
Treasury shares	(93,166)	(14,001)
Number of voting rights, net	**1,169,412**	**1,244,444**

As of December 31, 2020, Vivendi SE's share capital amounted to €6,523 million, divided into 1,185,996 thousand shares. In addition, as of December 31, 2020, 1,310 thousand stock options and 5,344 thousand performance shares were outstanding (please refer to Note 20.1), representing a potential maximum nominal share capital increase of €37 million (i.e., 0.56%).

Share repurchases and cancellation

In 2020

Between January 1 and December 31, 2020, Vivendi SE repurchased 89,240 thousand shares at an average price of €24.09 per share, for an aggregate amount of €2,150 million excluding fees and taxes for €7 million. In 2020, Vivendi did not cancel any treasury shares.

On April 20, 2020, the General Shareholder's Meeting adopted the following two resolutions relating to share repurchases:

- the renewal of the authorizations granted to the Management Board by the Shareholders' Meeting of April 15, 2019 to repurchase shares of the company of up to 10% of the share capital at a maximum purchase price of €26 per share (2020-2021 program), with the possibility of cancelling the shares acquired up to the limit of 10% of the share capital; and
- the renewal of the authorizations granted to the Management Board to purchase shares of the company by way of a Public Share Buyback Offer (OPRA) of up to 30% of Vivendi's share capital at a maximum price of €26 per share (or 20% depending on repurchases made under the new program that are deducted from this 30% limit), and to cancel the shares acquired.

Since the authorization granted at the Shareholders' Meeting of April 20, 2020, the following share repurchases were implemented:

	Share repurchases			
	% of the share capital (a)	In thousands of shares		In millions of euros
Share repurchases made between April 29 and May 20, 2020	0.70%	8,250	(b)	160
Share repurchases made between July 28 and July 30, 2020	0.05%	609	(c)	14
Share repurchases made between July 31 and October 20, 2020	2.32%	27,549	(c)	666
Share repurchases made between October 22 and December 31, 2020	2.51%	29,811	(c)	758
Position as of December 31, 2020	**5.59%**	**66,219**		**1,598**
Share repurchases made between January 1 and March 1, 2021	0.61%	7,277	(d)	189
Position as of March 1, 2021	**6.20%**	**73,496**		**1,787**

a. At the share buyback program's implementation date.

b. Allocated to employee shareholding plans.

c. Shares acquired for cancelation purposes.

d. As of December 31, 2020, Vivendi recorded a financial liability of €189 million related to share repurchases made between January 1 and February 12, 2021.

As of December 31, 2020, Vivendi SE held 93,166 thousand treasury shares, representing 7.86% of its share capital, of which 77,072 thousand shares were designated for cancellation, 8,634 thousand shares were allocated to covering employee shareholding plans and 7,459 thousand shares were allocated to covering performance share plans.

Between January 1 and March 1, 2021 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020, Vivendi repurchased 7,277 thousand shares at an average price of €25.90 per share, for an aggregate amount of €189 million. As of March 1, 2021, Vivendi held 100,439 thousand treasury shares, representing 8.47% of its share capital, of which 84,349 thousand shares were designated for cancellation, 8,634 thousand shares were allocated to covering employee shareholding plans and 7,456 thousand shares were allocated to covering performance share plans.

In 2019

Between January 1 and December 31, 2019, Vivendi SE repurchased 107,910 thousand of its own shares at an average price of €24.69 per share, for an aggregate amount of €2,664 million (excluding fees and taxes for €9 million).

Following the decision of the Management Board at a meeting held on May 24, 2019, and in accordance with the authorization from the Shareholders' Meeting of April 15, 2019, Vivendi implemented a share buyback program for up to 10% of Vivendi's share capital and at a maximum price of €25 per share, with the possibility of cancelling the shares acquired up to a limit of 10% of the share capital.
As from that date, major transactions on Vivendi SE's share capital were as follows:

	Share repurchases		Cancellation of shares *in thousand of shares*				
	% of the share capital (a)	In thousands of shares	Resulting from the share repurchases	Others		Total	% of the share capital (a)
Share repurchases made between May 28 and July 25, 2019	5.00%	65,465					
Cancellation of treasury shares on June 17, 2019			*20,018*	*29,982*	(b)	50,000	3.82%
Cancellation of treasury shares on July 25, 2019			*44,679*	-		44,679	3.41%
Share repurchases made between August 7 and November 13, 2019	2.13%	27,866					
Share repurchases made between November 18 and December 31, 2019	1.11%	14,579					
Cancellation of treasury shares on November 26, 2019			*32,083*	*4,169*	(c)	36,252	2.77%
Position as of December 31, 2019	**8.24%**	**107,910**	**96,780**	**34,151**		**130,931**	**10.00%**
Share repurchases made between January 1 and March 6, 2020	1.76%	23,021					
Transactions authorized at the Shareholders' Meeting of April 15, 2019	**10.00%**	**130,931**	**96,780**	**34,151**		**130,931**	**10.00%**

a. At the share buyback program's implementation date.

b. Shares previously held for external growth transactions.

c. Shares previously allocated to covering performance share plans.

Shareholders' dividend distributions

On March 1, 2021 (the date of Vivendi's Management Board Meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020 and the allocation of earnings for the fiscal year then ended), the Management Board decided to propose to shareholders the payment of an ordinary dividend of €0.60 per share. This proposal was presented to, and approved by, Vivendi's Supervisory Board at its meeting held on March 3, 2021, and it will be submitted to the General Shareholders' Meeting to be held on June 22, 2021 for approval.

On April 23, 2020, with respect to fiscal year 2019, an ordinary dividend of €0.60 per share was paid (following the coupon detachment on April 21, 2020), representing a total distribution of €690 million.

Note 18 Provisions

(in millions of euros)	Note	December 31, 2020	December 31, 2019
Employee benefits (a)		839	859
Restructuring costs (b)		89	112
Litigations	25	411	289
Losses on onerous contracts		77	39
Contingent liabilities due to disposal (c)		10	16
Other (d)		304	306
Provisions		**1,730**	**1,621**
Deduction of current provisions		(670)	(494)
Non-current provisions		**1,060**	**1,127**

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

b. Primarily included provisions for restructuring at Canal+ Group (€77 million as of December 31, 2020, compared to €97 million as of December 31, 2019) and at UMG (€11 million as of December 31, 2020, compared to €13 million as of December 31, 2019).

c. Certain commitments given in relation to divestitures are the subject of provisions. These provisions are not significant and the amount is not disclosed because such disclosure could be prejudicial to Vivendi.

d. Notably includes litigation provisions for which the amount and nature are not disclosed because such disclosure could be prejudicial to Vivendi.

Changes in provisions

	Years ended December 31,	
(in millions of euros)	2020	1019
Opening balance	**1,621**	**1,290**
Addition	507	279
Utilization	(206)	(174)
Reversal	(165)	(98)
Business combinations	6	110
Divestitures, changes in foreign currency translation adjustments and other	(33)	214
Closing balance	**1,730**	**1,621**

Note 19 Employee benefits

19.1 Analysis of expenses related to employee benefit plans

The table below provides information about the cost of employee benefit plans, excluding its financial component. The total cost of defined benefit plans is set forth in Note 19.2.2 below.

		Year ended December 31,	
(in millions of euros)	Note	2020	2019
Employee defined contribution plans		69	67
Employee defined benefit plans	19.2.2	54	6
Employee benefit plans		**123**	**73**

19.2 Employee defined benefit plans

19.2.1 Assumptions used in the evaluation and sensitivity analysis

Discount rate, expected return on plan assets, and rate of compensation increase

The assumptions underlying the valuation of defined benefit plans were made in compliance with the accounting policies presented in Note 1.3.8 and have been applied consistently for several years. Demographic assumptions (including notably the rate of compensation increase) are company specific. Financial assumptions (notably the discount rate) are determined by independent actuaries and other independent advisors and are reviewed by Vivendi's Finance department. The discount rate is therefore determined for each country by reference to yields on notes issued by investment grade companies having a credit rating of AA and maturities identical to that of the valued plans, generally based on relevant rate indices. The discount rates selected are therefore used, at year-end, to determine a best estimate by Vivendi's Finance department of expected trends in future payments from the first benefit payments.

In accordance with IAS 19, the expected return on plan assets is estimated by using the selected discount rate to value the obligations of the previous year.

In weighted average

	Pension benefits		Post-retirement benefits	
	2020	2019	2020	2019
Discount rate (a)	1.2%	1.3%	2.4%	2.9%
Rate of compensation increase	1.4%	1.3%	na	na
Duration of the benefit obligation (in years)	14.4	15.0	9.2	9.3

na: not applicable.

a. A 50 basis point increase (or a 50 basis point decrease, respectively) to the 2020 discount rate would have led to a decrease of €1.5 million in pre-tax expense (or an increase of €1.6 million, respectively) and would have led to a decrease in the obligations of pension and post-retirement benefits of €96 million (or an increase of €104 million, respectively).

Assumptions used in accounting for pension benefits, by country

	United States		United Kingdom		Germany		France	
	2020	2019	2020	2019	2020	2019	2020	2019
Discount rate	2.50%	3.00%	1.50%	1.75%	0.75%	0.50%	0.75%	0.50%
Rate of compensation increase (weighted average)	na	na	na	na	1.75%	1.75%	3.38%	3.39%

na: not applicable.

Assumptions used in accounting for post-retirement benefits, by country

	United States		Canada	
	2020	2019	2020	2019
Discount rate	2.50%	3.00%	2.50%	2.75%
Rate of compensation increase (weighted average)	na	na	na	na

na: not applicable.

Allocation of pension plan assets

	December 31, 2020	December 31, 2019
Equity securities	7%	7%
Debt securities	28%	26%
Diversified funds	9%	9%
Insurance contracts	37%	39%
Real estate	1%	1%
Cash and other	18%	18%
Total	**100%**	**100%**

Pension plan assets are mainly financial assets actively traded in organized financial markets.

These assets do not include occupied buildings or assets used by Vivendi group nor shares or debt instruments of the group.

Cost evolution of post-retirement benefits

For the purpose of measuring post-retirement benefits, Vivendi assumed the annual growth in the per capita cost of covered health care benefits would slow down from 5.7% for the under 65 years of age and 65 years of age and older categories in 2020, to 4.4% in 2027 for these categories. In 2020, a one-percentage-point increase in the assumed cost evolution rates would have increased post-retirement benefit obligations by €6 million and the pre-tax expense by €0.2 million. Conversely, a one-percentage-point decrease in the assumed cost evolution rates would have decreased post-retirement benefit obligations by €5 million and the pre-tax expense by €0.1 million.

19.2.2 Analysis of the expense recorded and of the amount of benefits paid

	Pension benefits		Post-retirement benefits		Total	
(in millions of euros)	2020	2019	2020	2019	2020	2019
Current service cost (a)	31	28	-	-	31	28
Past service cost (b)	22	(23)	-	-	22	(23)
(Gains)/losses on settlements	-	-	-	-	-	-
Other	1	1	-	-	1	1
Impact on selling, administrative and general expenses	**54**	**6**	**-**	**-**	**54**	**6**
Interest cost	15	24	4	5	19	29
Expected return on plan assets	(9)	(13)	-	-	(9)	(13)
Impact on other financial charges and income	**6**	**11**	**4**	**5**	**10**	**16**
Net benefit cost recognized in profit or loss	**60**	**17**	**4**	**5**	**64**	**22**

a. Current service cost notably includes the charge recorded with respect to rights acquired under the new supplemental pension plan set up by Vivendi SE in 2020, at a level equivalent to the charge recorded, as of December 31, 2019, with respect to rights acquired under Vivendi SE's previous supplemental and differential defined-benefit pension plans.

b. In 2019, past service cost included an operating income of €21 million, corresponding to the impact of the French "Pacte law" (*loi Pacte*) on the management of Vivendi SE's previous supplemental and differential defined-benefit pension plans. In 2020, past service cost included an operating charge of €12 million to level the residual cost of Vivendi SE's previous supplemental and differential defined-benefit pension plans over the remaining employment period of the Vivendi beneficiaries, as well as an operating charge of €9 million following execution, on December 7, 2020, of an amendment to Vivendi SE's company-level collective agreement impacting the end-of-career compensation plan.

In 2020, benefits paid amounted to (i) €46 million with respect to pensions (€51 million in 2019), of which €13 million was paid by pension funds (€19 million in 2019), and (ii) €10 million was paid with respect to post-retirement benefits (€10 million in 2019).

19.2.3 Analysis of net benefit obligations with respect to pensions and post-retirement benefits

Changes in value of benefit obligations, fair value of plan assets, and funded status

		Employee defined benefit plans		
		Year ended December 31, 2020		
(in millions of euros)	Note	Benefit obligation (A)	Fair value of plan assets (B)	Net (provision)/asset recorded in the statement of financial position (B)-(A)
Opening balance		**1,472**	**665**	**(807)**
Current service cost		31		(31)
Past service cost		22		(22)
(Gains)/losses on settlements		-	-	-
Other		-	(1)	(1)
Impact on selling, administrative and general expenses				***(54)***
Interest cost		19		(19)
Expected return on plan assets			9	9
Impact on other financial charges and income				***(10)***
Net benefit cost recognized in profit or loss				**(64)**
Experience gains/(losses) (a)		(17)	1	18
Actuarial gains/(losses) related to changes in demographic assumptions				-
Actuarial gains/(losses) related to changes in financial assumptions		6		(6)
Adjustment related to asset ceiling		-	(2)	(2)
Actuarial gains/(losses) recognized in other comprehensive income				**10**
Contributions by plan participants		1	1	-
Contributions by employers		-	58	58
Benefits paid by the fund		(13)	(13)	-
Benefits paid by the employer		(43)	(43)	-
Business combinations		-	-	-
Divestitures of businesses		-	-	-
Transfers		-	-	-
Foreign currency translation and other		(47)	(36)	11
Closing balance		**1,431**	**639**	**(792)**
of which wholly or partly funded benefits		*969*		
wholly unfunded benefits (b)		*462*		
of which assets related to employee benefit plans				*10*
provisions for employee benefit plans (c)	18			*(802)*

(in millions of euros)	Note	Employee defined benefit plans Year ended December 31, 2019 Benefit obligation (A)	Fair value of plan assets (B)	Net (provision)/asset recorded in the statement of financial position (B)-(A)
Opening balance		**1,205**	**553**	**(652)**
Current service cost		28		(28)
Past service cost		(23)		23
(Gains)/losses on settlements		-	-	-
Other		-	(1)	(1)
Impact on selling, administrative and general expenses				***(6)***
Interest cost		29		(29)
Expected return on plan assets			13	13
Impact on other financial charges and income				***(16)***
Net benefit cost recognized in profit or loss				**(22)**
Experience gains/(losses) (a)		37	76	39
Actuarial gains/(losses) related to changes in demographic assumptions		(4)		4
Actuarial gains/(losses) related to changes in financial assumptions (d)		200		(200)
Adjustment related to asset ceiling		-	-	-
Actuarial gains/(losses) recognized in other comprehensive income				**(157)**
Contributions by plan participants		2	2	-
Contributions by employers		-	55	55
Benefits paid by the fund		(19)	(19)	-
Benefits paid by the employer		(42)	(42)	-
Business combinations (e)		24	-	(24)
Divestitures of businesses		-	-	-
Transfers		-	-	-
Foreign currency translation and other		35	28	(7)
Closing balance		**1,472**	**665**	**(807)**
of which wholly or partly funded benefits		*1,006*		
wholly unfunded benefits (b)		*466*		
of which assets related to employee benefit plans				*9*
provisions for employee benefit plans (c)	18			*(816)*

a. Includes the impact on the benefit obligations resulting from the difference between actuarial assumptions at the previous year-end and effective benefits during the year, and the difference between the expected return on plan assets at the previous year-end and the actual return on plan assets during the year.

b. In accordance with local laws and practices, certain plans are not covered by plan assets. As of December 31, 2020 and 2019, such plans principally comprised supplementary pension plans in the United States, pension plans in Germany and post-retirement benefit plans in the United States.

c. Included a current liability of €72 million as of December 31, 2020 (compared to €55 million as of December 31, 2019).

d. Included €210 million attributable to a decrease in discount rates in 2019, of which €81 million relating to the Eurozone, €107 million relating to the United Kingdom and €18 million relating to the United States.

e. Corresponded mainly to the impact of the acquisition of Editis on February 1, 2019, on the value of the benefit obligation, plan assets and net provision.

Benefit obligation, fair value of plan assets, and funded status detailed by country

	Pension benefits (a)		Post-retirement benefits (b)		Total	
	December 31,		December 31,		December 31,	
(in millions of euros)	2020	2019	2020	2019	2020	2019
Benefit obligation						
US companies	104	118	99	115	203	233
UK companies (c)	529	559	3	3	532	562
German companies	184	198	-	-	184	198
French companies	412	380	3	3	415	383
Other	88	84	9	12	97	96
	1,317	**1,339**	**114**	**133**	**1,431**	**1,472**
Fair value of plan assets						
US companies	46	54	-	-	46	54
UK companies (c)	467	495	-	-	467	495
German companies	2	2	-	-	2	2
French companies	70	59	-	-	70	59
Other	54	55	-	-	54	55
	639	**665**	**-**	**-**	**639**	**665**
Net provision						
US companies	(58)	(64)	(99)	(115)	(157)	(179)
UK companies (c)	(62)	(64)	(3)	(3)	(65)	(67)
German companies	(182)	(196)	-	-	(182)	(196)
French companies	(342)	(321)	(3)	(3)	(345)	(324)
Other	(34)	(29)	(9)	(12)	(43)	(41)
	(678)	**(674)**	**(114)**	**(133)**	**(792)**	**(807)**

a. No employee defined benefit plan individually exceeded 10% of the aggregate value of the obligations and net provision under these plans.

b. Primarily relates to medical coverage (hospitalization, surgery, doctor visits and drug prescriptions), post-retirement and life insurance benefits for certain employees and retirees in the United States. In accordance with current regulations in relation to the funding policy of this type of plan, the plan is not funded. The main risks for the group relate to changes in discount rates as well as increases in the cost of benefits (please refer to the sensitivity analysis described in Note 19.2.1).

c. In December 2017, the UMPGS fund in the United Kingdom purchased a buy-in insurance policy, covering pension benefits. This insurance policy is an asset to the UMGPS plan. It was purchased following the exercise by some beneficiaries of the right to exit the UMGPS plan against a payment in cash. Vivendi continues to cover the benefits with regards to the remaining beneficiaries of the plan. In principle, the benefit obligations are equal to the plan’s assets, and no net pension liability is recorded in the Consolidated Statement of Financial Position.

19.2.4 Benefits estimation and future payments

For 2021, hedge fund contributions and benefit payments by Vivendi to retirees are estimated at €62 million in respect of pensions, of which €36 million relates to pension funds and €9 million relates to post-retirement benefits.

Estimates of future benefit payments to beneficiaries by the relevant pension funds or by Vivendi (in nominal value for the following 10 years) are as follows:

(in millions of euros)	Pension benefits	Post-retirement benefits
2021	62	10
2022	62	9
2023	40	9
2024	61	9
2025	48	8
2026-2030	257	37

Note 20 Share-based compensation plans

Vivendi SE and its subsidiaries maintain (i) share-based compensation plans for the beneficiary entities (share purchase plans, performance share plans, bonus share plans) or (ii) other equity instruments based on the value of the Vivendi share price (stock options) or (iii) long-term incentive plans tied to the growth of the enterprise value.
As of December 31, 2020, only Vivendi SE's share-based compensation plans are ongoing.

20.1 Plans granted by Vivendi SE

20.1.1 Equity-settled instruments

Transactions relating to outstanding instruments that occurred in 2019 and 2020 were as follows:

	Stock options				Performance shares	
	Number of outstanding stock options		Weighted average strike price of outstanding stock options		Number of outstanding performance shares	
	(in thousands)		(in euros)		(in thousands)	
Balance as of December 31, 2018	**7,245**		**15.6**		**4,790**	
Granted	-		na		1,647	
Exercised / Issued	(3,897)	(a)	15.8		(759)	
Forfeited	(265)		16.1		-	
Cancelled	(5)		16.0		(396)	(b)
Balance as of December 31, 2019	**3,078**		**15.3**		**5,282**	
Granted	-		na		1,660	
Exercised / Issued	(1,419)	(a)	15.9		(1,173)	
Forfeited	(349)		15.8		-	
Cancelled	-		na		(425)	(b)
Balance as of December 31, 2020	**1,310**	(c)	**14.4**		**5,344**	(d)
Acquired / Exercisable as of December 31, 2020	**1,310**		**14.4**		**-**	
Rights acquired as of December 31, 2020	**1,310**		**14.4**		**575**	

na: not applicable.

a. In 2020, beneficiaries exercised stock options at the weighted average stock market price of €22.8 (compared to €24.8 for stock options exercised in 2019).

b. At its meeting held on February 13, 2020, after a review by the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the achievement level of objectives set for the cumulative fiscal years 2017, 2018 and 2019 for the performance share plan granted in 2017. It was confirmed that all the criteria had been met with a maximum rate of 100%. However, given that the negative impact of the situation in Italy was not reflected in the financial results, the Supervisory Board decided to confirm the final grant of the 2017 performance share plan only up to 75% of the initial grant. Consequently, 349,403 rights to performance shares, which were granted in 2017, were cancelled, of which 50,000 of such cancelled rights were for members of the Management Board. In addition, 74,839 rights were cancelled due to the termination of employment of certain beneficiaries.

   For the performance share plan granted in 2016, at its meeting held on February 14, 2019, after a review by the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the achievement level of objectives set for the cumulative fiscal years 2016, 2017 and 2018. It was confirmed that all the criteria had been met with a maximum rate of 100%. However, given that the negative impact of the situation in Italy was not reflected in the financial results, the Supervisory Board decided to confirm the final grant of the 2016 performance share plan only up to 75% of the initial grant. Consequently, 222,663 rights to performance shares, which were granted in 2016, were cancelled, of which 73,750 of such cancelled rights were for members of the Management Board. In addition, 173,690 rights were cancelled due to the termination of employment of certain beneficiaries.

c. At the stock market price on December 31, 2020, the cumulative intrinsic value of remaining stock options to be exercised could be estimated at €16 million.

d. The weighted-average remaining period before delivering performance shares was 1.7 years.

Please refer to Note 17 for a description of the potential impact on the share capital of Vivendi SE of the outstanding stock options and performance shares.

Outstanding stock options as of December 31, 2020

Range of strike prices	Number	Weighted average strike price	Weighted average remaining life
	(in thousands)	(in euros)	(in years)
Under €17	695	11.9	1.3
€17-€18	615	17.2	0.3
More than €18	-	-	-
	1,310	**14.4**	**0.8**

Performance share plan

On February 13, 2020, Vivendi SE granted to employees and executive management 1,595 thousand performance shares, of which 185 thousand were granted to members of the Management Board. On February 14, 2019, Vivendi granted to employees and executive management 1,601 thousand performance shares, of which 165 thousand were granted to members of the Management Board.

As of February 13, 2020, the share price was €25.19 and the expected dividend yield was 2.38% (compared to €22.60 and 2.21% respectively as of February 14, 2019). After taking into account the cost associated with the retention period of the shares (described below), the discount for non-transferability was set at 7.0% of the share price as of February 13, 2020 (compared to 7.9% in 2019). Consequently, the fair value of each granted performance share was estimated at €21.68 (compared to €19.37 in 2019), corresponding to an aggregate fair value of the plan of €35 million (compared to €31 million in 2019).

Subject to satisfaction of the performance criteria, performance shares definitively vest at the end of a three-year period, subject to the presence of the beneficiaries in the group (vesting period). Furthermore, the shares must be held by the beneficiaries for an additional two-year period (retention period). The compensation cost is recognized on a straight-line basis over the vesting period. The accounting methods that are applied to estimate and recognize the value of these granted plans are described in Note 1.3.10.

Satisfaction of the objectives that determine the definitive grant of performance shares is assessed over a three-year consecutive period based on the following performance criteria:

- Internal indicators (with a weighting of 70%):
  - the adjusted net income per share (50%); and
  - the group's cash flow from operations after interest and income tax paid - CFAIT (20%).
- External indicators (with a weighting of 30%) tied to changes in Vivendi's share price compared to the STOXX® Europe Media index (20%) and to the CAC 40 index (10%).

The granted shares correspond to the same class of common shares making up the share capital of Vivendi SE, and as a result, at the end of the three-year vesting period, beneficiaries will be entitled to the dividends and voting rights attached to these shares. The compensation cost recognized corresponds to the estimated value of the equity instruments granted to the beneficiary, and is equal to the difference between the fair value of the shares to be received and the aggregate discounted value of the dividends that were not received over the vesting period.

In 2020, the charge recognized with respect to all performance share plans amounted to €26 million, compared to €24 million in 2019.

20.1.2 Employee stock purchase and leveraged plans

On July 21, 2020, Vivendi SE carried out an employee shareholding plan through the sale of treasury shares under an employee stock purchase plan and leveraged plan, reserved for employees, retirees and corporate officers of the group. The shares were previously repurchased by Vivendi SE pursuant to the authorization granted at the General Shareholders' Meeting of April 15, 2019 (please refer to Note 17).
On July 17, 2019, Vivendi carried out a capital increase through an employee stock purchase plan and leveraged plan which gave the group's employees and retirees an opportunity to subscribe for Vivendi shares.

These shares, which are subject to certain sale or transfer restrictions during a five-year period, are acquired by the beneficiaries referred to above at a discount of up to 15% on the average opening market price for Vivendi shares during the 20 trading days preceding the date on which the Management Board meeting set the acquisition price for the new shares. The difference between the acquisition price for the shares and the share price on that date represents the benefit granted to the beneficiaries. In addition, Vivendi applied a discount for non-transferability during a five-year period, which is deducted from the benefit granted to the employees. The value of the acquired shares is estimated and fixed at the date on which the acquisition price for the new shares is set.

The applied valuation assumptions were as follows:

	2020	2019
Grant date	June 18	June 14
Data at grant date:		
Share price (in euros)	22.77	24.48
Expected dividend yield	2.64%	2.04%
Risk-free interest rate	-0.48%	-0.44%
5-year interest rate	3.91%	3.96%
Repo rate	0.36%	0.36%
Discount for non-transferability per share	18.64%	19.28%

Under the employee stock purchase plan (ESPP), 1,187 thousand shares were acquired in 2020 through a company mutual fund (*Fonds Commun de Placement d'Entreprise*) at a price of €16.554 per share (compared to 531 thousand shares at a price of €21.106 subscribed for in 2019). The benefit granted to the beneficiaries, which is equal to the positive difference between the acquisition price and the stock price at the end of the subscription period on June 18, 2020 (discount of 27.3%), was higher than the discount for non-transferability (18.6%). In 2020, the charge recognized with respect to the employee stock purchase plan amounted to €2 million. In 2019, the benefit granted (discount of 13.8%) was lower than the discount for non-transferability (19.3%), no charges were recognized.

Under the leveraged plan, 6,486 thousand shares were acquired in 2020 through a company mutual fund at a price of €16.554 per share (compared to 4,694 thousand shares at a price of €21.106 in 2019). The leveraged plan entitles employees, retirees and corporate officers, who are beneficiaries of Vivendi SE and its French and foreign subsidiaries, to acquire Vivendi shares at a discounted price and to ultimately receive the capital gain (calculated pursuant to the terms and conditions of the plan) equal to 10 shares for each acquired share. A financial institution mandated by Vivendi hedges this transaction. In addition, 193 thousand shares were acquired as part of an identical employee shareholding plan implemented for employees of the group's Japanese subsidiaries (compared to 151 thousand shares subscribed for in 2019). In 2020, the charge recognized with respect to the leveraged plan amounted to €14 million, compared to nearly €1 million in 2019.

20.2 Restricted and performance share plans granted by Havas Group

The restricted and performance share plans were valued based on the stock market price of Havas Group shares as of the date of the Board of Directors' meeting that approved the grant of these shares. Subject to satisfaction of the performance criteria for certain plans, shares definitively vest at the end of a period of 36 to 51 months, subject to the presence of the beneficiaries in the group.

In light of both the implementation of the mandatory squeeze-out resulting in the absence of liquidity for Havas shares and the change of control of Havas to Vivendi, Vivendi's Supervisory Board resolved that the restricted and performance shares granted by Havas would be replaced by Vivendi shares, on the basis of 0.44 Vivendi share for every one Havas share.

In 2018, beneficiaries of Havas restricted or performance shares were individually given the option of being definitively granted the corresponding shares initially granted to them, subject to having entered into a liquidity contract with Vivendi, which contains:

- a put option, giving such beneficiaries the right to sell their Havas restricted and performance shares to Vivendi within thirty calendar days from the first business day following the date of vesting of their Havas restricted and performance shares; and
- a call option, giving Vivendi the right to acquire the relevant Havas restricted and performance shares within fifteen calendar days following the expiry of the exercise period of the abovementioned put option.

The exercise price of these options will be the cash equivalent, for one Havas share, of the market value of 0.44 Vivendi share calculated on the basis of the average stock market price for Vivendi shares on Euronext Paris, weighted by the daily trading volumes on the regulated market of Euronext Paris, during the ten trading days preceding the date of vesting of Havas restricted and performance shares.

Transactions relating to outstanding shares that have occurred since January 1, 2019 were as follows:

	Number of outstanding shares (in thousands)	
Balance as of December 31, 2018	**5,867**	
Forfeited	(2,051)	(a)
Cancelled	(181)	
Balance as of December 31, 2019	**3,635**	
Forfeited	(3,610)	(b)
Cancelled	(25)	
Balance as of December 31, 2020	**-**	

a. In 2019, related to the plans granted on the following dates:
- on January 19, 2015 and which expired on April 19, 2019: 825 thousand Havas shares were settled in cash by Vivendi at a price of €11.51 per share in accordance with the liquidity agreement, and 973 thousand Havas shares were exchanged for 428 thousand Vivendi shares in accordance with the terms and conditions of the plan;
- on May 10, 2016 and which expired on May 10, 2019: 120 thousand Havas shares were settled in cash by Vivendi at a price of €11.24 per share in accordance with the liquidity agreement;
- on March 19, 2015 and which expired on June 19, 2019: 70 thousand Havas shares were exchanged for 31 thousand Vivendi shares in accordance with the terms and conditions of the plan; and
- on August 27, 2015 and which expired on November 27, 2019: 9 thousand Havas shares were settled in cash by Vivendi at a price of €10.93 per share in accordance with the liquidity agreement, and 53 thousand Havas shares were exchanged for 24 thousand Vivendi shares in accordance with the terms and conditions of the plan.

b. In 2020, related to the plans granted on the following dates:
- February 28, 2017, which expired on February 27, 2020: 551 thousand shares were settled in cash by Vivendi at a price of €11.00 per share and 983 thousand Havas shares were exchanged for 433 thousand Vivendi shares, on the basis of 0.44 Vivendi share for every Havas share in accordance with the terms and conditions of the plan;
- May 10, 2016, which expired on May 10, 2020: 696 thousand shares were settled in cash by Vivendi at a price of €8.66 per share and 1,307 thousand Havas shares were exchanged for 575 thousand Vivendi shares, on the basis of 0.44 Vivendi share for every Havas share in accordance with the terms and conditions of the plan; and
- July 21, 2016, which expired on July 21, 2020: 11 thousand shares were settled in cash by Vivendi at a price of €10.32 per share and 62 thousand Havas shares were exchanged for 28 thousand Vivendi shares, on the basis of 0.44 Vivendi share for every Havas share in accordance with the terms and conditions of the plan.

In 2020, the charge recognized in respect of all restricted and performance share plans granted by Havas amounted to €1 million, compared to €8 million in 2019.

20.3 Restricted share plans granted by Gameloft SE

The restricted share plans of Gameloft S.E. ("Gameloft") were valued on the basis of the stock market price of Gameloft SE shares as of the date of the Board of Directors meeting that approved the grant of restricted shares, taking into account the retention period on the shares following vesting. The definitive grant of shares to beneficiaries is conditional upon the beneficiary's employment contract with the company being continuously in force throughout the entire vesting period, of two or four years depending on the plan.

On March 21, 2019, Vivendi acquired 717 thousand shares in accordance with the liquidity agreement signed with the beneficiaries during the second half of 2018. As of December 31, 2019, the number of remaining shares referred to in this agreement was 874 thousand shares.

In March 2020, Vivendi repurchased the remaining 874 thousand Gameloft shares in accordance with the liquidity agreement.

20.4 Dailymotion's long-term incentive plan

In 2015, Vivendi implemented a long-term incentive plan for a five-year period until June 30, 2020 for certain key executives of Vivendi. This plan was tied to the growth of Dailymotion's enterprise value compared to its acquisition value, as measured as of June 30, 2020, based upon an independent expertise. In the event of an increase in Dailymotion's value, the amount of the compensation with respect to the incentive plan was capped at a percentage of such increase, depending on the beneficiary. Within the six months following June 30, 2020, the plan had to be settled in cash, if applicable.

As of June 30, 2020, the plan has expired without any charges having been recognized and without any cash payments having been made.

Note 21 Borrowings and other financial liabilities and financial risk management

(in millions of euros)	Note	December 31, 2020 Total	Long-term	Short-term		December 31, 2019 Total	Long-term	Short-term	
Bonds	21.2	5,050	4,050	1,000		5,450	5,050	400	
Bank credit facilities	21.3	661	-	661		36	-	36	
Short-term marketable securities issued		310	-	310		870	-	870	
Bank overdrafts		10	-	10		18	-	18	
Accrued interest to be paid		16	-	16		17	-	17	
Cumulative effect of amortized cost	21.1	(17)	(16)	(1)		(23)	(22)	(1)	
Other		19	11	8		30	9	21	
Borrowings at amortized cost		**6,049**	**4,045**	**2,004**		**6,398**	**5,037**	**1,361**	
Commitments to purchase non-controlling interests		324	108	216	(a)	528	118	410	(a)
Derivative financial instruments		28	18	10		11	5	6	
Borrowings and other financial liabilities		**6,401**	**4,171**	**2,230**		**6,937**	**5,160**	**1,777**	
Lease liabilities	12	1,291	1,070	221		1,459	1,223	236	
Total		**7,692**	**5,241**	**2451**		**8,396**	**6,383**	**2,013**	

a. As of December 31, 2020, it included the commitment of €189 million related to the share buyback program in place as of December 31, 2020. As of December 31, 2019, it included the commitment of €360 million related to the share buyback program in place as of December 31, 2019. For a detailed description, please refer to Note 17.

21.1 Fair market value of borrowings and other financial liabilities

(in millions of euros)	December 31, 2020 Carrying value		Fair market value	Level (a)	December 31, 2019 Carrying value		Fair market value	Level (a)
Nominal value of borrowings	6,066				6,421			
Cumulative effect of amortized cost	(17)				(23)			
Borrowings at amortized cost	**6,049**		**6,228**	**na**	**6,398**		**6,512**	**na**
Commitments to purchase non-controlling interests	324	(b)	324	1 - 3	528	(b)	528	1 - 3
Derivative financial instruments	28		28	2	11		11	2
Borrowings and other financial liabilities	**6,401**		**6,580**		**6,937**		**7,051**	

na: not applicable.

a. The three classification levels for the measurement of financial liabilities at fair value are defined in Note 1.3.1.

b. As of December 31, 2020, it included the commitment of €189 million related to the share buyback program in place as of December 31, 2020, classified as Level 1. As of December 31, 2019, it included the commitment of €360 million related to the share buyback program in place as of December 31, 2019, classified as Level 1. For a detailed description, please refer to Note 17.

21.2 Bonds

(in millions of euros)	Interest rate (%) nominal	effective	Maturity		December 31, 2020	December 31, 2019
Bonds issued by Vivendi SE						
€700 million (June 2019)	0.000%	0.17%	Jun-22		700	700
€700 million (June 2019)	0.625%	0.67%	Jun-25		700	700
€700 million (June 2019)	1.125%	1.27%	Dec-28		700	700
€850 million (September 2017)	0.875%	0.99%	Sep-24		850	850
€600 million (November 2016)	1.125%	1.18%	Nov-23		600	600
€1 billion (May 2016)	0.750%	0.90%	May-21	(a)	1,000	1,000
€500 million (May 2016)	1.875%	1.93%	May-26		500	500
Bond issued by Havas SA						
€400 million (December 2015)	1.875%	1.94%	Sep-20	(b)	-	400
Nominal value of bonds					**5,050**	**5,450**

a. This bond contains a one-month early redemption clause at par as from April 26, 2021.

b. This bond was fully redeemed early on September 8, 2020.

On April 3, 2020, Vivendi renewed its Euro Medium-Term Note (EMTN) program, increasing it to €8 billion, giving Vivendi full flexibility to issue bonds. This program was filed with the AMF (*Autorité des marchés financiers*) under visa n°20-117 for a 12-month period.

Bonds issued by Vivendi SE contain customary provisions, related to events of default, negative pledge and rights of payment (*pari-passu* ranking). They also contain an early redemption clause in the event of a change of control[5] if, as a result of any such event, the long-term rating of Vivendi SE is downgraded below investment grade status (Baa3/BBB-).

21.3 Bank credit facilities

Vivendi SE

On December 10, 2020, Vivendi SE's syndicated bank credit facility of €2.2 billion was extended by one-year until January 16, 2026. As a reminder, in January 2019, Vivendi SE signed eight committed bilateral credit facilities granted by leading banks, for an aggregate available amount of €1.2 billion maturing in January 2024. As of December 31, 2020, five of these credit facilities were drawn by Universal Music Group Inc. for €422 million (please see below).
These credit facilities are no longer required to comply with financial covenants but they contain customary provisions relating to events of default and covenants applicable to Vivendi in terms of negative pledge and merger transactions.

As of December 31, 2020, €2.7 billion of Vivendi SE's facilities were available, taking into account drawings on bilateral credit facilities and the short-term marketable securities issued and backed by these credit facilities for €310 million.

As of March 1, 2021 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020), €3.1 billion of the Vivendi SE's facilities were available, taking into account UMG Inc. drawings on Vivendi SE bilateral credit facilities on which it is co-borrower for €0.3 billion.

Universal Music Group

Universal Music Group Inc. bank credit facilities

Universal Music Group Inc. (UMG Inc.) is now an additional borrower under five of Vivendi SE's eight bilateral credit facilities up to the aggregate limit of €750 million (please see above). As of December 31, 2020, drawings made by UMG Inc. were €422 million (drawings made in US dollars).

In addition, UMG Inc. has its own credit facilities maturing in 2021 for an aggregate amount of $570 million, i.e. €466 million including a committed credit facility of €245 million maturing in September 2021.
As of December 31, 2020, drawings made by UMG Inc. were €213 million (drawings made in US dollars), i.e. €131 million on the committed credit facility.

Universal Music Group borrowings and intra-group investments with Vivendi SE

In addition to drawings made by UMG Inc. on bank credit facilities, Universal International Music B.V. borrows from Vivendi SE, and Universal Music Group Treasury places its cash surpluses with Vivendi SE. As of December 31, 2020 and 2019, UMG's intra-group borrowings and deposit positions with Vivendi SE were as follows:

(in millions of euros)	December 31, 2020	December 31, 2019
Universal International Music B.V.	(2,368)	-
Universal Music Group Treasury	815	623
Universal Music Group S.A.S.	-	49
Net total	**(1,553)**	**672**

Havas SA

Havas SA has committed credit facilities, undrawn as of December 31, 2020, granted by leading banks for an aggregate amount of €510 million, of which €150 million is maturing in 2023, €280 million maturing in 2024 and €80 million maturing in 2025. These credit facilities are no longer required to comply with any financial covenants.

As of March 1, 2021 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020), €90 million of the Havas SA's facilities were available taking into account the short-term marketable securities issued and backed by these credit facilities for €420 million.

[5] *Bolloré Group was carved out of the change-of-control provision under the bonds issued since 2016.*

Vivendi group

Taking into account the foregoing, as of December 31, 2020, €3.3 billion of the Vivendi group's committed credit facilities were available.

As of March 1, 2021 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020), €3.2 billion of the Vivendi group's facilities were available, taking into account the foregoing.

21.4 Borrowings by maturity

(in millions of euros)	December 31, 2020		December 31, 2019	
Maturity				
< 1 year (a)	2,004	*33%*	1,362	*21%*
Between 1 and 2 years	706	*12%*	1,004	*16%*
Between 2 and 3 years	602	*10%*	702	*11%*
Between 3 and 4 years	851	*14%*	601	*9%*
Between 4 and 5 years	702	*11%*	851	*13%*
> 5 years	1,201	*20%*	1,901	*30%*
Nominal value of borrowings	**6,066**	***100%***	**6,421**	***100%***

a. Notably included Vivendi SE's bond maturing in May 2021 for €1 billion, credit facility drawings made by UMG Inc. for €635 million, marketable securities issued by Vivendi SE for €310 million as of December 31, 2020 (compared to €870 million as of December 31, 2019) and bank overdrafts for €10 million as of December 31, 2020 (compared to €18 million as of December 31, 2019). As of December 31, 2019, they included Havas SA's bond, which were redeemed early on September 8, 2020 for €400 million.

The average "economic" term of the group's financial debt, calculated based on the assumption that available medium-term credit lines may be used to redeem the group's shortest term borrowings, was 4.8 years as of December 31, 2020 (compared to 5.3 years as of December 31, 2019).

As of December 31, 2020, the future undiscounted cash flows related to borrowings and other financial liabilities amounted to €6,584 million (compared to €6,809 million as of December 31, 2019) with a carrying value of €6,401 million (compared to €6,937 million as of December 31, 2019) and are set out in Note 24.1 in the group's contractual minimum future payments schedule.

21.5 Interest rate risk management

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

As of December 31, 2020, the nominal value of borrowings at fixed interest rate amounted to €5,090 million (compared to €5,489 million as of December 31, 2019) and the nominal value of borrowings at floating interest rate amounted to €976 million as of December 31, 2020 (compared to €932 million as of December 31, 2019).

As of December 31, 2020, and 2019, Vivendi had not entered into any interest rate swaps.

21.6 Foreign currency risk management

Breakdown by currency

(in millions of euros)	December 31, 2020		December 31, 2019	
Euro - EUR	5,385	*89%*	6,346	*99%*
US dollar - USD	635	*10%*	3	-
Other	46	*1%*	72	*1%*
Nominal value of borrowings before hedging	**6,066**	***100%***	**6,421**	***100%***
Currency swaps USD	*492*		*577*	
Other currency swaps	*213*		*(73)*	
Net total of hedging instruments (a)	***705***		***504***	
Euro - EUR	6,090	*100%*	6,850	*107%*
US dollar - USD	143	*3%*	(574)	*-9%*
Other	(167)	*-3%*	145	*2%*
Nominal value of borrowings after hedging	**6,066**	***100%***	**6,421**	***100%***

a. Notional amounts of hedging instruments translated into euros at the closing rates.

Foreign currency risk

The group's foreign currency risk management is centralized by Vivendi SE's Financing and Treasury Department for all its controlled subsidiaries, except if, during a transition period, an acquired subsidiary is authorized to pursue, at its level, spot and forward exchange transactions. This policy primarily seeks to hedge budget exposures resulting from monetary flows generated by operations performed in currencies other than the euro as well as from external firm commitments, primarily relating to the acquisition of editorial content (e.g., sports, audiovisual and film rights) and certain capital expenditures (e.g., set-top boxes), realized in currencies other than the euro. All of the hedging instruments are foreign currency swaps or forward contracts that mostly have a maturity period of less than one year. Considering the foreign currency hedging instruments set up, an unfavorable and uniform euro change of 1% against all foreign currencies in position as of December 31, 2020 would have a non-significant cumulative impact on net earnings. In addition, the group may hedge foreign currency exposure resulting from foreign-currency denominated financial assets and liabilities. Moreover, due to their non-significant nature, net exposures related to subsidiaries' net working capital (internal flows of royalties as well as external purchases) are generally not hedged. The associated risks are reduced at the end of each month by translating the amounts into the functional currency of the relevant operating entities.

In the context of the United Kingdom's withdrawal from the European Union, effective as from January 1, 2021, no significant impact on Vivendi's consolidated financial position has been identified as of the date of this report.

The following tables set out the foreign currency risk management instruments used by the group; the positive amounts relate to currencies to be received and the negative amounts relate to currencies to be delivered at contractual exchange rates:

	December 31, 2020						
	Notional amounts					Fair value	
(in millions of euros)	**Total**	USD	PLN	GBP	Other	Assets	Liabilities
Sales against the euro	(430)	(192)	(71)	(30)	(137)	2	4
Purchases against the euro	1,690	1,026	106	140	418	6	19
Other	-	169	(112)	1	(58)	-	5
	1,260	**1,003**	**(77)**	**111**	**223**	**8**	**28**
Breakdown by accounting category of foreign currency hedging instruments							
Cash Flow Hedge							
Sales against the euro	(95)	(14)	-	-	(81)	-	1
Purchases against the euro	103	59	-	2	42	-	1
Other	-	19	(8)	-	(11)	-	-
	8	**64**	**(8)**	**2**	**(50)**	**-**	**2**
Fair Value Hedge							
Sales against the euro	(315)	(178)	(71)	(30)	(36)	2	3
Purchases against the euro	931	855	-	67	9	3	18
Other	-	102	(102)	1	(1)	-	4
	616	**779**	**(173)**	**38**	**(28)**	**5**	**25**
Economic Hedging (a)							
Sales against the euro	(20)	-	-	-	(20)	-	-
Purchases against the euro	656	112	106	71	367	3	-
Other	-	48	(2)	-	(46)	-	1
	636	**160**	**104**	**71**	**301**	**3**	**1**

(in millions of euros)	December 31, 2019						
	Notional amounts					Fair value	
	Total	USD	PLN	GBP	Other	Assets	Liabilities
Sales against the euro	(524)	(152)	(185)	(56)	(131)	1	6
Purchases against the euro	1,303	786	120	118	279	20	3
Other	-	225	(140)	(51)	(34)	4	2
	779	**859**	**(205)**	**11**	**114**	**25**	**11**
Breakdown by accounting category of foreign currency hedging instruments							
Cash Flow Hedge							
Sales against the euro	(116)	(45)	(30)	-	(40)	-	2
Purchases against the euro	59	53	-	6	-	-	-
Other	-	38	(36)	-	(2)	-	1
	(57)	**46**	**(66)**	**6**	**(42)**	**-**	**3**
Fair Value Hedge							
Sales against the euro	(366)	(107)	(155)	(26)	(78)	-	4
Purchases against the euro	848	733	-	112	3	19	2
Other	-	119	(104)	(15)	-	4	1
	482	**745**	**(259)**	**71**	**(75)**	**23**	**7**
Economic Hedging (a)							
Sales against the euro	(42)	-	-	(30)	(12)	1	-
Purchases against the euro	396	-	120	-	276	1	1
Other	-	68	-	(36)	(32)	-	-
	354	**68**	**120**	**(66)**	**232**	**2**	**1**

a. The economic hedging instruments relate to derivative financial instruments that are not eligible for hedge accounting pursuant to IFRS 9.

21.7 Derivative financial instruments

Value on the Statement of Financial Position

(in millions of euros)	Note	December 31, 2020		December 31, 2019	
		Assets	Liabilities	Assets	Liabilities
Interest rate risk management	21.5	-	-	-	-
Foreign currency risk management	21.6	8	28	25	11
Other		-	-	-	-
Derivative financial instruments		**8**	**28**	**25**	**11**
Deduction of current derivative financial instruments		(4)	(10)	(8)	(6)
Non-current derivative financial instruments		**4**	**18**	**17**	**5**

Unrealized gains and losses recognized directly in equity

(in millions of euros)	Cash Flow Hedge		Net Investment Hedge	Total
	Interest rate risk management	Foreign currency risk management		
Balance as of December 31, 2018	**-**	**-**	**81**	**81**
Charges and income directly recognized in equity	-	(4)	-	(4)
Items to be reclassified as profit or loss	-	-	-	-
Tax effect	-	-	-	-
Balance as of December 31, 2019	**-**	**(4)**	**81**	**77**
Charges and income directly recognized in equity	-	2	-	2
Items to be reclassified as profit or loss	-	-	-	-
Tax effect	-	-	-	-
Balance as of December 31, 2020	**-**	**(2)**	**81**	**79**

21.8 Credit ratings

As of March 1, 2021 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020), Vivendi's credit ratings were as follows:

Rating agency	Type of debt	Ratings	
Moody's	Long-term senior unsecured debt	Baa2	Negative outlook (a)
Standard & Poor's	Senior unsecured debt	BBB	Negative CreditWatch (b)

a. On February 16, 2021, Moody's lowered its outlook from Stable to Negative.

b. As of February 22, 2021, Standard & Poor's ratings were placed on Negative CreditWatch. On February 23, 2021, Vivendi requested the withdrawal of its Standard & Poor's rating.

Note 22 Consolidated Cash Flow Statement

22.1 Adjustments

		Year ended December 31,	
(in millions of euros)	Note	2020	2019
Items related to operating activities with no cash impact			
Amortization and depreciation of intangible and tangible assets	4	818	744
Change in provision, net		183	30
Other non-cash items from EBIT		4	-
Other			
Income from equity affiliates - operational		18	(4)
Proceeds from sales of property, plant, equipment and intangible assets		12	9
Adjustments		**1,035**	**779**

22.2 Investing and financing activities with no cash impact

In 2020 and 2019, there were no significant investing and financing activities with no cash impact.

Note 23 Related parties

Vivendi's related parties are corporate officers, members of Vivendi's Supervisory and Management Boards, as well as other related parties, including:

- companies fully consolidated by Vivendi. The transactions between these companies have been eliminated for the preparation of Vivendi's Consolidated Financial Statements;
- companies over which Vivendi exercises a significant influence;
- all companies in which corporate officers or their close relatives hold significant voting rights;
- minority shareholders exercising a significant influence over the group's subsidiaries; and
- Bolloré Group's related parties, as Vivendi has been fully consolidated by Bolloré Group since April 26, 2017.

23.1 Corporate officers

Supervisory Board

The Supervisory Board is currently comprised of 13 members, including an employee shareholder representative and two employee representatives. It is made up of seven women, i.e., a ratio of 55% (in accordance with French Law n°2011-103 of January 27, 2011, the two employee representatives are not taken into account for the calculation of this percentage[6]). In 2020 and 2019, the composition of the Supervisory Board changed as follows:

- On April 20, 2020, Vivendi SE's General Shareholders' Meeting renewed the term of office of Mr. Yannick Bolloré and appointed Mr. Laurent Dassault as a member of the Supervisory Board for a four-year term. In addition, on the same date, the Supervisory Board renewed the term of office of Mr. Yannick Bolloré as Chairman of the Supervisory Board for a four-year term.
  At its meeting held on September 23, 2020, the European Company Committee appointed Ms. Athina Vasilogiannaki as an employee representative on the Supervisory Board for a three-year term. In addition, Vivendi SE's Employee Representative Committee (*Comité social et économique*) renewed Mr. Paulo Cardoso's term of office, as an employee representative on the Supervisory Board for a three-year term as from October 19, 2020.

- On April 15, 2019, Vivendi's General Shareholders' Meeting appointed Mr. Cyrille Bolloré as a member of the Supervisory Board for a four-year term, thereby replacing Mr. Vincent Bolloré who decided to terminate his term of office as a member of the Supervisory Board following the Shareholders' Meeting. At the same meeting, Mr. Dominique Delport's term of office as a member of the Supervisory Board was renewed for a four-year term.
  Mr. Tarak Ben Ammar's term of office as a member of the Supervisory Board expired on April 15, 2019. Mr. Tarak Ben Ammar did not ask for the renewal of his office. Since that date, Bleufontaine (formerly Quinta Communications) is no longer a related party to Vivendi.

With respect to fiscal year 2020, the gross compensation of Mr. Yannick Bolloré, as Chairman of the Supervisory Board of Vivendi SE amounted to €400,000 (compared to €400,000 with respect to fiscal year 2019), from which the amount of his remuneration (formerly called "attendance fees") of €60,000 (compared to €60,000 with respect to fiscal year 2019) is deducted in accordance with Article L. 225-83 of the French Commercial Code *(Code de commerce*).

In addition, as Chairman and Chief Executive Officer of Havas, a Vivendi subsidiary, Mr. Yannick Bolloré received compensation, as well as benefits in kind, totaling a gross amount of €1,662,197 in 2020 (including a gross variable portion of €600,000 paid in 2020 with respect to fiscal year 2019), compared to a gross amount of €1,428,993 in 2019 (including a gross variable portion of €370,000 paid in 2019 with respect to fiscal year 2018). On February 13, 2020, the Chairman and Chief Executive Officer of Havas was granted 15,000 Vivendi performance shares (18,000 shares granted on February 14, 2019), subject to the satisfaction of certain performance criteria as described in Note 20.1.1.

With respect to fiscal year 2020, the gross amount of the compensation paid to the members of the Supervisory Board of Vivendi SE was an aggregate gross amount of €1,150,000 (compared to €1,085,000 with respect to fiscal year 2019).

[6] *In addition, when the current employee shareholder representative reaches the end of his respective term of office as member of the Supervisory Board on June 22, 2021, his successor will also not be included in the calculation, in accordance with Article L. 225-71 of the French Commercial Code, as amended by French Law no. 2019-486 of May 22, 2019 (the "Pacte law").*

Management Board

The Management Board is currently comprised of seven members.

In 2020, the gross compensation paid by the Vivendi group to the Management Board members amounted to €11.9 million (compared to €10.6 million paid in 2019). This amount included:

- fixed compensation of €6.0 million (compared to €5.9 million in 2019);
- variable compensation of €5.3 million paid in 2020 with respect to fiscal year 2019 (compared to €4 million paid in 2019 with respect to fiscal year 2018);
- other compensation paid or allocated by controlled subsidiaries; and
- benefits in kind.

The charge recorded by Vivendi with respect to equity-settled share-based compensation plans granted to the members of the Management Board amounted to €3.7 million in 2020 (compared to €3.6 million in 2019).

As part of new requirements of French Executive Order No. 2019-697 of July 3, 2019 relating to supplemental occupational pension plans, the Supervisory Board decided, at its meeting held on November 14, 2019, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, to set the rights of the group supplemental defined-benefit pension plan, implemented in December 2005 and approved at the Shareholders' Meeting held on April 20, 2006, according to the seniority acquired as of December 31, 2019. The Supervisory Board, at its meeting held on February 13, 2020, confirmed that the performance criteria applying to the pension rights growth rate under this plan had been met with respect to fiscal year 2019. The charge recorded by Vivendi related to such rights as of December 31, 2019 under pension commitments toward Management Board members and high-level management amounted to €14.9 million in 2019, including the charge recorded by Vivendi related to vested rights according to the seniority acquired as of December 31, 2019. As of December 31, 2019, their net pension commitments amounted to €58.4 million as of December 31, 2019.

The new group benefit supplemental pension plan, implemented in 2020, is described in the compensation policy of the Chairman and members of the Management Board for 2020, as approved at the Shareholders' Meeting held on April 20, 2020, and which is included in the report on corporate governance pursuant to Articles L. 22-10-20 and L. 225-68 of the French Commercial Code and included in section 2 of Chapter 3 of the 2019 Annual Report – Universal Registration Document. The Supervisory Board, at its meeting held on March 3, 2021, confirmed that the performance criteria applying to the pension rights growth rate under this plan had been met with respect to fiscal year 2020. The charge recorded by Vivendi related to pension commitments of the Management Board members and of the high-level management amounted to €16.1 million in 2020. As of December 31, 2020, the net pension commitments of the Management Board members and the high-level management under the group supplemental pension plan was an aggregate amount of €72.4 million.

The Chairman of the Management Board, Mr. Arnaud de Puyfontaine, waived his employment contract. In accordance with the resolutions approved at the General Shareholders' Meeting held on April 17, 2015, he is entitled to severance compensation upon an involuntary termination, subject to the satisfaction of performance conditions. At its meeting held on February 14, 2019, the Supervisory Board, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, decided:

- to increase from 80% to 90% the minimum achievement level of performance criteria conditioning the payment of the severance compensation; and
- to revoke his right to maintain all rights to performance shares. These rights may be maintained, if appropriate, pro rata to the duration of his presence within the Group during the vesting period, subject to the satisfaction of the related performance criteria.

On February 13, 2020, the Chairman of the Management Board was granted 40,000 Vivendi performance shares (compared to 40,000 shares granted on February 14, 2019).

The report on corporate governance that will be included in Section 2 of Chapter 4 of the 2020 Annual Report – Universal Registration Document will contain a detailed description of the compensation policy to Vivendi's corporate officers for 2021. This chapter will also contain details of the fixed and variable components of their compensation and the benefits of any kind paid in fiscal year 2020 or attributed with respect to the same fiscal year.

Other high-level management

At its meeting held on April 15, 2019, following the Shareholders' Meeting and upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board unanimously appointed Mr. Vincent Bolloré as a non-voting board member (*censeur*) for a four-year period and as Advisor to the Chairman of Vivendi's Management Board. As a non-voting board member (*censeur*), Mr. Vincent Bolloré receives no compensation. Pursuant to his employment contract as Advisor to the Chairman of Vivendi's Management Board, Mr. Vincent Bolloré's gross annual fixed compensation amounts to €500,000, with a variable portion (target: 80%; maximum: 100%) determined according to the same performance criteria as those used for Vivendi SE's main operational managers, i.e., a gross amount of €450,000 paid in 2020 with respect to fiscal year 2019.

23.2 Bolloré Group

On March 20, 2020, Vivendi SE and Bolloré SE entered into an intra-group cash management agreement on market terms to optimize investment and financing capacities within the two groups, in accordance with Article L. 511-7 of the French Monetary and Financial Code. Under this cash management agreement, Vivendi SE advanced €150 million to Bolloré SE on March 31, 2020, repayable on first request by Vivendi SE. As of December 31, 2020, the outstanding amount of this advance amounted to €70 million.

On April 23, 2020, as part of Vivendi SE's payment of a dividend to its shareholders with respect to fiscal year 2019, Bolloré Group received a dividend of €192 million (compared to a dividend with respect to fiscal year 2018 of €165 million, which was paid in 2019).

On December 31, 2020, Bolloré Group held 320,521,374 Vivendi shares carrying an amount of 375,309,383 voting rights, i.e., 27.03% of Vivendi SE's share capital and 29.73% of the gross voting rights.

In light of the analysis conducted by Bolloré Group, following Vivendi's General Shareholders' Meeting held on April 25, 2017, of other facts and circumstances that indicate its ability to direct the relevant activities of Vivendi, Bolloré Group determined that the conditions of control within the meaning of IFRS 10 were fulfilled. The shareholding in Vivendi, which had previously been accounted for using the equity method since October 7, 2016, was fully consolidated as from April 26, 2017.

23.3 Other related-party transactions

Vivendi's other related parties are companies over which Vivendi exercises a significant influence (i.e., primarily Telecom Italia, Banijay Group Holding and Vevo: please refer to Note 13) and companies in which Vivendi's corporate officers or their close relatives hold significant voting rights. They notably included Bolloré Group and its subsidiaries, either directly or indirectly controlled by Mr. Vincent Bolloré, high-level management at Vivendi, and his family. Moreover, as Bolloré Group has fully consolidated Vivendi since April 26, 2017, Vivendi's related parties also include Bolloré Group's related parties (in particular Mediobanca).

In addition, certain Vivendi subsidiaries maintain business relationships, on an arm's-length basis, involving non-material amounts, with Groupe Nuxe (controlled by Ms. Aliza Jabès, a member of Vivendi's Supervisory Board), Interparfums (controlled by Mr. Philippe Bénacin, Vice Chairman of Vivendi's Supervisory Board) and Groupe Dassault (of which Mr. Laurent Dassault is a corporate officer and, as from April 20, 2020, a member of Vivendi's Supervisory Board).

(in millions of euros)	December 31, 2020	December 31, 2019
Assets		
Non-current content assets	-	1
Rights-of-use relating to leases	-	7
Of which Bolloré Group	*-*	*7*
Non-current financial assets	113	99
Of which Banijay Group Holding and Lov Banijay loans	*97*	*88*
Trade accounts receivable and other	90	67
Of which Bolloré Group	*5*	*4*
Telecom Italia (a)	*36*	*32*
Banijay Group Holding (b)	*2*	*2*
Mediobanca (c)	*4*	*4*
Other current financial assets	70	na
Of which Bolloré SE current account	*70*	*na*
Liabilities		
Lease liabilities	-	8
Of which Bolloré Group	*-*	*8*
Trade accounts payable and other	27	35
Of which Bolloré Group	*14*	*18*
Banijay Group Holding (b)	*5*	*6*
Off-balance sheet contractual obligations, net	87	77
Of which Banijay Group Holding (b)	*97*	*90*

	Year ended December 31,	
(in millions of euros)	2020	2019
Statement of earnings		
Operating income	234	232
Of which Bolloré Group	*5*	*7*
Telecom Italia (a)	*13*	*8*
Banijay Group Holding (b)	*2*	*3*
Mediobanca (c)	*-*	*-*
Bleufontaine (d)	*na*	*-*
Other (Interparfums, Groupe Nuxe and Groupe Dassault) (e)	*-*	*1*
Operating expenses	(104)	(114)
Of which Bolloré Group	*(33)*	*(31)*
Banijay Group Holding (b)	*(41)*	*(55)*
Mediobanca (c)	*-*	*(2)*
Other (Interparfums, Groupe Nuxe and Groupe Dassault) (e)	*-*	*-*

na: not applicable.

a. Certain Vivendi subsidiaries have rendered operating services to Telecom Italia and its subsidiaries, on an arm's-length basis (mainly communication services and music sales): operating income of €8.5 million for Havas Group (€5.2 million in 2019), €3.1 million for Gameloft (€1.3 million in 2019) and €1.4 million for Universal Music Group (€1.4 million in 2019).

b. Vivendi and its subsidiaries (mainly Canal+ Group) entered into production and program purchase agreements with certain Banijay Group Holding subsidiaries on an arm's-length basis.

c. Certain Havas Group subsidiaries have rendered communications services to Mediobanca and its subsidiaries on an arm's-length basis.

d. Between January 1 and April 15, 2019, Canal+ Group recorded an operating charge of €0.2 million against Bleufontaine (formerly Quinta Communications) relating to repayments for the operation of its Studiocanal catalog. Mr. Tarak Ben Ammar's term of office as a member of the Supervisory Board expired on April 15, 2019. Mr. Tarak Ben Ammar did not ask for the renewal of his office. Since that date, Bleufontaine is no longer a related party to Vivendi.

e. Certain Vivendi subsidiaries maintained business relationships, on an arm's-length basis, involving non-significant amounts with Interparfums, Groupe Nuxe and Groupe Dassault (of which Mr. Laurent Dassault is a corporate officer and, as from April 20, 2020, a member of Vivendi's Supervisory Board).

The following constitutes complementary information about certain related-party transactions (the amounts of which are included in the table above):

- CanalOlympia (Vivendi Village subsidiary) and Bolloré Africa Logistics (Bolloré Group subsidiary) entered into an agreement to take over the operations of nine of Bolloré Africa Logistics' Bluezones and two of its Bluebus lines, for an eight-year period starting January 1, 2018, with the aim of supporting the development of the network of CanalOlympia's venues in Africa. For the occupancy of land and buildings, and for the solar energy supply, CanalOlympia paid a rent of €1.5 million in 2020. The entities entered into an amendment concerning the solar energy supply, which will no longer be stored, but used as it is produced and supplemented by the use of the national electricity grid. This change will be made on each of the Bluezones during 2021 according to a predefined schedule, which will allow the annual rent to be lowered in relation to the maintenance of electrical equipment. Thus, CanalOlympia will now pay a rent of €1 million per year until 2025. Given that CanalOlympia and Bolloré Africa Logistics have no common directors and executive managers, this agreement is not regulated by the procedure applying to related-party agreements.
- On June 2, 2017, Vivendi SE acquired a 5% interest in the Economic Interest Grouping (GIE - *Groupement d'intérêt économique*) Fleet Management Services, a Bolloré Group's subsidiary dedicated, among other things, to providing air transport operations, for a consideration of €0.1 million. This acquisition entailed the correlative transfer of the portion of the corresponding reciprocal receivables and payables related to the special depreciation of the GIE's assets, i.e., receivables for €2.0 million (compared to €1.9 million as of December 31, 2019) and payables for €3.3 million as of December 31, 2020 (compared to €1.9 million as of December 31, 2019). In addition, on the same date, Havas Group acquired a 2% interest in this GIE. The charge recognized with respect to the use of the GIE's services by Vivendi Group amounted to €3.5 million in 2020 (compared to €3.5 million in 2019).

In addition, the Supervisory Board, at its meeting held on November 14, 2019, formalized a procedure for regularly assessing agreements on ordinary transactions and entered into on an arm's length basis, pursuant to Article L. 225-87 of the amended French Commercial Code. This procedure and its implementation were included in section 1.2.10.7 of Chapter 4 of the 2020 Annual Report – Universal Registration Document.

Note 24 Contractual obligations and other commitments

Vivendi's material contractual obligations and contingent assets and liabilities include:

- certain contractual obligations relating to the group's business operations, such as content commitments (please refer to Note 11.2), contractual obligations and commercial commitments recorded in the Statement of Financial Position, including leases and off-balance sheet commercial commitments, such as long-term service contracts and purchase or investment commitments;
- commitments related to the group's consolidation scope made in connection with acquisitions or divestitures such as share purchase or sale commitments, contingent assets and liabilities subsequent to given or received commitments related to the divestiture or acquisition of shares, commitments under shareholders' agreements and collateral and pledges granted to third parties over Vivendi's assets;
- commitments related to the group's financing: undrawn confirmed bank credit facilities as well as the management of interest rate, foreign currency and liquidity risks (please refer to Note 21.3); and
- contingent assets and liabilities resulting from legal proceedings in which Vivendi and/or its subsidiaries are either plaintiff or defendant (please refer to Note 25).

24.1 Contractual obligations and commercial commitments

		Minimum future payments as of December 31, 2020				Total minimum future payments as of December 31, 2019
			Payments due in			
(in millions of euros)	Note	Total	2021	2022 - 2025	After 2025	
Borrowings and other financial liabilities		6,584	2,257	3,087	1,240	6,809
Lease liabilities		1,291	221	619	451	1,459
Content liabilities	11.2	3,299	3,032	262	5	3,218
Consolidated statement of financial position items		**11,174**	**5,510**	**3,968**	**1,696**	**11,486**
Contractual content commitments	11.2	7,803	2,742	5,000	61	6,227
Commercial commitments		(3,337)	(1,885)	(1,654)	202	(728)
Net commitments not recorded in the Consolidated Statement of Financial Position		**4,466**	**857**	**3,346**	**263**	**5,499**
Contractual obligations and commercial commitments		**15,640**	**6,367**	**7,314**	**1,959**	**16,985**

Off-balance sheet commercial commitments

(in millions of euros)	Minimum future payments as of December 31, 2020				Total minimum future payments as of December 31, 2019
		Due in			
	Total	2021	2022 - 2025	After 2025	
Satellite transponders	568	76	316	176	502
Investment commitments	89	48	35	6	179
Other	703	296	387	20	620
Given commitments	**1,360**	**420**	**738**	**202**	**1,301**
Satellite transponders	(90)	(51)	(39)	-	(108)
Other (a)	(4,607)	(2,254)	(2,353)	-	(1,921)
Received commitments	**(4,697)**	**(2,305)**	**(2,392)**	**-**	**(2,029)**
Net total	**(3,337)**	**(1,885)**	**(1,654)**	**202**	**(728)**

a. Includes minimum guarantees to be received by the group pursuant to distribution agreements entered into with third parties, notably Internet Service Providers and other digital platforms.

In addition, Canal+ Group and the telecom operators Free, Orange and Bouygues Telecom entered into distribution agreements for Canal channels. The variable amounts of these commitments, which are based on the number of subscribers, cannot be reliably determined and are not reported in either the Statement of Financial Position or described in the commitments. They are instead recorded as an expense or income in the period in which they were incurred.

24.2 Other commitments given or received relating to operations

Given commitments amounted cumulatively to €111 million (compared to €129 million as of December 31, 2019). In addition, Vivendi and Havas Group have granted guarantees in various forms to financial institutions or third parties on behalf of their subsidiaries in the course of their operations.

Received commitments amounted cumulatively to €4 million (compared to €36 million as of December 31, 2019).

24.3 Share purchase and sale commitments

In connection with the purchase or sale of operations and financial assets, Vivendi has granted or received commitments to purchase or sell securities:

- on December 18, 2020, Vivendi announced that the Tencent-led consortium decided to exercise its option to acquire an additional 10% of Universal Music Group (UMG) based on an enterprise value of €30 billion for 100% of UMG's share capital. Closing and payment took place on January 29, 2021 (please refer to Note 2.1);
- on August 10, 2020, Vivendi and Amber Capital entered into a pact and a five-year reciprocal first offer and pre-emption rights agreement relating to Lagardère SCA shares. For a detailed description of Vivendi's investment in Lagardère SCA (please refer to Note 2.4);
- on December 23, 2020, Vivendi announced that it had entered into a put option agreement for 100% of Prisma Media. Pursuant to applicable regulation, the contemplated acquisition remains subject to the information and consultation process with Prisma Media's representative bodies and finalization of the legal documentation (please refer to Note 2.6);
- liquidity rights relating to Canal+ Polska SA are described in Note 24.5 below; and
- on March 7, 2019 (the settlement date), Vivendi sold all of its Ubisoft shares. In addition, Vivendi made the commitment to refrain from purchasing Ubisoft shares for a period of five years.

In addition, Vivendi and its subsidiaries granted or received put and call options on shares in equity affiliates and unconsolidated investments.

24.4 Contingent assets and liabilities subsequent to given or received commitments related to the divestiture or acquisition of shares

Ref.	Context	Characteristics (nature and amount)	Expiry
	Contingent liabilities		
	Sale of Ubisoft (October 2018)	Unlimited specific warranties	
	Sale of GVT (May 2015)	Representations and warranties, notably limited to specifically identified tax matters, capped at BRL 180 million.	-
	Sale of Maroc Telecom group (May 2014)	Customary representations and warranties given to Etisalat (capped at 50% of the sale price and at 100% in respect of claims related to SPT) expired on December 31, 2020.	-
(a)	Sale of Activision Blizzard (October 2013)	- Unlimited general warranties; and - Tax warranties capped at $200 million, under certain circumstances.	- -
(b)	Acquisition of Bolloré Group's channels (September 2012)	Commitments undertaken, in connection with the authorization of the acquisition, with: - the French Competition Authority; and - the French Broadcasting Authority.	2019
	Divestiture of PTC shares (December 2010)	Commitments undertaken to end litigation over the share ownership of PTC: - Guarantees given to the Law Debenture Trust Company (LDTC), for an amount up to 18.4% for the first €125 million, 46% between €125 million and €288 million, and 50% thereafter; and - Guarantee given to Poltel Investment's (Elektrim) judicial administrator.	- -
(c)	Canal+ Group's pay-TV activities in France (January 2007-July 2017)	Approval of the acquisition of TPS and CanalSatellite subject to compliance with injunctions ordered by the French Competition Authority.	2019
	NBC Universal transaction (May 2004) and subsequent amendments (2005 - 2010)	- Breaches of tax representations; and - Obligation to cover the Most Favored Nation provisions.	- -
	Other contingent liabilities	Cumulated amount of €30 million (compared to €33 million as of December 31, 2019).	-
	Contingent assets		
	Acquisition of the companies that own and manage all Paddington intellectual property rights, except for the publishing rights (June 2016)	General and specific warranties (including tax matters and guarantees related to the intellectual property).	2023
	Acquisition of EMI Recorded Music (September 2012)	- Commitments relating to full pension obligations in the United Kingdom assumed by Citi; and - Warranties relating to losses stemming from taxes and litigation claims, in particular those related to pension obligations in the United Kingdom.	- -
	Acquisition of Kinowelt (April 2008)	Specific warranties, notably on film rights granted by the sellers.	-
	Other contingent assets	Cumulated amount of €27 million (compared to €32 million as of December 31, 2019).	-

The accompanying notes are an integral part of the contingent assets and liabilities described above.

a. In connection with the sale of 88% of Vivendi's interest in Activision Blizzard, which was completed on October 11, 2013 (the "Closing Date"), Vivendi, ASAC II LP, and Activision Blizzard gave certain reciprocal commitments customary for this type of transaction (i.e., representations, warranties and covenants). Vivendi, ASAC II LP, and Activision Blizzard undertook to indemnify each other against any losses stemming from any breach of their respective commitments. Such indemnification is unlimited as to time and amount.
In addition, Vivendi has agreed to indemnify Activision Blizzard with respect to any tax or other liabilities of Amber Holding Subsidiary Co. ("Amber"), the Vivendi subsidiary acquired by Activision Blizzard, relating to periods preceding the Closing Date. Such indemnification is unlimited as to time and amount. Tax attributes (mainly net operating loss) held by Amber and assumed by Activision Blizzard were estimated at more than $700 million, which represent a potential future tax benefit of approximately $245 million. Vivendi agreed to indemnify Activision Blizzard, under certain circumstances, with respect to these tax attributes, subject to a cap of $200 million limited to fiscal years ending on or prior to December 31, 2016.
As a reminder, in connection with the creation of Activision Blizzard in July 2008, Activision and Vivendi entered into customary agreements for this type of transaction, including tax sharing and indemnity agreements.

b. As part of the French Competition Authority's approval of the acquisition of the Direct 8 and Direct Star channels (renamed C8 and CStar, respectively) granted on July 23, 2012 and renewed on April 2, 2014, Vivendi and Canal+ Group gave certain commitments for a five-year period, renewable once. These commitments were permanently lifted as of December 31, 2019.

c. On August 30, 2006, the merger between Canal+ Group's pay-TV operations in France and TPS was authorized, in accordance with the merger control regulations, pursuant to a decision of the French Minister of Economy, Finance and Industry, subject to Vivendi and Canal+ Group complying with certain undertakings for a maximum period of six years, with the exception of those commitments concerning the availability of channels and Video-on-demand (VOD), which could not exceed five years.
On October 28, 2009, the French Competition Authority opened an enquiry regarding compliance with certain undertakings given by Canal+ Group in connection with the merger of Canalsatellite and TPS.

On July 23, 2012, the merger was once again cleared by the French Competition Authority, subject to compliance with 33 injunctions. These injunctions were issued for a five-year period, renewable once.

On June 22, 2017, following the re-examination of such injunctions, the French Competition Authority decided to maintain, lift or revise some of these injunctions.

These injunctions were permanently lifted as of December 31, 2019.

Several guarantees given during prior years in connection with asset acquisitions or disposals have expired. However, the time periods or statute of limitation of certain guarantees relating, among other things, to employees, environment and tax liabilities, in consideration of share ownership, or given notably in connection with the winding-up of certain businesses or the dissolution of entities are still in effect. To the best of Vivendi's knowledge, no material claims for indemnification against such liabilities have been made to date.

In addition, when settling disputes and litigation, Vivendi regularly delivers commitments for damages to third parties that are customary for transactions of this type.

Earn-out commitments related to the divestiture or acquisition of shares

Vivendi and its subsidiaries entered into agreements with certain minority shareholders providing for earn-out payments. They notably included capped earn-outs payable in 2022 under the agreement entered into in June 2016 for the acquisition of 100% of the companies that own and manage all Paddington intellectual property rights, except for the publishing rights.

24.5 Shareholders' agreements

Under existing shareholders' agreements (in particular those relating to Canal+ Polska SA) (please see below) and as part of the opening of Universal Music Group's share capital (please refer to Note 2.1), Vivendi holds certain rights (e.g., pre-emptive rights and rights of first offer) that give it control over the capital structure of its consolidated companies having minority shareholders. Conversely, Vivendi has granted similar rights to these other shareholders in the event that it sells its interests to third parties.

Moreover, pursuant to other shareholders' agreements or the bylaws of other consolidated entities, equity affiliates or unconsolidated interests, Vivendi or its subsidiaries have given or received certain rights (pre-emptive and other rights) entitling them to maintain their rights as shareholder.

In addition, in accordance with Article L. 22-10-11 of the French Commercial Code, it is hereby stated that certain rights and obligations of Vivendi under existing shareholders' agreements may be amended or terminated in the event of a change of control of Vivendi or a tender offer for Vivendi's shares.

These shareholders' agreements are subject to confidentiality provisions.

Canal+ Polska SA

In 2020, Canal+ Polska SA (formerly ITI Neovision SA) announced that it was working collaboratively with its shareholders and their respective advisors to explore the conditions of exercise by the minority shareholders of their liquidity rights under the shareholders' agreement, including by means of a potential initial public offering (IPO) of the company. To this end, on October 26, 2020, the company received approval of a base prospectus by the Polish financial market authority (KNF), but then abandoned the project due to the negative impact of the increased volatility of financial markets on the execution of the offering. The minority shareholders retain the right to implement such a placement until the end of the liquidity period set out in the shareholders' agreement, notably in consideration of subsequent changes in market conditions until that date.

24.6 Collaterals and pledges

As of December 31, 2020 and 2019, no material asset in Vivendi's Statement of Financial Position was subject to a pledge or mortgage for the benefit of third parties.

Note 25 Litigation

In the normal course of its business, Vivendi is subject to various lawsuits, arbitrations and governmental, administrative or other proceedings (collectively referred to herein as "Legal Proceedings").

The costs which may result from these Legal Proceedings are only recognized as provisions when they are likely to be incurred and when the obligation can reasonably be quantified or estimated, in which case, the amount of the provision represents Vivendi's best estimate of the risk and is based on a case-by-case assessment of the risk level, provided that Vivendi may, at any time, reassess such risk if events occur during such proceedings. As of December 31, 2020, provisions recorded by Vivendi for all claims and litigation were €411 million, compared to €289 million as of December 31, 2019 (please refer to Note 18).

To the company's knowledge, there are no Legal Proceedings or any facts of an exceptional nature (including any pending or threatened proceedings in which it is a defendant), which may have or have had in the previous 12 months a material effect on the company and on its group's financial position, profit, business and property, other than those described herein.

The status of proceedings disclosed hereunder is described as of March 1, 2021 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020).

LBBW *et al.* against Vivendi

On March 4, 2011, 26 institutional investors from Germany, Canada, Luxembourg, Ireland, Italy, Sweden, Belgium and Austria filed a complaint against Vivendi with the Paris Commercial Court seeking to obtain damages for losses they allegedly incurred as a result of four financial communications issued by Vivendi in October and December 2000, September 2001 and April 2002. Subsequently, on April 5 and April 23, 2012, two similar complaints were filed against Vivendi: the first one by a US pension fund, the Public Employee Retirement System of Idaho, and the other by six German and British institutional investors. Lastly, on August 8, 2012, the British Columbia Investment Management Corporation also filed a complaint against Vivendi based on the same grounds. On January 7, 2015, the Paris Commercial Court appointed an independent court officer responsible for verifying the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of securities. The latter completed his work in the first half of 2018 and proceedings on the merits are currently underway. Oral arguments are expected to be heard in the first half of 2021.

California State Teachers Retirement System *et al.* against Vivendi

On April 27, 2012, 67 institutional foreign investors filed a complaint against Vivendi before the Paris Commercial Court seeking damages for losses they allegedly incurred as a result of the financial communications made by Vivendi between 2000 and 2002. On June 7 and September 5 and 6, 2012, 26 new plaintiffs joined these proceedings. In November 2012 and March 2014, 12 plaintiffs withdrew from these proceedings. On January 7, 2015, the Paris Commercial Court appointed an independent court officer responsible for verifying the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of securities. The latter completed his work in the first half of 2018 and proceedings on the merits are currently underway. Oral arguments are expected to be heard in the first half of 2021.

Mediaset against Vivendi

On April 8, 2016, Vivendi and Mediaset entered into a strategic partnership agreement pursuant to which the parties agreed to swap a 3.5% interest in Vivendi in exchange for a 3.5% interest in Mediaset and 100% of the share capital of the pay-TV company Mediaset Premium, a subsidiary of Mediaset.

Vivendi's purchase of Mediaset Premium was based on financial assumptions delivered by Mediaset to Vivendi in March 2016, which raised various questions within Vivendi that were addressed to Mediaset. As contractually agreed under the agreement dated April 8, 2016, a due diligence review was subsequently conducted (which was made on behalf of Vivendi by the advisory firm Deloitte). It became apparent from this audit and from Vivendi's analyses that the numbers provided by Mediaset prior to signing the agreement were not realistic and were founded on an artificially-inflated base.

Although Vivendi and Mediaset had been in discussions in an effort to find an alternative transaction structure to the April 8, 2016 agreement, on July 26, 2016, Mediaset terminated these discussions by publicly rejecting the proposal Vivendi had submitted to it. This proposal consisted of a swap of 3.5% of Vivendi's share capital in exchange for 20% of Mediaset Premium's share capital and 3.5% of Mediaset's share capital and, for the balance, the issuance by Mediaset to Vivendi of bonds convertible into Mediaset shares.

Subsequently, in August 2016, Mediaset together with its affiliate RTI, and Fininvest, Mediaset's majority shareholder, each filed a complaint against Vivendi before the Milan Civil Court seeking to obtain specific performance of the April 8, 2016 agreement and the related shareholders' agreement as well as compensation for alleged damages. In particular, the plaintiffs claim that Vivendi did not file its notification to the European Commission with respect to the transaction and thus prevented the last condition precedent to the completion of the transaction from being satisfied. Vivendi considers that despite its timely completion of the pre-notification process with the Commission, the Commission would not have accepted a formal filing while the parties were discussing their differences.

At the first hearing held in the case, the judge enjoined the parties to come closer to try to reach an amicable resolution of their dispute. To this end, on May 3, 2017, the parties began mediation proceedings before the Chamber of National and International Arbitration of Milan.

Despite this mediation, on June 9, 2017, Mediaset, RTI and Fininvest filed a further complaint against Vivendi seeking damages totaling €2 billion for Mediaset and RTI, and €1 billion for Fininvest, in connection with Vivendi's acquisition of Mediaset shares at the end of 2016. According to the plaintiffs, who unsuccessfully requested that this action be consolidated with the first two, these acquisitions were made in breach of the April 8, 2016 agreement and of Italian media regulations and constitutive of unfair competition. In addition, the complaint included a demand that Vivendi be required to divest the Mediaset shares that were allegedly purchased in breach of applicable law and the April 8, 2016 agreement. Lastly, the plaintiffs requested that, pending such divestiture, Vivendi be enjoined from exercising its rights (including voting rights) on such Mediaset shares.

On February 27, 2018, the Court noted the termination of the mediation proceedings. During a hearing held on December 4, 2018, Fininvest, RTI and Mediaset dropped, in respect of their first complaint, their claim to specific performance of the April 8, 2016 agreement, while pursuing their claim for compensation for alleged damages, in the amount of up to (i) €720 million for Mediaset and RTI, for non-performance of the April 8, 2016 agreement, and (ii) € 1.3 billion for Fininvest, for non-performance of the above-mentioned shareholders' agreement, for the loss resulting from the change in the Mediaset share price between July 26 and August 2, 2016 and various damages relating to the alleged illegal acquisition of Mediaset shares by Vivendi at the end of 2016. Fininvest is also seeking damages for an amount to be determined by the Court for damages to its decision-making process and image.

At a hearing held on March 12, 2019, Vivendi requested that the Court suspend part of the proceedings pending the ruling of the Court of Justice of the European Union on the analysis of the compatibility of the Italian law on the protection of media pluralism (the "TUSMAR") with the Treaty on the Functioning of the European Union, which suspension was granted. The proceedings resumed following the decision of the Court of Justice of the European Union dated September 3, 2020 (see below), and a final discussion hearing was held before the Court of Milan on February 11, 2021, during which the parties presented their arguments. At the end of this hearing, the Court's decision was reserved. It is expected to be rendered in the first half of 2021.

Other proceedings related to Vivendi's entry into the share capital of Mediaset

Following Vivendi's entry into the share capital of Mediaset by means of open market purchases of shares during the months of November and December 2016, culminating in a 28.80% shareholding, Fininvest stated that it had filed a complaint for market manipulation with the Milan public prosecutor's office and the Consob, the Italian financial markets regulator. As a result of this complaint, on December 11, 2020, the former Chairman of Vivendi's Supervisory Board and the Chairman of Vivendi's Management Board were notified of the "end of a preliminary investigation".

In addition, on December 21, 2016, the AGCOM, the Italian communications authority, opened an investigation into the compatibility between the increase in Vivendi's holdings in Mediaset's share capital and its position as shareholder of Telecom Italia under Italian media regulations.

On April 18, 2017, the AGCOM issued a decision in which it determined that Vivendi was not compliant with the regulations. Vivendi, which had 12 months to become compliant, appealed against this decision to the Regional Administrative Court of Lazio. Pending the decision on this appeal, the AGCOM acknowledged Vivendi's proposed action plan setting out how it would comply with the decision. On April 9, 2018, in compliance with the undertakings given to the AGCOM, Vivendi transferred the portion of its shareholding in excess of 10% of Mediaset's voting rights to an independent trustee, Simon Fiduciaria SpA. On November 5, 2018, the Regional Administrative Court of Lazio decided to suspend its decision and referred to the European Court of Justice the analysis of the compatibility of the Italian rule under Article 43 of the TUSMAR, as applied by AGCOM, with the free movement principle enshrined in the Treaty on the Functioning of the European Union. On September 3, 2020, the Court of Justice of the European Union ruled that the Italian regulations on the protection of media pluralism were contrary to EU law. Following this decision, on December 23, 2020, the Regional Administrative Court of Lazio annulled the above-mentioned AGCOM decision of April 18, 2017. On January 22, 2021, Mediaset appealed against this decision.

Prior to these latest developments, on December 11, 2020, AGCOM announced the opening of a new investigation against Vivendi, based on a provision (the "Salva Mediaset" amendment) passed by the Italian Parliament as part of the approval, in early December 2020, of emergency measures related to the health crisis. On the same day, Vivendi filed a complaint with the European Commission against this provision. On February 2, 2021, Vivendi challenged the opening of this investigation before the Regional Administrative Court of Lazio.

Proceedings related to the change in Mediaset's corporate structure

On July 2, 2019, Vivendi filed a complaint against Mediaset and Fininvest before the Milan Civil Court requesting the Court to (i) annul the resolution of the Mediaset Board of Directors adopted on April 18, 2019, preventing Vivendi from exercising the voting rights associated with the shares not transferred to Simon Fiduciaria following the AGCOM's decision of April 18, 2017 (representing 9.61% of the share capital and 9.9% of the voting rights) at Mediaset's Extraordinary General Shareholders' Meeting held on April 18, 2019, and (ii) annul the resolution adopted by that meeting approving the implementation of a double voting rights system for shareholders who have held their shares for at least two years and who request such rights.

On June 7, 2019, Mediaset announced a plan to create MediaforEurope (MFE), a Netherlands-based holding company that would result from the merger of Mediaset SpA and Mediaset España. On September 4, 2019, the merger plan was approved by the Shareholders' Meetings of the Italian and Spanish companies, and then re-approved (due to the appeals filed by Vivendi) by the Shareholders' Meetings of Mediaset SpA and Mediaset España on January 10 and February 5, 2020, respectively. At both of the meetings held in Italy, Simon Fiduciaria was deprived of its voting rights by Mediaset's Board of Directors and Vivendi initiated legal proceedings in Spain, Italy and the Netherlands:

- On September 16, 2019, Vivendi brought summary proceedings before the Madrid Commercial Court requesting the suspension of the resolution authorizing the creation of MFE adopted by Mediaset España's General Shareholders' Meeting of September 4, 2019, and brought proceedings on the merits to annul the resolution. In a decision issued on October 10, 2019, the Madrid Commercial Court granted Vivendi's request for summary judgment, a decision which Mediaset appealed. On February 14, 2020, the Madrid Court of Appeal (*Audiencia Provincial de Madrid*) dismissed the appeal filed by Mediaset España against the October 10, 2019 decision.

  On March 5, 2020, Mediaset España requested the suspension of the effects of this decision after Mediaset España's General Shareholders' Meeting of February 5, 2020, which, like Mediaset SpA's General Shareholders' Meeting of January 10, 2020, approved Mediaset's proposed amendment to MFE's by-laws. In addition, on April 30, 2020, Vivendi brought new summary proceedings on the merits against the resolution adopted by Mediaset España's General Shareholders' Meeting of February 5, 2020. On June 12, 2020, the Madrid Commercial Court decided to join the two proceedings brought by Vivendi against Mediaset España on September 16, 2019 and April 30, 2020. On July 30, 2020, the Court issued a ruling in which it confirmed the suspension of the proposed merger.
- On October 1, 2019, Vivendi filed a motion on the merits with the Court of Milan seeking the annulment of the resolution authorizing the creation of MFE adopted by Mediaset SpA's Shareholders' Meeting of September 4, 2019, which resolution was suspended following an interlocutory action brought in parallel by Vivendi on October 15, 2019. Following the amendments made to MFE's by-laws proposed by Mediaset's Board of Directors and approved by the Shareholders' Meeting of January 10, 2020, Vivendi again filed a motion for summary judgment on the merits with the Court of Milan. In a decision issued on February 3, 2020, the Court of Milan denied Vivendi's request for suspension of the planned merger. On June 19, 2020, Vivendi's appeal was dismissed. The proceedings on the merits are continuing before the Court of Milan. The Court could render its decision in the first half of 2022.
- On October 29, 2019, Vivendi initiated proceedings on the merits before the District Court of Amsterdam seeking an injunction to prohibit Mediaset Investment N.V. (the future MFE) from amending its by-laws by including certain provisions which, according to Vivendi, infringe upon the rights of minority shareholders.
- On January 20, 2020, Vivendi also filed an interlocutory action before the Amsterdam Court to prohibit the proposed merger. On February 26, 2020, the Amsterdam Court dismissed Vivendi's request for summary judgment, a decision that Vivendi appealed on March 25, 2020. A hearing was held before the Amsterdam Court of Appeal on July 24, 2020. On September 1, 2020, the Amsterdam Court of Appeal ruled in favor of Vivendi, prohibiting the proposed merger of Mediaset. Following this ruling, Mediaset announced that it had abandoned its merger plans.

Telecom Italia

On August 5, 2017, the Italian Government informed Vivendi that it was opening a formal investigation into whether certain provisions of Law Decree No. 21 of March 15, 2012 on special powers of the Italian Government relative to the defense and national security sectors (Article 1) and to activities of strategic importance in the fields of energy, transport and communications (Article 2), had been respected by Telecom Italia and Vivendi. Vivendi considered the provisions of that decree inapplicable to Vivendi. In particular, (i) Article 1, concerning the defense and national security sectors had never been hitherto declared and communicated to the market given the nature of the activities carried out by Telecom Italia, and (ii) Article 2, which relates to the energy, transport and communications sectors, does not apply to Vivendi since it refers to purchases of significant shareholdings made by non-European entities.

Additionally, and in the same timeframe as the above-mentioned investigation, on September 13, 2017, the Consob declared that Vivendi exercises de facto control over Telecom Italia. Vivendi and Telecom Italia formally contest this position and appealed to the Lazio Regional Administrative Court. On April 17, 2019, the Lazio Regional Administrative Court dismissed the appeal brought by Telecom Italia and Vivendi, each of which filed an appeal with the Italian Council of State on July 16 and 17, 2019, respectively. On December 14, 2020, the Italian Council of State ruled in favor of Vivendi and Telecom Italia.

On September 28, 2017, the Presidency of the Council of Ministers declared that (i) the notification made by Vivendi under Article 1 of the aforementioned legislative decree as a precautionary measure was made late and (ii) Telecom Italia had not made a notification under Article 2 of the decree following a change of control over its assets that are of strategic importance in the fields of energy, transport and communications. Therefore, the Presidency of the Council of Ministers launched proceedings against Telecom Italia for failing to make the required notification under Article 2 of the same legislative decree. Vivendi and Telecom Italia have appealed this finding.

Furthermore, by a decree dated October 16, 2017, the Italian Government decided to exercise the special powers laid down in Article 1 of the 2012 legislative decree, relative to the defense and national security sectors. This decree imposes a number of organizational and governance measures on Vivendi and Telecom Italia and its two subsidiaries, Telecom Italia Sparkle Spa ("Sparkle") and Telsy Elettronica e Telecomunicazioni Spa ("Telsy"). In particular, Telecom Italia, Sparkle and Telsy must have a division in charge of supervising all activities related to defense and national security, which is fully autonomous and endowed with human and financial resources sufficient to guarantee its independence, and to appoint to their governing bodies a member who is an Italian citizen, who is approved by the Italian Government and who has security clearance. It also requires the establishment of a supervisory committee under the auspices of the Council of Ministers (*Comitato di monitoraggio*) to monitor compliance with these obligations. On February 13, 2018, Vivendi and Telecom Italia filed an appeal against this decree with the Italian Presidency of the Council of Ministers. This appeal was dismissed on November 13, 2019.

In addition, by a decree dated November 2, 2017, the Italian Government decided to implement the special powers conferred by Article 2 of the 2012 legislative decree, relative to the fields of energy, transport and communications. This decree imposes on Telecom Italia the obligation to implement development, investment and maintenance plans for its networks to guarantee their operation and security, to provide universal service, and, more generally, to satisfy public interest in the medium and long term, under the control of the *Comitato di monitoraggio*, who must be notified of any reorganization of the Telecom Italia group's holdings or any project having an impact on the security, availability and operation of the networks. On March 2, 2018, Vivendi and Telecom Italia filed an appeal against this decree with the Italian Presidency of the Council of Ministers.

Finally, by a decree dated May 8, 2018, the Italian Government imposed an administrative fine of €74 million on Telecom Italia for failure to comply with its information obligations (failure to notify under Article 2 of Law Decree No. 21 of March 15, 2012, see above). On July 5, 2018, the Regional Administrative Court of Lazio suspended the enforcement of such fine.

Vivendi and Amber Capital against Lagardère

On August 11, 2020, Vivendi and Amber Capital, respectively the largest and second-largest shareholders of Lagardère SCA with, at the time, 23.5% and 20% of Lagardère's share capital, entered into an agreement pursuant to which they sought minority representation on Lagardère's Supervisory Board with three members for Amber Capital and one member for Vivendi.

Following the refusal of the Supervisory Board and the Managing Partners of Lagardère to call an extraordinary general shareholders' meeting to propose the appointment of these new board members, on September 7, 2020, Vivendi and Amber Capital filed an application for injunctive relief with the Paris Commercial Court. On October 14, 2020, the Paris Commercial Court dismissed Vivendi and Amber Capital's request to convene an extraordinary general meeting of Lagardère's shareholders. On October 19, 2020, Vivendi appealed against this decision. On December 17, 2020, the Paris Court of Appeal upheld the lower court's decision.

Parabole Réunion

In July 2007, Parabole Réunion filed legal proceedings before the Paris Tribunal of First Instance following the termination of its rights to exclusively distribute the TPS channels in Reunion Island, Mayotte, Madagascar and Mauritius and the deterioration of the quality of channels made available to it. Pursuant to a decision dated September 18, 2007, Canal+ Group was prohibited, subject to being fined, from allowing third parties to broadcast these channels (or replacement channels substituted for these channels) and was ordered to replace the TPS Foot channel in the event it was dropped. Canal+ Group appealed this decision. In a ruling dated June 19, 2008, the Paris Court of Appeal partially overturned the decision and stated that these replacement channels were not to be granted exclusively if the channels had not been made available to third parties prior to the merger with TPS. Parabole Réunion was unsuccessful in its claims concerning the content of the channels in question. On November 10, 2009, the French Supreme Court dismissed the appeal brought by Parabole Réunion.

On September 24, 2012, Parabole Réunion filed a claim against Canal+ France, Canal+ Group and Canal+ Distribution before the enforcement magistrate of the Nanterre Court of First Instance seeking enforcement of the fine imposed by the Paris Tribunal of First Instance and confirmed by the Court of Appeal. On November 6, 2012, Parabole Réunion expanded its claim to cover the TPS Star, Cinecinema Classic, Cult and Star channels. On April 9, 2013, the enforcement magistrate partially dismissed Parabole Réunion's claim and declared the rest inadmissible. He noted that Canal+ Group had no legal obligation with respect to the content or the maintenance of programming on channels made available to Parabole Réunion and held, after noting that the TPS Foot channel was still being produced, that there was no need to replace this channel. On April 11, 2013, Parabole Réunion filed a first appeal against this decision. On May 22, 2014, the Versailles Court of Appeal declared this appeal inadmissible due to Parabole Réunion's lack of representative capacity. On February 14, 2014, Parabole Réunion filed an appeal on points of law and filed a second appeal against the April 9, 2013 decision. On April 9, 2015, the French Supreme Court overturned the May 22, 2014 decision of the Versailles Court of Appeal in which the appeal filed by Parabole Réunion on April 11, 2013 was declared inadmissible. The case was remanded to the Paris Court of Appeal which, on May 12, 2016, upheld the decision of the Court of First Instance and dismissed all of Parabole Réunion's claims. In a decision issued on September 28, 2017, the French Supreme Court dismissed Parabole Réunion's appeal against the decision of the Paris Court of Appeal.

Concomitantly, on August 11, 2009, Parabole Réunion filed a complaint against Canal+ Group before the Paris Tribunal of First Instance, requesting that the Tribunal order Canal+ Group to (i) make available a channel with a level of attractiveness similar to that of TPS Foot in 2006 and (ii) pay damages. On April 26, 2012, Parabole Réunion also filed a complaint against Canal+ France, Canal+ Group and Canal+ Distribution before the Paris Tribunal of First Instance requesting the Tribunal to acknowledge the failure of the companies of the group to fulfill their contractual obligations to Parabole Réunion and their commitments to the Ministry of Economy. These two legal proceedings were consolidated into a single proceeding. On April 29, 2014, the Paris Tribunal of First Instance partially recognized the admissibility of Parabole Réunion's claim with respect to the period following June 19, 2008 and recognized the contractual liability of Canal+ Group due to the deterioration of the quality of channels made available to Parabole Réunion. The Tribunal also ordered an expert report on the damages suffered by Parabole Réunion, rejecting the assessment provided by Parabole Réunion. On June 3, 2016, the Paris Court of Appeal upheld the April 29, 2014 decision of the Paris Tribunal of First Instance. Canal+ Group filed an appeal against this decision with the French Supreme Court, which was dismissed on January 31, 2018.

In an order issued on October 25, 2016, the Pre-Trial Judge held that the April 29, 2014 decision, in which Canal+ Group was ordered to compensate Parabole Réunion, established in principle a debt of Canal+ Group, even if the assessment of its amount was still to be finalized. The Judge ordered Canal+ Group to make an advance payment of €4 million. On January 17, 2017, the Paris Tribunal of First Instance ordered Canal+ Group to pay the sum of €37,720,000, with provisional enforceability. On February 23, 2017, Parabole Réunion appealed against this decision to the Paris Court of Appeal. On July 20, 2017, Canal+ Group filed its response to the appeal and a cross-appeal. Due to the failure of Parabole Réunion group to file its response within the time period prescribed by law, on December 8, 2017, Canal+ Group filed a motion raising the failure to meet such deadline and, consequently, seeking to invalidate the expertise ordered on October 12, 2017 (see below). On June 7, 2018, the Pre-Trial Judge of the Paris Court of Appeal issued an order dismissing the request for invalidation of the expertise underway. Canal+ Group lodged a petition for review against this order, which it withdrew in October 2018, noting the progress of the expertise.

On May 29, 2017, Parabole Réunion raised an incidental question in order to have the court appoint an additional expert to assess the loss in value of its business. On October 12, 2017, the Pre-Trial Judge of the Paris Court of Appeal granted this request and a judicial expert was appointed. On December 17, 2018, Parabole Réunion raised a new incidental question before the Pre-Trial Judge of the Paris Court of Appeal in order to have the court clarify the mission of the judicial expert, who had halted his work. In an order issued on April 4, 2019, the Pre-Trial Magistrate of the Paris Court of Appeal decided that the judicial expert would formulate a hypothetical estimate of damages for the loss in value of the business based on the number of subscribers proposed by Parabole Réunion (i.e., 40,000), with the judicial expert specifying, if appropriate, whether the loss in value of the business resulted from the loss of 40,000 subscribers and/or potential new subscribers attributable to Canal+ Group. However, the Pre-Trial Magistrate (i) rejected Parabole Réunion's request to include in the judicial expert's additional work the assumption that the 40,000 subscribers referred to above had generated a certain EBIT margin and (ii) ordered Parabole Réunion to bear the costs of the incidental procedure. The judicial expert resumed his work in mid-April 2019. On May 19, 2020, Parabole Réunion filed a request with the Pre-Trial Judge of the Paris Court of Appeal to replace the judicial expert. In an order dated May 28, 2020, this request was rejected. On May 29, 2020, Parabole Réunion filed a new motion requesting that this order be set aside. This motion was rejected on November 26, 2020. On January 15, 2021, the judicial expert filed his final report.

Canal+ Group against TF1, M6 and France Télévision

On December 9, 2013, Canal+ Group filed a complaint with the French Competition Authority against the practices of the TF1, M6 and France Télévision groups in the French-language film market. Canal+ Group claims that the defendants added certain pre-emption rights to co-production contracts aimed at restricting competition. On February 23, 2018, the French Competition Authority served a notification of grievances on France Télévision, TF1 and M6. On February 13, 2019, the case was reviewed by the French Competition Authority, which, on May 25, 2019, rendered a decision dismissing the case. On July 2, 2019, Canal+ Group appealed against this decision and its appeal was rejected on October 8, 2020. On October 29, 2020, Canal+ Group filed an appeal before the French Supreme Court.

Touche Pas à Mon Poste

On June 7, 2017, the French Broadcasting Authority (*Conseil Supérieur de l'Audiovisuel*) (the "CSA") decided to sanction C8 for a sequence broadcast on the show "TPMP" on December 7, 2016. The CSA considered that this sequence, in which the presenter of the show, Cyril Hanouna, and one of its columnists, Capucine Anav, are seen engaging in a game on set during an "off" sequence, undermined the image of women. The sanction consisted of the suspension of advertising broadcasts during the show, "Touche Pas à Mon Poste" and its rebroadcasts, as well as during the 15 minutes before and the 15 minutes after its broadcast, for a period of two weeks.

On the same date, the CSA sanctioned C8 for another sequence broadcast on the show "TPMP! La grande Rassrah" on November 3, 2016. The CSA considered that this new sequence, the filming by hidden camera of Matthieu Delormeau, a columnist for the show, violated his dignity. This sanction consisted of the suspension of advertising broadcasts during the show, "Touche Pas à Mon Poste" and its rebroadcasts, as well as during the 15 minutes before and the 15 minutes after its broadcast, for a period of one week.

On July 3, 2017, following the two decisions of the CSA, C8 filed two actions for annulment with the French Council of State (*Conseil d'Etat*). On July 4, 2017, C8 filed two claims for compensation with the CSA, which were tacitly rejected. On November 2, 2017, C8 appealed against each of these to the Council of State. On June 18, 2018, the Council of State dismissed C8's action for annulment of the CSA's first decision, but granted the second action, overturning the CSA's second decision. The Council of State's decision to dismiss C8's action for annulment of the CSA's first decision is the subject of an appeal pending before the European Court of Human Rights, filed in December 2018. On November 13, 2019, the Council of State rejected the first claim for compensation but upheld the second, ordering the CSA to pay €1.1 million to C8 in compensation for the loss of a week's worth of advertising on its airwaves.

On July 26, 2017, the CSA decided to sanction C8 for a sequence broadcast on the show "TPMP Baba hot line" on May 18, 2017, considering that the channel violated the principle of respect for privacy and its obligation to combat discrimination, and imposed a monetary fine of €3 million. Following this decision, on September 22, 2017, C8 filed an action for annulment before the Council of State, which was dismissed on June 18, 2018. This decision is the subject of an appeal pending before the European Court of Human Rights, filed in December 2018. In addition, C8 filed a claim for compensation with the CSA, whose implicit rejection of it was challenged before the Council of State on January 25, 2018. On September 7, 2018, C8 withdrew its claim for compensation. In connection with the same case, on February 18, 2019, Canal+ Group sent a letter to the CSA requesting the cancellation of the aforementioned €3 million fine in light of the November 2018 statements made by a representative of the French association, Le Refuge, explaining that it had not received a complaint from an alleged victim of the hoax, contrary to its initial statements. On April 5, 2019, this request was rejected. An appeal against this decision was filed with the Council of State on June 5, 2019. The appeal was rejected on September 28, 2020.

Finally, on May 6, 2020, the Independent Rapporteur, upon referral by the Director General of the CSA, commenced sanction proceedings against C8 and served a notification of grievances against the channel. The facts that may lead to a sanction relate to sequences from the "La grande Darka" and "Touche pas à mon poste" shows broadcast in September 2019, which could be considered surreptitious advertising. On October 19, 2020, the Independent Rapporteur submitted his report in which he recommended imposing a fine of €50,000. Following the channel's hearing held at the CSA on January 20, 2021, the CSA decided not to impose a sanction but to simply issue a formal notice to the channel requesting it to comply with the sponsorship rules.

Rovi Guides, Inc. against Canal + Group

In December 2017, Rovi Guides filed a request for mediation before the International Chamber of Commerce for the breach by Canal+ Group of an electronic program guide license agreement entered into in 2008 and for the non-payment of royalties related thereto between January 1, 2016 and June 30, 2017.

The mediation terminated without an agreement and, on June 1, 2018, Rovi Guides filed a request for arbitration. On July 8, 2020, the International Court of Arbitration of the International Chamber of Commerce issued its decision in which it found, *inter alia*, that Canal+ Group had not breached its contractual obligations by failing to disclose and pay for the initial activation of TNTSat set-top boxes. However, Canal+ Group was ordered to pay certain unpaid royalties and ancillary amounts for an insignificant amount.

Harry Shearer and Century of Progress Productions against Studiocanal, Universal Music Group and Vivendi

A complaint was filed in California federal court against Studiocanal and Vivendi by Harry Shearer, through his company Century of Progress Productions, in his capacity as a creator, actor and composer of the film "This Is Spinal Tap", an American film produced and financed in 1984 by Embassy Pictures (Studiocanal is the successor to Embassy's rights). Mr. Shearer sought damages for breach of contractual obligations to provide operating accounts, fraud, and failure to use the film's trademark, and also sought attribution of the trademark. On February 8, 2017, four new plaintiffs, co-creators of the film, joined the proceedings. On February 28, 2017, in response to the complaint, the defendants filed a motion to dismiss, in which they asked the Court to declare the claims of the new plaintiffs to be inadmissible and to deny the claim for fraud. On September 28, 2017, the Court issued its decision. With respect to inadmissibility, it dismissed the claims of three of the four co-creators as well as the fraud claim but gave permission to the plaintiffs to file amended complaints in their individual capacities as well as to supplement their fraud claim. On October 19, 2017, a new complaint (the "Second Amended Complaint") was filed, which reintroduced the claims of three plaintiffs previously found to be inadmissible and added Universal Music Group (UMG) as a plaintiff. On December 21, 2017, UMG and Studiocanal each filed a motion to dismiss in response. By decision of August 28, 2018, the Court denied Studiocanal's motion to dismiss the plaintiffs' fraud claim. While the Court did not recognize the existence of fraud, it left open the possibility for the plaintiffs to prove it in the subsequent proceedings on the merits and granted some of UMG's motions but with leave for the plaintiffs to file an amended complaint with respect to these claims. The Court also denied UMG's motion to dismiss the plaintiffs' application for declaratory relief to terminate and recover from UMG the copyrights in the sound recordings from the motion picture in the United States. On September 18, 2018, the plaintiffs filed their new complaint (the "Third Amended Complaint"). In parallel, the parties decided to enter into a first round of mediation which did not result in a settlement in the case of Studiocanal and Vivendi. However, the plaintiffs and Studiocanal have agreed to begin an audit of the operating accounts sent to the plaintiffs to determine whether they contained any accounting irregularities. On October 24, 2019, UMG and the plaintiffs entered into an agreement under which the film's soundtrack will continue to be distributed by UMG, and payment of all royalties will be made exclusively and directly to the plaintiffs by UMG. Following a hearing on January 24, 2020, the Court imposed mediation on the parties who remained in the proceedings. On December 15, 2020, the parties entered into a Memorandum of Understanding, putting a definitive end to the case.

Investigation by the Departmental Directorate for the Protection of Populations in the Hauts de Seine

On April 20, 2018, the Departmental Directorate for the Protection of the Populations of the Hauts de Seine (*Direction Départementale de la Protection des Populations des Hauts de Seine*) (DDPP92) ordered Canal+ Group to stop providing enhanced offers to its subscribers during the term of their contract, a practice which the Court described as selling without prior order. On June 19, 2018, Canal+ Group filed a notice of appeal with the French Minister of the Economy, which was rejected on August 9, 2018. On October 5, 2018, Canal+ Group filed an appeal with the Administrative Court of Cergy-Pontoise.

In parallel, the DDPP92 informed Canal+ Group that it had referred the case to the Public Prosecutor's Office of Nanterre and, in relation to this, sent it a note stating that it considered that Canal+ Group had committed the offense of the forced sale of services, punishable under the provisions of the French Consumer Code (*Code de la consommation*).

On July 8, 2020, a hearing before the Nanterre Judicial Court was held to approve a plea agreement between Canal+ Group and the Deputy Public Prosecutor of the Public Prosecutor's Office of Nanterre, pursuant to which Canal+ Group paid a fine, thereby bringing this case to an end.

Canal+ Group against Mediapro

On September 18, 2020, Canal+ Group filed a complaint against Mediapro before the Nanterre Commercial Court for unequal treatment and discriminatory practices in the context of discussions that had taken place between the two companies regarding the distribution of the Telefoot channel, which has been discontinued. On October 2, 2020, the Nanterre Commercial Court referred the case to the Paris Commercial Court. On November 20, 2020, Mediapro filed a complaint against Canal+ Group before the Paris Commercial Court, requesting the Court to rule that Canal+ Group (i) abused its dominant position in the channel distribution market by unfairly discriminating against Mediapro and (ii) made disparaging statements constituting unfair competition. The two cases were joined at a hearing on February 8, 2021.

Canal+ Group against the French Professional Football League

- On July 4, 2019, following the cancellation between December 2018 and April 2019 of a number of Ligue 1 matches due to the "Yellow Vest" protests in France with their postponement having been decided by the French Professional Football League (*Ligue de Football Professionnel*) (LFP) unilaterally, Canal+ Group filed a complaint against the LFP seeking damages for the loss suffered as a result of these postponements. Canal+ Group considers that, having acquired, at the time of the call for tenders for the periods 2016/2017 to 2019/2020, the broadcasting rights to matches and magazines for the identified time slots, the LFP infringed the rights acquired following the call for tenders. Canal+ Group is seeking €46 million in damages. During a hearing held on November 25, 2019, the LFP requested the dismissal of Canal+ Group's claims and raised a counterclaim requesting that the Canal+ Group be ordered to pay damages for the prejudice allegedly caused to it by the publicity surrounding these proceedings. Oral arguments are scheduled to be heard on March 29, 2021.
- On January 22, 2021, Canal+ Group brought summary proceedings against the LFP before the Paris Commercial Court, following the call for tenders launched by the LFP on January 19, 2021 for the sale of the League 1 rights returned by Mediapro, seeking, among other things, the cancellation of the call for tenders and an order requiring the LFP to pay Canal+ Group the difference between the price of lot 3 acquired by it in connection with the 2018 call for tenders and not included in the challenged call for tenders and its actual economic value. On January 29, 2021, Canal+ Group also filed a complaint and a request for protective measures against the LFP before the French Competition Authority, in particular seeking to require the LFP to organize a new call for tenders for all League 1 broadcasting rights. These proceedings are currently underway.

Eurosport against Canal+ Group

On January 13, 2021, Eurosport filed a complaint against Canal+ Group before the Paris Commercial Court, alleging that Canal+ Group had failed to pay certain royalties due to the non-broadcasting of certain sporting events and competitions on Eurosport channels in 2020. Eurosport is seeking (i) the payment of unpaid royalties for the period from mid-March 2020 to mid-May 2020 and (ii) damages for acts of unfair competition.

Proceedings before the Bobigny Labor Court

Several employees of the Canal+ Group telephone call center located in Saint-Denis brought an action against Canal+ Group before the Bobigny Labor Court seeking the annulment of their dismissal on the grounds that the job protection plan implemented in the call center is discriminatory.

Maitena Biraben against Canal+

Maitena Biraben challenged her termination by Canal+ for gross misconduct before the French Labor Court (*Conseils de Prud'hommes*). On September 27, 2018, the French Labor Court rendered its decision, finding that Ms. Biraben's termination was without justified cause. The

Court ordered Canal+ to pay total amount of €3,246,456, representing €38,456 in backpay and paid leave, €148,000 in severance pay, €510,000 in damages and €2,550,000 in termination compensation. Canal+ appealed against this judgment.

Thierry Ardisson, Ardis, Télé Paris against C8 and SECP

On September 24, 2019, following the non-renewal of the television programs "les Terriens du samedi" and "les Terriens du Dimanche", Thierry Ardisson, Ardis and Télé Paris brought an action against C8 and SECP before the Paris Commercial Court for the termination of commercial relations without prior notice. The plaintiffs, alleging a situation of economic dependence, sought an award *in solidum* against C8 and SECP to pay damages to Ardis in the amount of €5,821,680, Télé Paris in the amount of €3,611,429, and Thierry Ardisson in the amount of €1 million. On January 21, 2020, the Court issued a judgment ordering C8 to pay €811,500 to Ardis and €269,333 to Télé Paris. Thierry Ardisson's claim was dismissed and SECP was acquitted. On March 16, 2020, Thierry Ardisson, Ardis and Télé Paris appealed this decision.

Canal+ Group against Technicolor

In December 2016, Canal+ Group and Technicolor entered into an agreement to manufacture and deliver G9 (for mainland France) and G9 Light (for Poland) set-top boxes. In 2017, Technicolor challenged the prices agreed with Canal+ Group and ultimately decided to terminate this agreement at the end of 2017. As a result, Canal+ Group brought summary proceedings against Technicolor before the Nanterre Commercial Court for breach of contract. On December 15, 2017, Canal+ Group's claim was dismissed. However, on December 6, 2018, the Versailles Court of Appeal ruled in its favor, recognizing the wrongful nature of the termination of contract by Technicolor. Technicolor filed an appeal before the French Supreme Court, which was dismissed on June 24, 2020.

In parallel, on September 2, 2019, Canal+ Group filed a complaint before the Paris Commercial Court against Technicolor for breach of its contractual commitments. In its complaint, Canal+ Group alleged that Technicolor failed to deliver the G9 and G9 Light set-top boxes in accordance with the manufacturing and delivery agreements entered into between the two companies. Canal+ Group is seeking reimbursement of additional costs incurred, alternative transportation costs, late payment penalties and the payment of damages. In turn, on October 9, 2019, Technicolor filed a claim for unpaid invoices against Canal+ Group, Canal+ Reunion, Canal+ Antilles and Canal+ Caledonia before the Nanterre Commercial Court. Mediation proceedings are underway.

On December 7, 2020, Technicolor Delivery Technologies filed a claim against Canal+ Polska before the Warsaw District Court seeking payment of invoices and late payment penalties related to G9 Light set-top boxes. The Court has not yet set the procedural timetable.

Canal+ Group against Pace

On November 14, 2019, Canal+ Group filed a complaint before the Paris Commercial Court against Pace, a supplier of G5 satellite and DTT set-top boxes, alleging that a number of malfunctions and defects in the G5 decoders prevent it from offering them to its customers. The total amount of these claims is more than €24 million. In parallel, Pace filed a complaint against Canal+ International, thereby extending the aforementioned proceedings to the latter. The two proceedings are in the progress of being joined.

Soundgarden, Hole, Steve Earle and the estates of Tom Petty and Tupac Shakur against UMG

On June 21, 2019, the groups Soundgarden and Hole, Steve Earle, Tom Petty's ex-wife and Tupac Shakur's estate filed a class action lawsuit against UMG in the Central District Court of California relating to a 2008 fire that allegedly destroyed thousands of archived recordings.

The plaintiffs allege that UMG breached the terms of the contracts with the artists by failing to adequately protect the recordings. It is also argued that the Group should have shared the settlement proceeds received as a result of its negotiations with the insurance companies and NBC Universal. On July 17, 2019, UMG filed a motion to dismiss the lawsuit. On August 16, 2019, the plaintiffs filed an amended complaint removing Hole as a plaintiff, and adding a number of claims. On September 6, 2019, UMG filed a new motion to dismiss. On March 13 and 23, 2020, most of the plaintiffs withdrew from the case, leaving Jane Petty (Tom Petty's ex-wife) as the only remaining plaintiff. On April 6, 2020, the Court granted UMG's motion to dismiss and dismissed Jane Petty's claims.

However, Jane Petty is seeking to pursue the case. On April 16, 2020, she filed an application for class certification and, on April 27, 2020, she filed a second amended complaint. On May 18, 2020, UMG filed a motion to dismiss. The Court has yet to rule on this motion.

John Waite, Syd Straw, The Dickies, Kasim Sulton and The Dream Syndicate against UMG Recordings, Inc.

On February 5, 2019, a class action lawsuit was filed against UMG Recordings, Inc. on behalf of a putative class of all recording artists who had requested the termination of their contracts with UMG pursuant to Section 203 of the Copyright Act which allows, under certain conditions, a creator who has contractually transferred the rights to his or her work to a third party to terminate such contract after 35 years. The complaint seeks to have the Court recognize the termination of the contracts of the artists involved in the litigation and also alleges copyright infringement, as UMG continued to use the recordings after the purported end date of the contract. On May 3, 2019, UMG Recordings filed a motion to dismiss. On June 15, 2019, the plaintiffs filed a First Amended Complaint adding artists Syd Straw, Kasim Sulton and The Dickies as additional plaintiffs. On August 31, 2020, a second Amended Complaint was filed, adding the Dream Syndicate as an additional plaintiff. On

September 30, 2020, UMG and Capitol filed a response in which they made a counterclaim against plaintiffs Joe Ely and Syd Straw, alleging that they had exploited certain recordings without authorization. On November 18, 2020, following a settlement reached between UMG and Joe Ely, the Court acknowledged Joe Ely's withdrawal from the proceedings.

UMG Recordings, Inc. and Universal Music Publishing Group (along with the other major labels and publishers) against Cox Communications, Inc. and CoxCom LLC

On July 31, 2018, a complaint for copyright infringement was filed by UMG Recordings, Inc. and Universal Music Publishing Group (along with the other major labels and publishers including Sony and Warner) against Cox Communications, an Internet access and service provider, and its parent company CoxCom, for knowingly inducing and supporting copyright infringement by its customers, contrary to the provisions of the Digital Millennium Copyright Act (DMCA), which requires an Internet service provider to implement a termination policy against its repeat infringing customers. At the end of the trial, which took place in December 2019, the jury awarded the plaintiffs $1 billion in damages. Cox filed a motion seeking to reduce the amount of damages awarded to the plaintiffs. On January 21, 2021, the motion was dismissed, and the judge upheld the jury's verdict in the amount of $1 billion. Cox has indicated that it will appeal against this decision and has posted security to stay the execution of the judgment pending the appeal.

Investigation by U.S. federal prosecutors into business practices in the advertising industry

On June 11, 2018, Havas received a subpoena for documents relating to one of its Spanish subsidiaries, Havas Media Alliance WWSL. These documents have been provided to the relevant US authorities. This request by the federal prosecutors appears to relate to business practices involving discounts and rebates. At this stage, Havas is not a party to any proceedings and is not being interviewed.

Investigation into the services provided by Havas Paris to Business France

On February 7, 2019, Havas Paris, a subsidiary of Havas SA, was indicted for having benefited from favoritism in an amount of €379,319. This indictment was brought in the context of a judicial investigation opened by the Paris Public Prosecutor's Office for the offence of favoritism allegedly committed by Business France when it organized a communication event which it entrusted to Havas Paris. Havas Paris denies the claims against it and has appealed against this decision.

Glass Egg against Gameloft Inc., Gameloft SE, Gameloft Iberica and Vivendi

On August 23, 2017, Glass Egg, a company specializing in the design of 3D cars for use in video games, sued Gameloft Inc., Gameloft SE, Gameloft Iberica and Vivendi in the U.S. District Court for the Northern District of California. It is seeking damages for copyright infringement, unfair competition and misappropriation of trade secrets. The Court allowed the plaintiff to amend its initial complaint three times. On September 17, 2018, Gameloft Inc. responded to Glass Egg's fourth amended complaint, denying all its claims. Discovery is ongoing. In addition, in an order dated February 12, 2018, the Court determined that it had no jurisdiction over Gameloft Iberica and Vivendi SA. The admissibility of the complaint against Gameloft SE remains challenged and the Court has ordered limited discovery to determine whether it has jurisdiction.

Swiss Competition Commission against Interforum Suisse

On March 13, 2008, following a complaint lodged by local booksellers, the Secretariat of the Swiss Competition Commission (COMCO) opened an investigation into distributors of French-language books operating in Switzerland, including Interforum Suisse.

On May 27, 2013, COMCO imposed a fine of CHF 3,792,720 on Interforum Suisse, considering that Interforum Suisse was a party to unlawful market-partitioning agreements. On July 12, 2013, Interforum Suisse filed an appeal with the Swiss Federal Administrative Court (TAF) challenging this decision.

On October 30, 2019, the appeal was dismissed and the amount of the fine imposed by the COMCO was confirmed. On January 13, 2020, Interforum Suisse filed an appeal before the Swiss Federal Supreme Court and requested a suspension of the provisional enforcement of the TAF’s decision, which it was granted on January 31, 2020.

Hachette Livre and Biblio Participations against Editis, BSA and Beccaria consorts

On May 13, 2020, Editis Holding acquired a 49% minority interest in Groupe Margot, composed of the L'Iconoclaste and Les Arènes publishing houses and the distribution subsidiary Rue Jacob Diffusion. Prior to the acquisition of this interest, the group had been reorganized to simplify its organizational structure, including the creation of a holding company. Since 2014, Hachette has been responsible for the diffusion and distribution activities of Groupe Margot, and Hachette was granted pre-emptive rights on certain transfers of control of Groupe Margot companies. Following Editis's acquisition of an interest in the group, Groupe Margot terminated its broadcasting and distribution contract with Hachette to entrust distribution to Interforum as of January 1, 2021. In September 2020, Hachette brought a joint and several action against the sellers and Editis before the Paris Commercial Court seeking (i) the annulment of the reorganization transactions that made it possible for Editis to acquire an interest in Groupe Margot, and (ii) an order to pay €4.4 million in damages for the unlawful termination of the diffusion and distribution contract as well as damage to its image caused by the way in which the group communicated on the termination.

Reti Televisive Italiane (RTI) against Dailymotion

Since 2012, several legal actions have been filed by RTI, a subsidiary of Mediaset, against Dailymotion before the Civil Court of Rome. Similar to claims it has made against other major online video platforms, RTI is seeking damages for infringement of its neighboring rights (audiovisual production and broadcasting rights) and unfair competition as well as the removal of the contested content from the Dailymotion platform.

- In one of these cases, on July 15, 2019, following a complaint filed on April 12, 2012, the Civil Court of Rome ordered Dailymotion to pay €5.5 million in damages to RTI and to remove the videos in question under penalty of fine. On September 11, 2019, Dailymotion appealed the decision to the Rome Court of Appeal and filed an application for a suspension of the provisional execution of the decision, which was granted on October 31, 2019.
- In another proceeding, following a claim dated September 28, 2015, the Civil Court of Rome, on January 10, 2021, ordered Dailymotion to pay €22 million in damages to RTI and to withdraw the videos in question or be subject to a fine. Dailymotion intends to appeal against the decision before the Court of Appeal of Rome and file a request for the suspension of the provisional execution of the decision.

Note 26 Major consolidated entities or entities accounted for under the equity method

As of December 31, 2020, approximately 1,200 entities were consolidated or accounted for under the equity method (compared to approximately 1,185 entities as of December 31, 2019).

		December 31, 2020			December 31, 2019		
	Country	Accounting Method	Voting Interest	Ownership Interest	Accounting Method	Voting Interest	Ownership Interest
Vivendi SE	**France**	**Parent company**			**Parent company**		
Universal Music Group, Inc.	**United States**	**C**	**90%** (a)	***90%***	**C**	**100%**	***100%***
Universal Music Group Holdings, Inc.	United States	C	100%	*90%*	C	100%	*100%*
UMG Recordings, Inc.	United States	C	100%	*90%*	C	100%	*100%*
Vevo	United States	E	49.4%	*44.5%*	E	49.4%	*49.4%*
Universal International Music B.V. (b)	**Netherlands**	**C**	**90%** (a)	***90%***	**C**	**100%**	***100%***
Universal Music Entertainment GmbH	Germany	C	100%	*90%*	C	100%	*100%*
Universal Music LLC	Japan	C	100%	*90%*	C	100%	*100%*
Universal Music France S.A.S.	France	C	100%	*90%*	C	100%	*100%*
Universal Music Holdings Ltd.	United Kingdom	C	100%	*90%*	C	100%	*100%*
EMI Group Worldwide Holding Ltd.	United Kingdom	C	100%	*90%*	C	100%	*100%*
Universal Music Group Treasury S.A.S.	France	C	100%	*90%*	C	100%	*100%*
Groupe Canal+ S.A.	**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Société d'Édition de Canal Plus	France	C	100%	*100%*	C	100%	*100%*
Canal+ Thématiques S.A.S. (c)	France	C	100%	*100%*	C	100%	*100%*
Canal+ International S.A.S.	France	C	100%	*100%*	C	100%	*100%*
C8	France	C	100%	*100%*	C	100%	*100%*
Studiocanal S.A.	France	C	100%	*100%*	C	100%	*100%*
M7 (d)	Luxembourg	C	100%	*100%*	C	100%	*100%*
Canal+ Polska S.A. (e)	Poland	C	51%	*51%*	C	51%	*51%*
VSTV (f)	Vietnam	C	49%	*49%*	C	49%	*49%*
Havas S.A.	**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Havas Health, Inc	United States	C	100%	*100%*	C	100%	*100%*
Havas Media Group USA, LLC	United States	C	100%	*100%*	C	100%	*100%*
Havas Worldwide New York, Inc.	United States	C	100%	*100%*	C	100%	*100%*
BETC	France	C	100%	*100%*	C	100%	*100%*
Havas Edge, LLC	United States	C	100%	*100%*	C	100%	*100%*
Havas Paris	France	C	99%	*99%*	C	99%	*99%*
Arnold Worldwide, LLC	United States	C	100%	*100%*	C	100%	*100%*
Havas Media France	France	C	100%	*100%*	C	100%	*100%*
Creative Lynx Ltd.	United Kingdom	C	100%	*100%*	C	100%	*78%*
BETC Digital	France	C	100%	*100%*	C	100%	*100%*
Editis Holding S.A. (g)	**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Editis S.A.S.	France	C	100%	*100%*	C	100%	*100%*
SEJER	France	C	100%	*100%*	C	100%	*100%*
Interforum	France	C	100%	*100%*	C	100%	*100%*
Edi 8	France	C	100%	*100%*	C	100%	*100%*
Univers Poche	France	C	100%	*100%*	C	100%	*100%*
Gameloft S.E.	**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Gameloft Inc.	United States	C	100%	*100%*	C	100%	*100%*
Gameloft Inc. Divertissement	Canada	C	100%	*100%*	C	100%	*100%*
Gameloft Iberica S.A.	Spain	C	100%	*100%*	C	100%	*100%*
Gameloft Company Limited	Vietnam	C	100%	*100%*	C	100%	*100%*
Gameloft S. de R.L. de C.V.	Mexico	C	100%	*100%*	C	100%	*100%*

	Country	December 31, 2020 Accounting Method	Voting Interest	Ownership Interest	December 31, 2019 Accounting Method	Voting Interest	Ownership Interest
Vivendi Village S.A.S.	**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
See Tickets S.A.S.	France	C	100%	*100%*	C	100%	*100%*
See Tickets UK	United Kingdom	C	100%	*100%*	C	100%	*100%*
See Tickets US	United States	C	100%	*100%*	C	100%	*100%*
See Tickets B.V.	Netherlands	C	100%	*100%*	C	100%	*100%*
Startickets A.G. (ex Startickets)	Switzerland	C	100%	*100%*	C	100%	*100%*
L'Olympia	France	C	100%	*100%*	C	100%	*100%*
CanalOlympia	France	C	100%	*100%*	C	100%	*100%*
Olympia Production	France	C	100%	*100%*	C	100%	*100%*
Festival Production	France	C	70%	*70%*	C	70%	*70%*
Paddington and Company Ltd.	United Kingdom	C	100%	*100%*	C	100%	*100%*
New Initiatives							
Dailymotion	France	C	100%	*100%*	C	100%	*100%*
Group Vivendi Africa	France	C	100%	*100%*	C	100%	*100%*
Vivendi Content	France	C	100%	*100%*	C	100%	*100%*
Banijay Group Holding	France	E	32.9%	*32.9%*	E	31.4%	*31.4%*
Corporate							
Telecom Italia	Italia	E	23.75%	*17.04%*	E	23.94%	*17.15%*
Boulogne Studios	France	C	100%	*100%*	C	100%	*100%*
Poltel Investment	Poland	C	100%	*100%*	C	100%	*100%*

C: consolidated; E: equity affiliates.

a. On March 31, 2020, Vivendi completed the sale of 10% of UMG's share capital to the Tencent-led consortium (please refer to Note 2.1).

b. On March 19, 2020, Universal Music Group S.A.S. was dissolved, with universal transmission of its property to Vivendi SE.

c. Multithématiques S.A.S was merged into Planète Câble S.A.S. As of December 31, 2020, the entity resulting from this merger is named Canal+ Thématiques S.A.S.

d. Canal+ Group has fully consolidated M7 since September 12, 2019 (please refer to Note 2.3).

e. ITI Neovision changed its name and is now named Canal+ Polska SA.

f. VSTV (Vietnam Satellite Digital Television Company Limited) is held at 49% by Canal+ Group and 51% by VTV (the Vietnamese public television company). This company has been consolidated by Vivendi because Canal+ Group has both operational and financial control over it pursuant to an overall delegation of power that was granted by the majority shareholder and under the company's bylaws.

g. Vivendi has fully consolidated Editis since February 1, 2019 (please refer to Note 2.2). On October 20, 2020, Antinéa 6 S.A. was dissolved, with universal transmission of its property to Vivendi SE.

Note 27 Statutory auditors fees

Fees paid by Vivendi SE in 2020 and 2019 to its statutory auditors and members of the statutory auditor firms were as follows:

	Deloitte et Associés				Ernst & Young et Autres				Total	
	Amount		%		Amount		%			
(in millions of euros)	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Statutory audit, certification, consolidated and individual financial statements audit										
Issuer	0.6	0.6	*6%*	*6%*	0.7	0.7	*10%*	*13%*	1.3	1.3
Fully consolidated subsidiaries	8.6	8.8	*81%*	*87%*	4.4	4.2	*67%*	*76%*	13.0	13.0
Subtotal	**9.2**	**9.4**	***87%***	***93%***	**5.1**	**4.9**	***77%***	***89%***	**14.3**	**14.3**
Services other than certification of financial statements as required by laws and regulations (a)										
Issuer	-	-	-	-	0.2	0.1	*3%*	*2%*	0.2	0.1
Fully consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**0.2**	**0.1**	***3%***	***2%***	**0.2**	**0.1**
Services other than certification of financial statements provided upon the entity's request (a)										
Issuer	0.9	-	*8%*	-	1.1	0.3	*16%*	*5%*	2.0	0.3
Fully consolidated subsidiaries	0.5	0.7	*5%*	*7%*	0.3	0.2	*4%*	*4%*	0.8	0.9
Subtotal	**1.4**	**0.7**	***13%***	***7%***	**1.4**	**0.5**	***20%***	***9%***	**2.8**	**1.2**
Total	**10.6**	**10.1**	***100%***	***100%***	**6.7**	**5.5**	***100%***	***100%***	**17.3**	**15.6**

a. Includes services required by law and regulation (e.g., reports on capital transactions, comfort letters, validation of the consolidated statement of non-financial performance) as well as services provided upon the request of Vivendi or its subsidiaries (due diligence, legal and tax assistance, various reports).

Note 28 Audit exemptions

Vivendi SE has provided guarantees to the following subsidiaries, incorporated in England and Wales, under the registered number indicated, in order for them to claim audit exemptions, with respect to fiscal year 2020, under section 479A of the UK Companies Act 2006.

Name	**Company Number**
E.M.I. Overseas Holdings Ltd.	00403200
EMI (IP) Ltd.	03984464
EMI Group (Newco) Ltd.	07800879
EMI Group Electronics Ltd.	00461611
EMI Group International Holdings Ltd.	01407770
EMI Group Worldwide	03158106
EMI Group Worldwide Holdings Ltd.	06226803
EMI Ltd.	00053317
Estupendo Records Ltd.	03278620
Mawlaw 388 Ltd.	03590255
One Mode Productions Limited	08217709
Relentless 2006 Ltd.	03967906
Trinifold Music Ltd.	01781138

Name	**Company Number**
Universal/Anxious Music Ltd.	01862328
Universal Music (UK) Holdings Ltd.	03383881
Universal Music Holdings (UK) Ltd.	00337803
Universal Music Leisure Ltd.	03384487
Universal Music Publishing MGB Holding UK Ltd.	05092413
Universal SRG Group Ltd.	00284340
V2 Music Group Ltd.	03205625
Virgin Music Group	02259349
Virgin Records Overseas Ltd.	00335444
AMAAD Holdings Limited	12003313
Universal Music Neighbouring Rights Limited	03174756
Dailymotion Limited	06677140

In addition, Vivendi SE has provided guarantees to the following Universal Music Group subsidiaries, incorporated in the Netherlands, under the registered number indicated, under section 403 of Book 2 of the Dutch Civil Code. As the companies' financial data is consolidated within these financial statements, the Dutch entities are allowed to prepare abridged financial statements which are exempt from publication and audit.

Name	**Company Number**
Universal International Music B.V.	31018439
Universal Music Publishing International B.V.	31037866
Universal Music Publishing B.V.	32101966
CMHL B.V.	32140273

Note 29 Subsequent events

The significant events that occurred between the closing date as of December 31, 2020 and March 1, 2021 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020) were as follows:

- on January 25, 2021, Vivendi announced the acquisition of 9.9% of PRISA's share capital. PRISA is the Spanish-speaking leader in media and education and owns El Pais, Santillana, Cadena SER, Radio Caracol, AS and Los 40 Principales;
- on January 29, 2021, Vivendi completed the sale of an additional 10% of Universal Music Group (UMG)'s share capital to a Tencent-led consortium, based on an enterprise value of €30 billion for 100% of UMG's share capital. This transaction resulted in a cash inflow to Vivendi of €2,847 million. As a result of this transaction, the Tencent-led consortium owns 20% of UMG (please refer to Note 2.1); and
- on February 13, 2021, Vivendi announced that it will study the planned distribution of 60% of UMG's share capital and its listing by the end of 2021 (please refer to Note 2.1).