FINANCIAL REPORT FOR THE YEAR 2021

Financial Report and Audited Consolidated Financial Statements for the year ended December 31, 2021

March 9, **2022**

vivendi

VIVENDI

European Company with a Management Board and a Supervisory Board and a share capital of €6,097,085,923.50

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Key consolidated financial data for the last five years

Preliminary comments:

As from September 14, 2021, in accordance with IFRS 5 - Non-current assets held for sale and discontinued operations, Universal Music Group (UMG) was presented as a discontinued operation in Vivendi's Consolidated Financial Statements. On September 23, 2021, the payment date of the distribution in kind of UMG shares to Vivendi's shareholders, Vivendi ceded control of UMG and deconsolidated its 70% interest in UMG. For a detailed description of this transaction, please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2021.

The adjustments to previously published data are presented in the Financial Report for the year ended December 31, 2021, and in Note 31 to the Consolidated Financial Statements for the year ended December 31, 2021. These adjustments were made to all periods, as set out in the table of selected key consolidated financial data below, in respect of data from the Consolidated Statements of Earnings and Cash Flows.

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 for the year ended December 31, 2019; therefore, the data relative to prior years is not comparable.*

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

- *IFRS 15 – Revenues from Contracts with Customers: in accordance with IFRS 15, Vivendi applied this change of accounting standard to revenues as from January 1, 2017; and*
- *IFRS 9 – Financial Instruments: in accordance with IFRS 9, Vivendi applied this change of accounting standard to the Statement of Earnings and Statement of Comprehensive Income for the year ended December 31, 2018, restating its opening balance sheet as of January 1, 2018; therefore, the data in this report relative to prior years is not comparable.*

	Year ended December 31,				
	2021	2020	2019	2018	2017
Consolidated data					
Revenues	9,572	8,668	8,747	7,916	6,849
Adjusted earnings before interest and income taxes (EBITA) (a)	690	298	402	386	207
Earnings before interest and income taxes (EBIT)	404	248	343	361	343
Earnings attributable to Vivendi SE shareowners	24,692	1,440	1,583	127	1,216
Adjusted net income (a)	649	292	778	482	688
Net Cash Position/(Financial Net Debt) (a)	348	(4,953)	(4,064)	176	(2,340)
Total equity	19,194	16,431	15,575	17,534	17,866
of which Vivendi SE shareowners' equity	18,981	15,759	15,353	17,313	17,644
Cash flow from operations (CFFO) (a)	748	646	199	288	344
Cash flow from operations after interest and income tax paid (CFAIT) (a)	579	723	22	208	800
Financial investments	(2,124)	(1,634)	(2,221)	(670)	(3,635)
Financial divestments	76	323	1,062	2,283	970
Dividends paid by Vivendi SE to its shareholders	653	690	636	568	499
Special distribution in kind of 59.87% of UMG to Vivendi SE shareowners	25,284				
Purchases/(sales) of Vivendi SE's treasury shares	693	2,157	2,673	-	203
Per share data					
Weighted average number of shares outstanding	1,076.3	1,140.7	1,233.5	1,263.5	1,252.7
Earnings attributable to Vivendi SE shareowners per share	22.94	1.26	1.28	0.10	0.97
Adjusted net income per share	0.60	0.26	0.63	0.38	0.55
Number of shares outstanding at the end of the period (excluding treasury shares)	1,045.4	1,092.8	1,170.6	1,268.0	1,256.7
Equity per share, attributable to Vivendi SE shareowners	18.16	14.42	13.12	13.65	14.04
Dividends per share paid	0.60	0.60	0.50	0.45	0.40

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

a. The non-GAAP measures of 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.

Note:

In accordance with Article 19 of Regulation (EU) No. 2017/1129, the following items are incorporated by reference in this report:

- for the year ended December 31, 2020: the Financial Report and Consolidated Financial Statements for the year ended December 31, 2020, prepared under IFRS and the related statutory auditors' report on the Consolidated Financial Statements, presented on pages 220 to 348 of the Universal Registration Document (*Document d'enregistrement universel)*, which was filed on April 13, 2021 with the French *Autorité des Marchés Financiers* (AMF) under No. D.21-0297 and on pages 220 to 348 of the English translation of such Universal Registration Document (*Document d'enregistrement universel)*; and
- for the year ended December 31, 2019: the Financial Report and 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)*, which was filed on March 11, 2020 with the French *Autorité des Marchés Financiers* (AMF) under No. D.20-0121 and on pages 188 to 315 of the English translation of such Universal Registration Document (*Document d'enregistrement universel)*.

Any portions of Universal Registration Document No. D.21-0297 and No. D.20-0121 that are not referred to above are either not relevant to investors, or are covered elsewhere in this Financial Report.

I- 2021 Financial Report

Preliminary comments:

On March 7, 2022, the Management Board approved the Financial Report and the Audited Consolidated Financial Statements for the year ended December 31, 2021. Upon the recommendation of the Audit Committee, which met on March 7, 2022, the Supervisory Board, at its meeting held on March 9, 2022, reviewed the Financial Report and the Audited Consolidated Financial Statements for the year ended December 31, 2021, as previously approved by the Management Board on March 7, 2022.

The Consolidated Financial Statements for the year ended December 31, 2021 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.

As from September 14, 2021, in accordance with IFRS 5 - Non-current assets held for sale and discontinued operations, Universal Music Group (UMG) was presented as a discontinued operation in Vivendi's Consolidated Financial Statements. On September 23, 2021, the payment date of the distribution in kind of UMG shares to Vivendi's shareholders, Vivendi ceded control of UMG and deconsolidated its 70% interest in UMG. For a detailed description of this transaction, please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2021.

The adjustments to previously published data are presented in the appendix to the Financial Report for the year ended December 31, 2021, and in Note 31 to the Consolidated Financial Statements for the year ended December 31, 2021. These adjustments were made in respect of data from the Consolidated Statement of Earnings and Cash Flows.

1 Earnings analysis: group and business segments

Preliminary comments:

Non-GAAP measures

"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 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. Under Vivendi's definition:

- *the difference between EBITA and EBIT consists of the amortization of intangible assets acquired through business combinations and through the other catalogs of rights acquired by Vivendi's content production businesses, the impairment of goodwill and other intangibles acquired through business combinations and through the other catalogs of rights acquired by Vivendi's content production businesses, as well as other income and charges related to transactions with shareowners; 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 through other catalogs of rights acquired by Vivendi's content production businesses; impairment losses on goodwill and other intangible assets acquired through business combinations and through the other catalogs of rights acquired by Vivendi's content production businesses; 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 System).*

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.

Application of IFRS 5

Income and charges from Universal Music Group have been reported as follows:

- *their contribution until September 22, 2021, if any, to each line of Vivendi's Consolidated Statement of Earnings (before non-controlling interests) has been reported on the line "Earnings from discontinued operations";*
- *in accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information; and*
- *the share of net income has been excluded from Vivendi's adjusted net income.*

1.1 Consolidated Statement of Earnings

	Year ended December 31,		% Change
	2021	2020	
REVENUES	**9,572**	**8,668**	**+ 10.4%**
Cost of revenues	(5,360)	(4,904)	
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(3,563)	(3,371)	
Restructuring charges	(49)	(86)	
Income from equity affiliates - operational	90	(9)	
Adjusted earnings before interest and income taxes (EBITA)*	**690**	**298**	**x 2.3**
Amortization and depreciation of intangible assets acquired through business combinations	(286)	(50)	
EARNINGS BEFORE INTEREST AND INCOME TAXES (EBIT)	**404**	**248**	**+ 63.2%**
Income from equity affiliates - non-operational	(13)	126	
Interest	(34)	(22)	
Income from investments	150	35	
Other financial charges and income	(827)	12	
	(711)	***25***	
Earnings before provision for income taxes	**(320)**	**399**	**na**
Provision for income taxes	(218)	(163)	
Earnings from continuing operations	**(538)**	**236**	**na**
Earnings from discontinued operations	25,413	1,371	
Earnings	**24,875**	**1,607**	**x 15.5**
Non-controlling interests	(183)	(167)	
EARNINGS ATTRIBUTABLE TO VIVENDI SE SHAREOWNERS	**24,692**	**1,440**	**x 17.2**
of which earnings from continuing operations attributable to Vivendi SE shareowners	*(600)*	*199*	
earnings from discontinued operations attributable to Vivendi SE shareowners	*25,292*	*1,241*	
Earnings attributable to Vivendi SE shareowners per share - basic (in euros)	22.94	1.26	
Earnings attributable to Vivendi SE shareowners per share - diluted (in euros)	22.87	1.26	
Adjusted net income*	**649**	**292**	**x 2.2**
Adjusted net income per share - basic (in euros)*	0.60	0.26	
Adjusted net income per share - diluted (in euros)*	0.60	0.26	

In millions of euros, except per share amounts.

na: not applicable.

* non-GAAP measures.

1.2 Analysis of the Consolidated Statement of Earnings

2021 was marked by the following two major events:

- **the loss of control of UMG**, as a result of its listing on Euronext Amsterdam and the distribution of 59.87% of UMG's share capital to Vivendi's shareholders, which occurred on September 23, 2021. In accordance with IFRS 5, the capital gain on the deconsolidation of 70% of UMG (including 59.87% distributed and 10.03% retained and accounted for under the equity method) amounting to €24,840 million (after tax) was reported in "Earnings from discontinued operations". In the Consolidated Statement of Earnings for the year ended December 31, 2021, in accordance with IFRS 5, UMG's contribution to the group's earnings for the period from January 1 to September 22, 2021 was similarly reported in "Earnings from discontinued operations" and income and charges for fiscal year 2020 were also restated. Prior to this transaction, Vivendi opened up its wholly-owned subsidiary's share capital to strategic minority partners through the sale of 30% of UMG's share capital for total cash proceeds in excess of €9 billion. Please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2021; and
- **the strong recovery of Vivendi's businesses**: Organic revenue growth (+8.6%) mainly driven by Canal+ Group, Havas Group and Editis led to a significant improvement in EBITA, which rose to €690 million (compared to €298 million in 2020), to which all businesses contributed, thanks notably to the cost adjustment plans implemented during the pandemic outbreak and a recovery in business momentum in 2021. Please note that EBITA now includes Vivendi's share of UMG's earnings, accounted for under the equity method as from September 23, 2021, and Lagardère's earnings, accounted for under the equity method as from July 1, 2021.

1.2.1 Revenues

In 2021, Vivendi's revenues were €9,572 million, compared to €8,668 million in 2020. This increase of €904 million (+10.4%) is mainly due to the growth of Canal+ Group (+€272 million), Havas Group (+€204 million) and Editis (+€131 million). It also included the impact of the consolidation of Prisma Media as from June 1, 2021 (€194 million).
At constant currency and perimeter[1], Vivendi's revenues grew by 8.6%, compared to 2020. This increase was mainly due to the growth of Canal+ Group (+5.2%), as well as the strong recovery of Havas Group (+10.8%) and Editis (+18.1%), particularly impacted by last year's pandemic outbreak.

For the second half of 2021, Vivendi's revenues were €5,178 million, compared to €4,547 million for the second half of 2020. This increase of €631 million (+€13.9%) was mainly due to the growth of Canal+ Group (+€164 million), Havas Group (+€175 million) and Vivendi Village (+€65 million). It also included the impact of the consolidation of Prisma Media (€165 million).
At constant currency and perimeter[1], Vivendi's revenues grew by 9.5%, compared to the second half of 2020. This increase was mainly due to the growth of Canal+ Group (+5.7%), as well as the strong recovery of Havas Group (+13.9%) and Vivendi Village (x5.4), particularly impacted by the pandemic outbreak during the second half of 2020.

For the fourth quarter of 2021, Vivendi's revenues were €2,702 million, compared to €2,377 million for the fourth quarter of 2020. This increase of €325 million (+13.7%) was mainly due to the growth of Canal+ Group (+€77 million), Havas Group (+€69 million) and Vivendi Village (+€37 million). It also included the impact of the consolidation of Prisma Media (€90 million).
At constant currency and perimeter[1], Vivendi's revenues grew by 8.7%, compared to the fourth quarter of 2020. This increase was mainly due to the growth of Canal+ Group (+4.9%), as well as the strong recovery of Havas Group (+8.9%), Gameloft (+33.8%) and Vivendi Village (x6.8), particularly impacted by the pandemic outbreak during the fourth quarter of 2020.

For a detailed analysis of revenues by business segment, please refer to Section 1.3 below and to Note 5.1.1 to the Consolidated Financial Statements for the year ended December 31, 2021.

1.2.2 Operating results

Cost of revenues was €5,360 million, compared to €4,904 million in 2020, an increase of €456 million.

Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations were €3,563 million, compared to €3,371 million in 2020, an increase of €192 million.

Amortization and depreciation of tangible and intangible assets are included either in the cost of revenues or in selling, general and administrative expenses. Amortization of tangible and intangible assets, excluding amortization of intangible assets acquired through business combinations, amounted to €523 million (compared to €531 million in 2020) including amortization of rights-of-use relating to leases for €140 million (compared to €160 million in 2020).

[1] Constant perimeter notably reflects the impacts of the acquisition of Prisma Media on May 31, 2021, as well as the equity accounting of Lagardère since July 1, 2021 and Universal Music Group since September 23, 2021.

EBITA was €690 million in 2021, compared to €298 million in 2020. This increase of €392 million (x2.3) is mainly due to the growth of Havas Group (+€118 million), thanks to the cost adjustment plan implemented in the early stages of last year's pandemic outbreak and to a strong recovery in business momentum in 2021, Canal+ Group (+€45 million), mainly thanks to international activities, particularly in Africa, and Editis (+€12 million). The recovery of other businesses, in particular Vivendi Village (+€39 million) particularly affected during the health crisis, and Gameloft (+€32 million) also contributed to this EBITA increase. 2021 EBITA also included:

- the contribution of Prisma Media (€20 million), consolidated since June 1, 2021, as well as Vivendi's share of the net earnings of UMG (€33 million), accounted for under the equity method as from September 23, 2021, and Lagardère (€19 million), accounted for under the equity method as from July 1, 2021; and
- restructuring charges (€49 million in 2021, compared to €86 million in 2020). These were mainly incurred by Canal+ Group (€22 million in 2021, compared to €42 million in 2020, notably related to the ongoing plan aimed at transforming its French activities), Editis (€15 million in 2021, compared to €6 million in 2020) and Havas Group (€6 million in 2021, compared to €33 million in 2020).

At constant currency and perimeter[1], EBITA increased by €402 million (x2.4). Excluding Vivendi's share of UMG and Lagardère's net earnings, EBITA would increase by €309 million (+93.9%).

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

EBIT was €404 million in 2021, compared to €248 million in 2020, an increase of €156 million (+63.2%). It includes amortization and depreciation of intangible assets acquired through business combinations for €286 million, compared to €50 million in 2020. In 2021, it included the goodwill impairment loss related to Gameloft for €200 million, which reflected the decline in Gameloft's operating performance over the recent period. Please refer to Note 11 to the Consolidated Financial Statements for the year ended December 31, 2021.

1.2.3 Income from equity affiliates - non-operational

In 2021, **income from equity affiliates - non-operational** was a charge of -€13 million, compared to a profit of +€126 million in 2020, an unfavorable change of -€139 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 the current year due to a three-month reporting lag). In 2021, this amount notably included Vivendi's share (-€53 million) of the voluntary redundancy plan involving approximately 1,300 employees announced by Telecom Italia. As a reminder, in 2020, this amount notably included Vivendi's share (+€77 million) of the capital gain recognized by Telecom Italia on the Inwit transaction.

For a detailed analysis, please refer to Note 14.2 to the Consolidated Financial Statements for the year ended December 31, 2021.

1.2.4 Financial results

In 2021, **interest** was an expense of €34 million, compared to €22 million in 2020. Of this amount:

- interest expense on borrowings was €41 million, compared to €48 million in 2020. This change mainly reflected the decrease in average outstanding borrowings to €4.9 billion (compared to €6.2 billion in 2020), partially offset by the increase in the average interest rate on borrowings to 0.83% (compared to 0.77% in 2020);
- interest income earned on the investment of cash surpluses was an expense of €2 million, given the negative average interest rate on cash investments of -0.04%, compared to an income of €9 million in 2020, which had a positive average interest rate on cash investments of +0.35%. This unfavorable change was compounded by the increase in the average outstanding cash investments to €4.4 billion (compared to €2.7 billion in 2020); and
- in addition, interest received by Vivendi from intragroup financing granted to UMG was a net amount of €9 million for the period ending on September 22, 2021 (compared to €17 million in 2020).

Income from investments was €150 million in 2021, compared to €35 million in 2020, an increase of €115 million. In 2021, it mainly included dividends received from Mediaset (€102 million; please refer to Note 2.3 to the Consolidated Financial Statements for the year ended December 31, 2021), as well as dividends received from Multichoice (€21 million) and Telefonica (€20 million).

Other financial charges and income were a net charge of -€827 million in 2021, compared to a net income of +€12 million in 2020, an unfavorable change of -€839 million. In 2021, other financial charges notably included a €728 million write-down of the Telecom Italia shares accounted for under the equity method (-€0.20 per share), notably to take into account the economic environment uncertainties and strategic changes that could affect Telecom Italia's outlook (please refer to Note 14 to the Consolidated Financial Statements for the year ended December 31, 2021). As a reminder, in 2020, following the favorable settlement of a tax litigation in Brazil, Vivendi received an additional payment of €56 million for the sale of GVT in 2015.

1.2.5 Provision for income taxes

In 2021, **provision for income taxes reported to adjusted net income** was a net charge of €140 million, compared to a net charge of €160 million in 2020. This €20 million increase in the tax charge reported to adjusted net income reflected the increase in the current savings expected from Vivendi's French Tax Group, as well as the decrease in tax losses generated during the period and not used due to the increase in the taxable income of all businesses, which had fallen sharply in 2020 due to the consequences of the pandemic outbreak. In 2021, the effective tax rate reported to adjusted net income was 19.5%, compared to 50.0% in 2020. In 2020, the effective tax rate reported to adjusted net income was notably affected by the increase in tax losses generated during the period and not used because of the pandemic outbreak.

In 2021, **provision for income taxes reported to net income** was a net charge of €218 million, compared to a net charge of €163 million in 2020. In addition to tax changes reported to adjusted net income, this increase of €55 million in the tax charge on net income included an unfavorable change €76 million in deferred tax assets resulting from tax savings related to Vivendi's French Tax Group. The charge was €94 million in 2021, compared to €18 million in 2020.

For a detailed analysis, please refer to Note 8 to the Consolidated Financial Statements for the year ended December 31, 2021.

1.2.6 Earnings from discontinued operations

2021 was marked by the deconsolidation of UMG as a result of its listing on Euronext Amsterdam and the distribution of 59.87% of UMG's share capital to Vivendi's shareholders, which occurred on September 23, 2021. The main impacts of this transaction on the Consolidated Statement of Earnings for the year ended December 31, 2021 were as follows:

- in accordance with IFRS 5; UMG's contribution to the group's earnings for the period from January 1 to September 22, 2021 (net earnings of €573 million, before non-controlling interests) was reported in "**Earnings from discontinued operations**"; in the Consolidated Statement of Earnings for the year ended December 31, 2020, income and charges were similarly restated and, in accordance with IFRS 5, UMG's contribution to the group's earnings in 2020 (net earnings of €1,371 million, before non-controlling interests) was reported in "Earnings from discontinued operations"; and
- the **capital gain on the deconsolidation of 70% of UMG** (59.87% distributed and 10.03% retained and accounted for under the equity method) amounted to €24,840 million (after taxes of €894 million) and, in accordance with IFRS 5, was reported in "Earnings from discontinued operations".

Prior to the listing of UMG and the distribution of 59.87% of UMG's share capital to Vivendi's shareholders, Vivendi opened up its subsidiary's share capital to strategic minority partners through the sale of 30% of UMG's share capital for total cash proceeds in excess of €9 billion. As a reminder, net capital gains (after tax) realized on the sale of 20% of UMG's share capital to a Tencent-led consortium (€2,236 million in 2021 and €2,315 million in 2020) and 10% to Pershing Square Holdings and affiliates (€2,738 million in 2021) were directly recorded as an increase in equity and accounted for as sales of non-controlling interests. Therefore, in accordance with IFRS 10, there was no impact on the consolidated earnings.

Please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2021.

1.2.7 Non-controlling interests

In 2021, **earnings attributable to non-controlling interests** were €183 million, compared to €167 million in 2020. Earnings from continuing operations attributable to non-controlling interests amounted to €62 million (compared to €38 million in 2020), and for UMG, as a discontinued operation and in accordance with IFRS 5, these earnings amounted to €121 million (compared to €130 million in 2020).

1.2.8 Earnings attributable to Vivendi SE shareowners

In 2021, **earnings attributable to Vivendi SE shareowners** amounted to a profit of €24,692 million (or €22.94 per share - basic), compared to €1,440 million (or €1.26 per share - basic) in 2020, an increase of €23,252 million. In 2021, it notably included the capital gain on the deconsolidation of the 70% interest in UMG (€24,840 million, after tax; please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2021).

1.2.9 Adjusted net income

In 2021, **adjusted net income** was a profit of €649 million (or €0.60 per share - basic), compared to €292 million (or €0.26 per share - basic) in 2020, an increase of €357 million (x2.2). This increase mainly included the growth in EBITA (+€392 million) and income from investments (+€115 million), partially offset by the decline of Vivendi's share of Telecom Italia's earnings, accounted for under the equity method (-€139 million).

	Year ended December 31,		% Change
(in millions of euros)	2021	2020	
Revenues	**9,572**	**8,668**	**+ 10.4%**
EBITA	**690**	**298**	**x 2.3**
Income from equity affiliates - non-operational	47	186	
Interest	(34)	(22)	
Income from investments	150	35	
Adjusted earnings from continuing operations before provision for income taxes	**853**	**497**	**+ 71,6%**
Provision for income taxes	(140)	(160)	
Adjusted net income before non-controlling interests	713	337	
Non-controlling interests	(64)	(45)	
Adjusted net income	**649**	**292**	**x 2.2**

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

	Year ended December 31,	
(in millions of euros)	2021	2020
Earnings attributable to Vivendi SE shareowners (a)	**24,692**	**1,440**
Adjustments		
Amortization and depreciation of intangible assets acquired through business combinations (a)	286	50
Amortization of intangible assets related to equity affiliates - non-operational	60	60
Other financial charges and income (a)	827	(12)
Earnings from discontinued operations (a)	(25,413)	(1,371)
Provision for income taxes on adjustments	78	3
Impact of adjustments on non-controlling interests	119	122
Adjusted net income	**649**	**292**

a. As reported in the Consolidated Statement of Earnings.

Adjusted net income per share

	Year ended December 31,			
	2021		2020	
	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	649	649	292	292
Number of shares (in millions)				
Weighted average number of shares outstanding (a)	1,076.3	1,076.3	1,140.7	1,140.7
Potential dilutive effects related to share-based compensation	-	3.2	-	4.1
Adjusted weighted average number of shares	1,076.3	1,079.5	1,140.7	1,144.8
Adjusted net income per share (in euros)	**0.60**	**0.60**	**0.26**	**0.26**

a. Net of the weighted average number of treasury shares (72.5 million shares in 2021, compared to 44.7 million in 2020).

1.3 Analysis of revenues and operating results by business segment

(in millions of euros)	Year ended December 31, 2021	2020	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Revenues					
Canal+ Group	5,770	5,498	+4.9%	+5.5%	+5.2%
Havas Group	2,341	2,137	+9.6%	+11.8%	+10.8%
Editis	856	725	+18.1%	+18.1%	+18.1%
Prisma Media	194	na	na	na	+6.4%
Gameloft	265	253	+4.5%	+5.4%	+2.7%
Vivendi Village	104	40	x 2.6	x 2.6	x 2.6
New Initiatives	89	65	+37.0%	+37.0%	+37.0%
Elimination of intersegment transactions	(47)	(50)			
Total Vivendi	**9,572**	**8,668**	**+10.4%**	**+11.4%**	**+8.6%**
EBITA					
Canal+ Group	480	435	+10.4%	+10.1%	+9.5%
Havas Group	239	121	+97.0%	x 2.0	+96.9%
Editis	51	38	+32.2%	+32.2%	+32.2%
Prisma Media	20	na	na	na	-24.3%
Gameloft	8	(24)			
Vivendi Village	(20)	(59)			
New Initiatives	(30)	(75)			
Corporate	(110)	(138)			
Subtotal	**638**	**298**	**x 2.1**	**x 2.2**	**+93,9%**
Vivendi's share of Universal Music Group's earnings (b)	33	na			
Vivendi's share of Lagardère's earnings (b)	19	na			
Total Vivendi	**690**	**298**	**x 2.3**	**x 2.3**	**x 2.4**

na : not applicable.

a. Constant perimeter notably reflects the impacts of the acquisition of Prisma Media on May 31, 2021, as well as the equity accounting of Lagardère since July 1, 2021 and Universal Music Group since September 23, 2021.

b. Companies accounted for by Vivendi under the equity method. Vivendi's share of these operating companies' net earnings was recorded in EBITA. For a detailed description, please refer to Note 14 to the Consolidated Financial Statements for the year ended December 31, 2021.

1.3.1 Canal+ Group

	Year ended December 31,					
(in millions of euros)	2021	2020		% Change	% Change at constant currency	% Change at constant currency and perimeter
International TV	2,202	2,135		+3.1%	+4.7%	+4.7%
TV in Mainland France (a)	3,094	3,003		+3.0%	+3.0%	+2.9%
Studiocanal	474	360		+31.5%	+30.5%	+27.5%
Revenues	**5,770**	**5,498**		**+4.9%**	**+5.5%**	**+5.2%**
EBITA before restructuring charges	**502**	**477**		**+5.4%**	**+5.1%**	**+4.6%**
EBITA before restructuring charges margin	*8.7%*	*8.7%*		*- pt*		
Restructuring charges	(22)	(42)				
EBITA	**480**	**435**		**+10.4%**	**+10.1%**	**+9.5%**
EBITA margin	*8.3%*	*7.9%*		*+0.4 pt*		
Canal+ Group subscribers (in thousands)						
Europe (excluding Mainland France)	5,658	5,430		*+228*		
Africa	6,847	5,991		*+856*		
Overseas	835	809		*+26*		
Asia Pacific	1,315	1,218		*+97*		
Overseas and international subscribers	**14,655**	**13,448**	(b)	**+1,207**		
Self-distributed individual subscribers in Mainland France	5,049	4,719		+330		
Wholesale subscribers (c)	3,491	3,436		+55		
Collective subscribers in Mainland France	511	523		-12		
Subscribers in Mainland France	**9,051**	**8,678**		**+373**		
Total Canal+ Group subscribers	**23,706**	**22,126**		**+1,580**		

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

b. Relates to the 2020 pro forma data notably including some international wholesale and collective subscribers.

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

At the end of December 2021, Canal+ Group’s total subscriber portfolio (individual and collective) reached 23.7 million, compared to 22.1 million at the end of December 2020 on a pro forma basis.

In 2021, Canal+ Group's revenues were €5,770 million, up 5.2% at constant currency and perimeter compared to 2020.

Revenues from television operations in mainland France increased by 2.9% at constant currency and perimeter compared to 2020. The total subscriber base in mainland France recorded a net increase in subscribers of 373,000 over the past 12 months, and reached 9.05 million subscribers.

Revenues from international operations increased by 4.7% at constant currency and perimeter compared to 2020, thanks again to the significant growth in the number of subscribers (+1.2 million year-on-year). The total subscriber portfolio outside mainland France stood at 14.7 million subscribers at the end of December 2021.

With movie theaters reopening and its TV series and catalogue performing well, Studiocanal’s revenues rose sharply by 31.5% (+27.5% at constant currency and perimeter) compared to 2020.

Studiocanal is particularly buoyed by several box office hits, such as *The Stronghold, Black Box* and *The Wolf and the Lion* in France, *Wrath of Man* in Australia, New Zealand and Germany, and *Drunk* in the United Kingdom.

In 2021, Canal+ Group’s profitability improved compared to 2020. EBITA amounted to €480 million, compared to €435 million in 2020, an increase of 10.4% (+9.5% at constant currency and perimeter).

These results were supported by major developments across all the group's strategic pillars.

On the international development pillar, Canal+ Group launched in Ethiopia and increased its stake in the South African company MultiChoice, crossing the threshold of 15% of capital.

On the digital pillar, myCanal deployed in Africa in 2021 and is now present in 29 countries in Europe and Africa.

Finally, on the content pillar, Canal+ Group announced the planned acquisition of 70% of SPI International and Studiocanal acquired new production companies (Urban Myth Films and Lailaps Films). In addition, on December 2, 2021, Canal+ Group announced the signing of an agreement with French cinema organisations, extending, at least until 2024, a partnership of more than 30 years. This agreement provides in particular:

- A guaranteed investment of more than €600 million for the next three years in French and European cinema for Canal+ and Ciné+;
- An earlier position in the media chronology for Canal+, providing it with access to titles six months after their theatrical release, in line with its renewed status as the leading contributor to French and European cinema;
- A window of exclusive rights for Canal+ of at least nine months, which can rise to 16 months with the second window; and
- Better ability to exhibit and circulate works on Canal+ Group cinema channels and on myCanal.

Following this agreement, Canal+ Group signed the new media chronology on January 24, 2022. Canal+ is now entitled to broadcast movies six months after their theatrical release, compared to 12 months in 2018.

After Netflix and Disney+, Starzplay joined Canal+ offers in 2021. In line with this, on February 15, 2022, Canal+ Group and ViacomCBS Networks International announced a long-term strategic partnership based on two pillars:

- The distribution of Paramount+ by the end of the year and nine ViacomCBS channels by Canal+ Group, in France and Switzerland. Canal+ Group will be the only market player in France able to integrate Paramount+ into its commercial offers (in "hard bundle");
- The acquisition of exclusive premium content for Canal+ Group channels and services, covering more than 30 territories. Canal+ Group will notably air Paramount films in exclusive premiere on Canal+ in France and Switzerland six months after their theatrical release.

1.3.2 Havas Group

(in millions of euros)	Year ended December 31, 2021	2020	% Change	% Change at constant currency	% Change at constant currency and perimeter
Revenues	2,341	2,137	+9.6%	+11.8%	+10.8%
Net revenues (a)	**2,238**	**2,049**	**+9.2%**	**+11.5%**	**+10.4%**
EBITA before restructuring charges	**245**	**154**	**+59.3%**	**+63.6%**	**+59.2%**
EBITA before restructuring charges/net revenues	*10.9%*	*7.5%*	*+3.4 pts*		
Restructuring charges	(6)	(33)			
EBITA	**239**	**121**	**+97.0%**	**x 2.0**	**+96.9%**
EBITA/net revenues	*10.7%*	*5.9%*	*+4.8 pts*		
Net revenues by geographic area					
Europe	1,113	997	+11.7%	+11.0%	+10.4%
North America	826	796	+3.8%	+9.5%	+8.2%
Asia Pacific and Africa	185	164	+12.1%	+13.1%	+9.8%
Latin America	114	92	+23.6%	+30.8%	+30.8%
	2,238	**2,049**	**+9.2%**	**+11.5%**	**+10.4%**
Net revenues by segment					
Havas Creative	44%	45%			
Havas Health & You	24%	23%			
Havas Media	32%	32%			
	100%	**100%**			

a. Net revenues, a non-GAAP measure, relates to Havas Group's revenues less pass-through costs chargeable to customers. Please refer to Note 1.3.5.2 to the Consolidated Financial Statements for the year ended December 31, 2021.

In 2021, Havas Group's revenues were €2,341 million, up by 10.8% at constant currency and perimeter compared to 2020.

Net revenues[2] were €2,238 million in 2021, up 9.2% compared to 2020. Organic growth was +10.4% compared to 2020. Currency effects were negative at -2.3% and acquisitions contributed +1.1 %.

During the fourth quarter of 2021, Havas Group again recorded strong business growth compared to the same period in 2020 and achieved organic growth in net revenues of +9.3%.

All the geographical regions delivered excellent organic performances in 2021, with positive contributions from all divisions: Creative, Media and Health communications. North America and Europe were the biggest contributors, enjoying solid organic growth. Asia-Pacific and Latin America also reported highly satisfactory performances.

[2] *Net revenues correspond to Havas Group revenues after deduction of costs rebilled to clients.*

At the end of December 2021, EBITA was €239 million, compared to €121 million in 2020 (and €225 million in 2019). This near doubling of EBITA (after restructuring charges) is attributable to the strong momentum of organic growth in net revenues and to the savings achieved through the cost adjustment plan introduced in 2020, the positive benefits of which were felt in 2021.

Havas Group pursued its targeted acquisitions policy and acquired four majority stakes in 2021: BLKJ (a Singapore-based creative agency), Agence Verte (CSR communications in France), Nohup (Customer Experience in Italy) and Raison de Santé (a healthcare communications agency in France).

2021 was a record year for Havas Group in terms of both new client wins and creative awards given to its agencies around the world.

Main accounts and key awards won in 2021:

Main accounts won

In 2021, Havas continued its global development by winning numerous new clients in creative, media expertise and healthcare communications, both locally and globally:

- **Havas Creative**: ASDA, COX Communications, Easyjet, JLL, Nestlé, New York Presbyterian, Petropolis, Telecom Italia, VW, World Bank x IMF;
- **Havas Health & You**: AbbVie, Amgen, Genentech, Hutchison, Medipharma, Ipsen, Myovant, New York Presbyterian, Novartis Otsuka, Pfizer, Sanofi, Trevana, Vifor; and
- **Havas Media**: Boiron, Dolce & Gabbana, Forevermark & DeBeers, IAG Group International Airlines Group (Iberia, Vuelig and IAG Cargo), Land O' Lakes, Ola Group, PEPCO, Pernod Ricard, Red Bull, Sears, Unilever (Western Europe), Weleda.

Key awards won

Fiscal year 2021 was a record year for Havas, which received more than 1,300 awards and distinctions for its work and agencies around the world.

The creativity of the agencies was rewarded at the most prestigious festivals and ceremonies. Starting with the Cannes Lions International Advertising Festival in June, which this year included the 2020 and 2021 editions. The group's agencies won no fewer than 38 Lions (one Grand Prix, five Golds, nine Silvers and 23 Bronzes), led by the "Crocodile Inside" campaign by BETC Paris for Lacoste, which won the coveted Grand Prix in the Film category as well as a Gold, two Silvers and a Bronze, the Arnold Boston campaign for Red Cross, which won two Golds, a Silver and a Bronze, and the "Undercover Avatar" campaign by Havas Sports & Entertainment Paris for L'Enfant Bleu, which won a Gold and a Bronze.

At the One Show, another major ceremony, the group's agencies walked away with 20 awards, including four Golds, five Silvers and ten Bronzes, as well as the prestigious Green Pencil, the top prize in the Sustainable category, awarded to the "Water Index" campaign by Havas Turkey for the Reckitt Finish brand. The most awarded campaigns were "Undercover Avatar" by Havas Sports & Entertainment Paris for L'Enfant Bleu with a Gold and a Silver, "Black Plaque Project" by Havas London for Nubian Jack Community Trust with a Gold and a Bronze as well as "Migrants on Amazon" by BETC Paris for L'Auberge des Migrants which won three Silvers and a Bronze.

At the prestigious D&AD 21 ceremony, agencies received 16 awards, including a Gold for Rosa Paris' "Just a wall" campaign for Innocence in Danger and five Silvers, including two for "HerShe" by BETC/Havas Sao Paulo for Hershey's. Havas London's "Black Plaque Project" campaign for Nubian Jak Community Trust won one Silver and two Bronze.

At the LIA Awards ceremony, agencies won 53 awards, including the Grand Prix in the Film category, two Gold and three Silver for BETC's "Crocodile Inside" campaign for Lacoste, three Gold and five Bronze for Havas London's "Black Plaque" campaign for Nubian Jak Community Trust, with the other campaigns taking four Gold, 15 Silver and 19 Bronze. Finally, the British agency Havas Lynx was awarded the title of "Pharma Agency of the Year Europe".

At the Effie Europe awards, Havas Group won the title of "European Agency of the Year", while Havas Sports & Entertainment won a Gold and a Silver for its "Undercover Avatar" campaign for L'Enfant Bleu and Havas Turkey a Gold for its "Tomorrow's Water" campaign for Reckitt's Finish.

At the Epica Awards ceremony, the Group's agencies won 18 awards, including four Gold, five Silver and nine Bronze, led by Havas Dubai's "Liquid Billboard" campaign for Adidas (two Gold, one Silver and one Bronze).

Finally, Havas Creative and Havas Media respectively took first place in their category in the R3 Europe ranking, which distinguishes the new business performance of industry players.

1.3.3 Editis

(in millions of euros)	Year ended December 31, 2021	2020	% Change	% Change at constant currency	% Change at constant currency and perimeter
Literature	336	300	+12.0%	+12.0%	+12.0%
Education and Reference	176	185	-4.8%	-4.8%	-4.8%
Diffusion and Distribution	344	240	+43.2%	+43.2%	+43.2%
Revenues	**856**	**725**	**+18.1%**	**+18.1%**	**+18.1%**
EBITA	**51**	**38**	**+32.2%**	**+32.2%**	**+32.2%**

In 2021, book sales sharply increased compared to both 2020 and 2019. The market reached an historic level, notably driven by the Comics-Mangas segment.

In this exceptional context, Editis achieved a record performance. In 2021, Editis' revenues reached €856 million, an increase of 18.1% at constant currency and perimeter compared to the same period in 2020 and 16.5% compared to 2019, even though school reform has less of an impact in 2021 than it had in the two previous years.

In 2021, 10 of Editis' authors ranked in the Top 30 of the most purchased French-speaking authors in modern fiction[3] (compared to 9 in 2020), with most of them showing an increase compared to previous years.

The Youth and Comics segments were not outdone, with Editis' growth compared to 2019 exceeding that of the market.

In addition, at the end of 2021, Editis was among the Top 3 in Illustrated Books[4], with a strong presence in the cooking segment and among influencer authors. To cite a few examples: Volume 5 of *Fait maison* by Cyril Lignac and *Mes desserts faits maison* by Roxane.

In terms of its third-party publishers, Editis can be proud not only of the Prix Goncourt awarded to *La plus secrète mémoire des hommes* by M. Mbougar at Philippe Rey, but also of best-selling publications such as *Familia Grande* by Camille Kouchner or *Les aventures de Vincent Lacoste* by Riad Sattouf.

In 2021, Editis' EBITA rose sharply by 32.2%, at €51 million, compared to 2020.

1.3.4 Prisma Media

(in millions of euros)	Year ended December 31, 2021 (a)	12-month pro forma data 2021	2020	% Change at constant currency and perimeter
Distribution	110	180	172	+4.6%
Advertising	73	113	94	+21.0%
Others	11	16	12	+30.6%
Revenues	**194**	**309**	**278**	**+11.2%**
EBITA	**20**	**30**	**14**	**x 2.2**

a. Vivendi has fully consolidated Prisma Media since June 1, 2021.

In 2021, Prisma Media's revenues were €309 million, up 11.2% compared to the same period in 2020 (pro forma).

Since June 1, 2021, the date of Vivendi's consolidation of Prisma Media, Prisma Media's revenues were €194 million, up 6.4% at constant currency and perimeter[5] compared to the same period in 2020. Digital revenues reached a record level, up 42.4% compared to 2020, and represented more than 30% of Prisma Media's total revenues.

In 2021, Prisma Media's pro forma EBITA was €30 million, an increase of €16 million compared to 2020. This growth is mainly due to a €3 million improvement in operating performance and a decrease in restructuring charges.

[3] *Top GfK authors - Modern Fiction in French - at the end of December 2021 - in volumes - pocket + large format - 111 Editis publishing houses + third-party publishers distributed out of 3,673 audited.*
[4] *Source: GFK data, s40 to s52 2021 vs 2019, all channels, Internal analysis on Top 300 Adult Illustrated Books.*
[5] *Constant perimeter notably reflects the impact of the acquisition of Prisma Media on May 31, 2021.*

Prisma Media reinforced its leading position on the TV Print magazine market with the acquisition of Télé Z in September 2021, adding a new brand to its TV portfolio which includes Télé Loisirs, TV Grandes Chaînes and Télé 2 semaines.

Digital audiences reached record levels, and Prisma Media brands confirmed their leading positions: Télé Loisirs is No. 1 in the Entertainment segment with 22.3 million unique visitors (UVs - average monthly UVs); Capital is No. 1 in the Economic segment with 10.8 million UVs; Femme Actuelle, Voici and Gala are No. 2, No. 3 and No. 4, respectively, in the Women's segment; Géo is No. 2 in the Travel segment with 3.9 million UVs.

Traffic (in page views) on Prisma Media's websites increased by more than 40% compared to 2019 and 10% compared to 2020.

Prisma Media's social media audiences grew strongly compared to 2020 with the number of followers up 17% and the video audience up 35%. The growth has been particularly driven by the increase in followers on Tiktok +73% and Instagram +28%. In 2021, Gala became the European media leader on Tiktok, with the number of followers up by more than 20% compared to 2020.

In 2021, audio audiences were up 60% compared to 2020 supported by the launch of 60 podcasts and more than 4,000 episodes.

1.3.5 Gameloft

	Year ended December 31,				
(in millions of euros)	2021	2020	% Change	% Change at constant currency	% Change at constant currency and perimeter
Revenues	**265**	**253**	**+4.5%**	**+5.4%**	**+2.7%**
Gross margin (a)	189	164	15.1%	+16.3%	+12.7%
EBITA	**8**	**(24)**			
Revenues by geographic area					
North America	115	96			
EMEA (Europe, the Middle East, Africa)	88	92			
Asia Pacific	47	50			
Latin America	15	15			
	265	**253**			

a. Gross margin relates to Gameloft's revenues after deducting costs of sales.

In 2021, Gameloft's revenues reached €265 million.

Asphalt 9: Legends, Disney Magic Kingdoms, Dragon Mania Legends, March of Empires, and *Asphalt 8: Airborne* generated 47% of Gameloft's total revenues and were the five-best-selling-games in 2021.

Gameloft's gross margin[6] increased by 15.1% and reached €189 million in 2021. This solid growth was driven by the success of its OTT[7] and Gameloft for brands[8] businesses, which represent 87% of Gameloft's gross margin. Its OTT business grew by 17% thanks to the success of Apple Arcade games, to the resilience of the catalogue and to the diversification on new platforms (Netflix, Facebook, etc.). Gameloft also benefited in the last few months of 2021 from the success of newly launched titles such as *Heroes of the Dark* and *Sniper Champions*. The excellent performance of Gameloft for brands, whose gross margin increased by 22%, also enabled Gameloft to achieve this strong business growth in 2021.

In 2021, Gameloft's EBITA was €8 million, up €32 million year-on-year.

[6] *Gross margin corresponds to Gameloft's revenues after deduction of costs of sales.*
[7] *OTT: Over-The-Top sales of video games on distribution platforms such as Apple, Google, Nintendo, Microsoft, etc.*
[8] *Gameloft for brands offers cutting-edge gamified solutions to help brands reconnect with their audience.*

1.3.6 Vivendi Village

(in millions of euros)	Year ended December 31, 2021	2020	% Change	% Change at constant currency	% Change at constant currency and perimeter
Revenues	**104**	**40**	**x 2.6**	**x 2.6**	**x 2.6**
EBITA	**(20)**	**(59)**			

In 2021, Vivendi Village's revenues were €104 million compared to €40 million in 2020 (x2.6 at constant currency and perimeter), thanks to a significant rebound of its activities in the second half of 2021. This rebound results from less stringent sanitary constraints and a pronounced and even reinforced public appetite for live events. Vivendi Village allocates more than €10 million to solidarity actions and cultural access.

Vivendi Village's EBITA was a loss of €20 million (compared to a loss of €59 million in 2020), a €39 million favorable change.

See Tickets, the ticketing company present in nine European countries and the United States, sold 27 million tickets in 2021, including to Winter Wonderland, the traditional Christmas event in Hyde Park in London which attracts several million visitors. Some of the summer festivals produced by Olympia Production and U-Live were able to be held in France and the United Kingdom, sometimes with reduced attendance capacity, while several new festivals for 2022 and 2023 were announced, including Inversion Fest in Lyons and the Kite Festival in Oxfordshire. L'Olympia resumed its activities in early September 2021 with 95 public and private events scheduled.

1.3.7 New Initiatives

In 2021, New Initiatives, which brings together Dailymotion and the GVA entities, recorded revenues of €89 million, an increase of €24 million (+37.0% at constant currency and perimeter).

New Initiatives' EBITA was a loss of €30 million (compared to a loss of €75 million in 2020), a €45 million favorable change.

Dailymotion's audience for premium content is still growing strongly, with +32% growth in 2021 compared to 2020, and represents more than four-fifths of the overall audience (82%). This growth has been driven by the signing of new partners with Prisma Media, Webedia (in France, Germany, Spain and South America), Unify (in France, the UK, Italy and Germany) and Monrif (in Italy).

In 2021, programmatic video advertising sales on Dailymotion grew by +43% compared to 2020, to represent nearly half of sales, thanks in particular to the strengthening of the partnership with Google.

GVA is an FTTH (Fiber To The Home) operator specialized in the provision of very high-speed Internet access and established in the cities of Sub-Saharan Africa.

GVA's general public and business offers, under the brands Canalbox and Canalbox Business, respectively, are revolutionizing Internet access and usage in Africa by offering the best quality of service, the best speeds and unlimited usage at very competitive rates.

At the end of 2021, GVA covered a potential market of more than one million homes and businesses in Africa with its FTTH networks deployed in Libreville (Gabon), Lomé (Togo), Pointe Noire (Congo Brazzaville), Abidjan (Ivory Coast), and Kigali (Rwanda) and supplemented in 2021 by the launch of operations in three new cities: Brazzaville (Congo Brazzaville) in April, Ouagadougou (Burkina Faso) in June, and Kinshasa (DRC) in December.

1.3.8 Corporate

In 2021, Corporate's EBITA was a net charge of €110 million, compared to a net charge of €138 million in 2020, a favorable change of €28 million, mainly due to non-recurring pension items recognized in 2021. Please refer to Note 20 to the Consolidated Financial Statements for the year ended December 31, 2021.

2 Liquidity and capital resources

2.1 Liquidity and equity portfolio

Preliminary comments:

- *The "Net Cash Position" and the "Financial Net Debt", non-GAAP measures, 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 these to be relevant indicators of the group's liquidity and capital resources. Vivendi Management uses these indicators for reporting, management and planning purposes.*
- *The "Net Cash Position" (and 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 meet the qualification requirements of 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 meet the criteria for classification as cash equivalents set forth in IAS 7, and, with respect to money market funds, the qualification requirements of ANC's and AMF's decision released in November 2018. In addition, Vivendi SE and Compagnie de l'Odet, as well as Vivendi SE and Bolloré SE, entered into a cash management agreement on October 26, 2021 and March 20, 2020, respectively, providing for advance payments, repayable at Vivendi SE's first request (please refer to Note 17 to the Consolidated Financial Statements for the year ended December 31, 2021); 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 17 "Cash position" and Note 22 "Borrowings and other financial liabilities" to the Consolidated Financial Statements for the year ended December 31, 2021.*

2.1.1 Liquidity

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	December 31, 2021	December 31, 2020
Cash and cash equivalents		3,328	976
Cash management financial assets		1,116	120
Cash position	17	**4,444**	**1,096**
Bonds		(4,050)	(5,050)
Bank credit facilities		(23)	(661)
Short-term marketable securities		-	(310)
Other		(23)	(28)
Borrowings at amortized cost	22	**(4,096)**	**(6,049)**
Net Cash Position/(Financial Net Debt)		**348**	**(4,953)**

2.1.2 Change in liquidity

(in millions of euros)	Cash and cash equivalents	Borrowings at amortized cost and other financial items (a)	Net Cash Position / (Financial Net Debt)
Financial Net Debt as of December 31, 2020	**976**	**(5,929)**	**(4,953)**
(Outflows) / inflows of continuing operations:	**1,840**	**2,309**	**4,149**
Operating activities	1,034	-	1,034
Investing activities	(2,286)	988	(1,298)
Financing activities	3,078	1,279	4,357
Foreign currency translation adjustments	14	42	56
(Outflows) / inflows of discontinued operations:	**512**	**640**	**1,152**
Operating activities	603	-	603
Investing activities	(1,466)	2,169	703
Financing activities	1,356	(1,509)	(153)
Foreign currency translation adjustments	19	(20)	(1)
Net Cash Position as of December 31, 2021	**3,328**	**(2,980)**	**348**

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

As of December 31, 2021, Vivendi's Net Cash Position amounted to €348 million, compared to a Financial Net Debt of -€4,953 million as of December 31, 2020, i.e., a favorable change of €5,301 million. This improvement was mainly attributable to the following items:

- on January 29, 2021, Vivendi received a cash inflow of €2,847 million from the sale of an additional 10% of the share capital of Universal Music Group (UMG) to the Tencent-led consortium;
- on August 10, 2021 and September 9, 2021, Vivendi received a total cash inflow of €3,360 million from the sale of 10% of UMG's share capital to Pershing Square Holdings and affiliates;
- cash flows generated by UMG until its deconsolidation and the impact of the deconsolidation of UMG; i.e., an overall favorable impact of €1,152 million, which breaks down as follows:
  - the impact of cash flow from operations (CFFO) and investments generated by UMG for the period ending on September 22, 2021 (+€619 million);
  - the change in UMG's gross financial debt for the period ending on September 22, 2021 (-€153 million);
  - the impact of the deconsolidation of UMG's financial net debt as of September 22, 2021 (+€1,741 million, including gross financial debt of €2,169 million, net of cash and cash equivalents of €428 million);
  - tax paid by Vivendi SE on the distribution of 59.87% of UMG's share capital (-€774 million); and
  - other expenses paid as part of the distribution of 59.87% of UMG's share capital (-€280 million).

  As a reminder, in accordance with IFRS 5, cash flows generated by UMG until its deconsolidation and the impact of the deconsolidation of UMG are presented as "Cash flows from the discontinued operations". For a detailed description, please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2021; and
- cash flow from operations (CFFO) generated by the group's operations for €748 million.

These items were partially offset by the following:

- on December 16, 2021, Vivendi completed the acquisition of Lagardère shares from Amber Capital for a total amount of €610 million. As a reminder, on September 27, 2021, in consideration for the pledge of the Lagardère shares held by Amber Capital, Vivendi granted a cash collateral of €595 million to the benefit of Amber Capital for the remaining Lagardère shares held by it, representing 17.5% of Lagardère's share capital (please refer to Note 2.1 to the Consolidated Financial Statements for the year ended December 31, 2021);
- on June 25, 2021, Vivendi paid a dividend in respect of fiscal year 2020 of €0.60 per share, representing a €653 million outflow;
- on May 31, 2021, Vivendi completed the acquisition of 100% of Prisma Media (please refer to Note 2.2 to the Consolidated Financial Statements for the year ended December 31, 2021);
- on January 25, 2021, Vivendi announced the acquisition of 9.9% of PRISA's share capital. PRISA is the leader in Spanish-speaking media and education;

- in 2021, Vivendi acquired shares in Multichoice for €143 million, crossing the threshold of 15% of capital;
- Vivendi repurchased its own shares for €693 million (please refer to Note 18 to the Consolidated Financial Statements for the year ended December 31, 2021); and
- net cash outflows from continuing operations relating to income taxes for €107 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 22.3 to the Consolidated Financial Statements for the year ended December 31, 2021) will be sufficient to cover the 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 ordinary authorizations, as well as its investment projects, in particular commitments related to the public tender offer for the shares of Lagardère SA (please refer to Note 2.1 to the Consolidated Financial Statements for the year ended December 31, 2021), for the next 12 months.

As of December 31, 2021, Vivendi held a portfolio of listed non-controlling equity interests (including Universal Music Group, Telecom Italia and Lagardère) with an aggregate market value of approximately €9.0 billion (before taxes), compared to €5.3 billion as of December 31, 2020, including Spotify and Tencent Music Entertainment held by UMG for €1.9 billion.

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.*
- *In accordance with IFRS 5, Cash Flows from Universal Music Group have been reported as follows:*
    - *its contribution until September 22, 2021, if any, to each line of Vivendi's Consolidated Statement of Cash Flows has been reported on the line "Cash Flows of discontinued operations";*
    - *in accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information; and*
    - *its cash flow from operations (CFFO), cash flow from operations before capital expenditures (CFFO before capex, net) and cash flow from operations after interest and income taxes (CFAIT) have been excluded from Vivendi's CFFO, CFFO before capex, net and CFAIT.*

(in millions of euros)	Year ended December 31, 2021	2020	% Change
Revenues	9,572	8,668	+10.4%
Operating expenses excluding depreciation and amortization	(8,393)	(7,732)	-8.6%
EBITDA	*1,179*	*936*	*+26.0%*
Restructuring charges paid	(94)	(94)	-0.1%
Content investments, net	22	36	-39.2%
of which film and television rights, net at Canal+ Group:			
Acquisition paid	*(400)*	*(471)*	+15.1%
Consumption	*457*	*615*	-25.6%
	57	*144*	*-60.1%*
of which sports rights, net at Canal+ Group:			
Acquisition paid	*(938)*	*(739)*	-26.4%
Consumption	*996*	*719*	+38.4%
	58	*(20)*	*na*
of which other rights and contents, net at Canal+ Group:			
Acquisition paid	*(238)*	*(207)*	-15.2%
Consumption	*207*	*165*	+25.3%
	(32)	*(42)*	*+24.5%*
Neutralization of change in provisions included in operating expenses	(31)	230	na
Other cash operating items	(10)	(3)	x 2.9
Other changes in net working capital	75	7	x 10.9
Net cash provided by/(used for) operating activities before income tax paid	***1,141***	***1,112***	***+2.6%***
Dividends received from equity affiliates and unconsolidated companies	218	69	x 3.2
Capital expenditures, net (capex, net)	(456)	(370)	-23.5%
Repayment of lease liabilities and related interest expenses (a)	(155)	(165)	+5.8%
Cash flow from operations (CFFO)	**748**	**646**	**+15.9%**
Interest paid, net	(34)	(22)	-53.4%
Other cash items related to financial activities	(28)	(18)	-61.8%
Income tax (paid)/received, net	(107)	117	na
Cash flow from operations after interest and income tax paid (CFAIT)	**579**	**723**	**-20.0%**

na: not applicable.

a. Included a €136 million repayment of lease liabilities and €19 million of related interest expenses for the year ended December 31, 2021 (compared to €142 million and €23 million for the year ended December 31, 2020, respectively).

2.2.1 Changes in cash flow from operations (CFFO)

In 2021, **cash flow from operations (CFFO)** generated by the group's business segments amounted to €748 million (compared to €646 million in 2020), a favorable increase of €102 million. This increase primarily reflected the growth of Vivendi Village (+€139 million) and the favorable growth of Corporate (+€64 million). It also included the impact of the consolidation of Prisma Media (€19 million). This increase was partially offset by the decline of Canal+ Group (-€96 million). Canal+ Group (€449 million) and Havas Group (€267 million) are the main contributors to the group's cash flow from operations (CFFO).

In 2021, the growth of Canal+ Group's activities was offset by the recovery in content investments (-€158 million), while in 2020, Canal+ Group benefited from the temporary postponement of certain content investments due to the pandemic outbreak. By contrast, the growth of Vivendi Village mainly resulted from the recovery of the ticketing activities (+€136 million), leading to a favorable change in working capital (+€105 million) due to the shutdown of live performance activities during last year's pandemic outbreak. In 2021, Vivendi SE notably received dividends from Mediaset (€102 million) and Telecom Italia (€36 million, same as 2020), and Canal+ Group notably received dividends from Multichoice (€21 million).

Furthermore, **capital expenditures** by the group's business segments amounted to €456 million (compared to €370 million in 2020), an increase of €86 million. This change notably reflected the deployment of a new generation of set-top boxes at Canal+ Group (+€39 million).

2.2.2 Cash flow from operations (CFFO) by business segment

(in millions of euros)	Year ended December 31, 2021	Year ended December 31, 2020	% Change
Canal+ Group	449	545	-17.6%
Havas Group	267	270	-0.9%
Editis	53	71	-26.2%
Prisma Media (a)	19	na	
Gameloft	(3)	(13)	
Vivendi Village	53	(86)	
New Initiatives	(101)	(88)	
Corporate	11	(53)	
Cash flow from operations (CFFO)	**748**	**646**	**+15.9%**

na: not applicable.

a. Vivendi has fully consolidated Prisma Media since June 1, 2021.

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

In 2021, **cash flow from operations after interest and income tax paid (CFAIT)** was a €579 million net inflow (compared to a €723 million net inflow in 2020), a decrease of €144 million. The increase in net cash flow from operations (+€102 million) was offset by an increase in the net outflow relating to income taxes (-€224 million) and financial activities (-€22 million).

In 2021, **cash flow relating to income taxes** was a €107 million net outflow, compared to a €117 million net inflow in 2020. As a reminder, in 2020, 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, 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.

In 2021, **financial activities** generated a €62 million net outflow (compared to €40 million in 2020). In 2021, this amount mainly included net interest paid (-€34 million, compared to -€22 million in 2020). In addition, cash outflows generated by foreign exchange risk hedging instruments was a -€18 million outflow (compared to a -€7 million outflow in 2020).

2.2.4 Reconciliation of CFAIT to net cash provided by operating activities

(in millions of euros)	Year ended December 31, 2021	Year ended December 31, 2020
Cash flow from operations after interest and income tax paid (CFAIT)	**579**	**723**
Adjustments		
Repayment of lease liabilities and related interest expenses	155	165
Capital expenditures, net (capex, net)	456	370
Dividends received from equity affiliates and unconsolidated companies	(218)	(69)
Interest paid, net	34	22
Other cash items related to financial activities	28	18
Net cash provided by operating activities of continued operations (a)	**1,034**	**1,229**
Net cash provided by operating activities of discontinued operations (a)	603	(3)
Net cash provided by operating activities (a)	**1,637**	**1,226**

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, 2021
Financial investments		
Acquisition of equity securities, including Prisma Media, Prisa and Multichoice	2 ; 15	(386)
Acquisition of equity securities in Lagardère	2	(612)
Acquisition of cash management financial assets	17	(364)
Advances under the Bolloré Group - Compagnie de l'Odet current account	24	(630)
Other financial investments		(132)
Total financial investments		**(2,124)**
Financial divestments		
Proceeds from sales of consolidated companies, after divested cash		-
Disposal of financial assets	15	76
Other financial divestments		-
Total financial divestments		**76**
Dividends received from equity affiliates and unconsolidated companies		218
Capital expenditures, net	5	(456)
Net cash provided by/(used for) investing activities of continuing operations (a)		**(2,286)**
Net cash provided by/(used for) investing activities of discontinued operations (a)		(1,466)
Net cash provided by/(used for) investing activities (a)		**(3,752)**

a. 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, 2021
Transactions with shareowners		
Sale of an additional 10% of UMG's share capital to Tencent	3	2,847
Sale of 10% of UMG's share capital to Pershing Square	3	3,360
Sale/(purchase) of Vivendi SE's treasury shares	18	(693)
Distribution to Vivendi SE's shareowners	18	(653)
Dividends paid by consolidated companies to their non-controlling interests		(40)
Exercise of stock subscription options by executive management and employees	21	18
Other		(264)
Total transactions with shareowners		**4,575**
Transactions on borrowings and other financial liabilities		
Redemption of bonds	22	(1,000)
Redemption of short-term marketable securities	22	(310)
Interest paid, net	7	(34)
Other		2
Total transactions on borrowings and other financial liabilities		**(1,342)**
Repayment of lease liabilities and related interest expenses	13 ; 7	(155)
Net cash provided by/(used for) financing activities of continuing operations (a)		**3,078**
Net cash provided by/(used for) financing activities of discontinued operations (a)		1,356
Net cash provided by/(used for) financing activities (a)		**4,434**

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

3 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.

In 2021, notwithstanding the uncertainties created by the COVID-19 pandemic and although its impacts were more significant in certain countries or on certain businesses than others, Vivendi showed resilience in adapting its business 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 pay television services, as well as Havas Group and Editis. However, as expected, the pandemic's effects continued to slow down certain businesses such as Vivendi Village (in particular live entertainment).

Vivendi continually monitors the current and potential consequences of the health crisis. To date, it is difficult to determine how it will impact Vivendi's results in 2022. Nevertheless, the Group remains confident in the resilience of its main businesses. It continues to make every effort to ensure the continuity of its business activities, as well as to best serve and entertain its customers and audiences while complying with the health guidelines of authorities in each country where it operates.

Russia's invasion of Ukraine in February 2022 is having a significant impact on the financial markets and the prices of certain commodities and will have repercussions on the entire world economy. Vivendi is mainly present in Ukraine through Gameloft, which is doing everything possible to support its teams in the country and limit the impact of the events on the delivery of its content. The Group also has communications activities in Ukraine through companies affiliated with Havas Group and is fully mobilized to help them as much as possible. At this time, it is not possible for Vivendi to assess the indirect consequences that the Ukraine crisis could have on its business activities.

In 2021, 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).

In 2021, Vivendi's liquidity increased by €5,301 million, from a Financial Net Debt of €4,953 million as of December 31, 2020, to a Net Cash Position of €348 million as of December 31, 2021. In addition, Vivendi has significant financing capacity. As of December 31, 2021, €2.8 billion of the group's committed credit facilities were available.

As of December 31, 2021, the average "economic" term of the group's gross 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 4.2 years (compared to 4.8 years as of December 31, 2020).

For a detailed description on borrowings and other financial liabilities and financial risk management, please refer to Note 22 to the Consolidated Financial Statements for the year ended December 31, 2021.

4 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

	2021			
(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				
Canal+ Group	1,357	1,425	1,467	1,521
Havas Group	502	546	590	703
Editis	163	209	230	254
Prisma Media (a)	-	29	75	90
Gameloft	55	65	64	81
Vivendi Village	8	16	37	43
New Initiatives	17	21	22	29
Elimination of intersegment transactions	(7)	(12)	(9)	(19)
Total Vivendi	**2,095**	**2,299**	**2,476**	**2,702**

	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				
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	(7)	(11)	(13)	(19)
Total Vivendi	**2,104**	**2,017**	**2,170**	**2,377**

a. Vivendi has fully consolidated Prisma Media since June 1, 2021 (please refer to Note 2.2 to the Consolidated Financial Statements for the year ended December 31, 2021).

2 Adjustment of comparative information

As from September 14, 2021, in accordance with IFRS 5 - Non-current assets held for sale and discontinued operations, Universal Music Group (UMG) was presented as a discontinued operation in Vivendi's Consolidated Financial Statements. On September 23, 2021, the payment date of the distribution in kind of UMG shares to Vivendi's shareholders, Vivendi ceded control of UMG and deconsolidated its 70% interest in UMG. For a detailed description of this transaction, please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2021.

Income and charges from Universal Music Group have been reported as follows:

- its contribution until September 22, 2021, if any, to each line of Vivendi's Consolidated Statement of Earnings (before non-controlling interests) has been reported on the line "Earnings from discontinued operations";
- in accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information; and
- the share of net income has been excluded from Vivendi's adjusted net income.

The adjustments to previously published data on revenues, adjusted earnings before interest and income taxes (EBITA), as well as adjusted net income are presented below.

Restated revenues

	2021		
(in millions of euros)	Three months ended March 31,	Three months ended June 30,	Six months ended June 30, 2021
Revenues (as published)	3,901	4,320	8,221
Reclassification related to the application of IFRS 5 to UMG	(1,806)	(2,021)	(3,827)
Revenues (restated)	**2,095**	**2,299**	**4,394**

	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 (as published)	3,870	3,706	4,022	4,492
Reclassification related to the application of IFRS 5 to UMG	(1,766)	(1,689)	(1,852)	(2,115)
Revenues (restated)	**2,104**	**2,017**	**2,170**	**2,377**

	2020		
(in millions of euros)	Six months ended June 30,	Nine months ended September 30,	Year ended December 31,
Revenues (as published)	7,576	11,598	16,090
Reclassification related to the application of IFRS 5 to UMG	(3,455)	(5,307)	(7,422)
Revenues (restated)	**4,121**	**6,291**	**8,668**

Restated adjusted earnings before interest and income taxes (EBITA)

(in millions of euros)	Six months ended June 30, 2021
EBITA (as published)	1,066
Reclassification related to the application of IFRS 5 to UMG	(753)
EBITA (restated)	**313**

(in millions of euros)	Six months ended June 30, 2020	Year ended December 31, 2020
EBITA (as published)	735	1,627
Reclassification related to the application of IFRS 5 to UMG	(567)	(1,329)
EBITA (restated)	**168**	**298**

Restated adjusted net income

(in millions of euros)	Six months ended June 30, 2021
Adjusted net income (as published)	724
Reclassification related to the application of IFRS 5 to UMG	(453)
Adjusted net income (restated)	**271**
Adjusted net income per share (as published)	0,67
Adjusted net income per share (restated)	**0,25**

(in millions of euros)	Six months ended June 30, 2020	Year ended December 31, 2020
Adjusted net income (as published)	583	1,228
Reclassification related to the application of IFRS 5 to UMG	(419)	(936)
Adjusted net income (restated)	**164**	**292**
Adjusted net income per share (as published)	0,51	1,08
Adjusted net income per share (restated)	**0,14**	**0,26**

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III- Audited Consolidated Financial Statements for the year ended December 31, 2021

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 2021.

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 2021 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 2021 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. Some of 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 some goodwill allocated to cash-generating units (CGUs) or groups of CGUs, notably Gameloft*** *(Notes 1.3.6.2, 1.3.6.8 and 11 to the consolidated financial statements)*

Key audit matter	Our response
As at 31 December 2021, goodwill is recorded in the balance sheet for a net carrying amount of €9,447 million, for a total balance sheet of €33,367 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 Gameloft totals €399 million after impairment of €(200)million recorded for the period. 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, sometimes with the assistance of an independent expert, 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. 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, with the assistance of our valuation experts. 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 samples we considered to be relevant based on 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 1.3.3 and 14.1 to the consolidated financial statements)*

Key audit matter	Our response
The net value of the Telecom Italia equity-accounted investment amounts to €2,390 million as at 31 December 2021, after impairment of €(728)million recognized for the period, corresponding to a value per share of €0.657. The recoverable amount was estimated using the usual valuation methods (value in use determined by discounting future cash flows, and fair value determined based on market data or recent acquisitions of similar companies). Your company used the services of an independent evaluator to assist you in the valuation of this asset's recoverable amount. Given the uncertain economic environment and the strategic changes liable to affect Telecom Italia's prospects, we consider the valuation 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.

- ***Measurement of the capital gain on the deconsolidation of the Universal Music Group***
(Notes 3.4 and 8.2 to the consolidated financial statements)

Key audit matter	Our response
As at 31 December 2021, the line "Earnings from discontinued operations" in the consolidated income statement includes a capital gain on the deconsolidation of its 70% investment in Universal Music Group (UMG), amounting to €24,840 million after tax and related costs, following an exceptional distribution of dividends corresponding to 59.87% of the capital shares of UMG, held by Vivendi, and then their effective distribution on 23 September following their listing on Euronext Amsterdam on 21 September 2021. This capital gain on deconsolidation is calculated based on the fair value of the deconsolidated assets on the basis of a value of €23.29 per UMG share, corresponding to the volume-weighted average UMG share price quoted over the five trading days following the payment of the dividends. We consider the measurement of the capital gain on the deconsolidation of UMG to be a key audit matter, given the materiality of the amounts at stake and the degree of judgement required for the determination of its value.	We obtained the detailed calculation and all the supporting documentation for the measurement of the capital gain on the deconsolidation of UMG, in accordance with IFRS 13, and its presentation, in accordance with IFRS 5. In particular: - We assessed the method used to measure the fair value of the deconsolidated assets (price of 23.29 euros per share); - We gained an understanding of the audit procedures performed by the auditors of the UMG group and of their findings as at 30 September 2021, and of any adjustments performed by Vivendi on the material transactions carried out between 23 and 30 September 2021; - We reviewed the legal documentation related to these transactions; - We analyzed the tax treatment with the assistance of our tax experts; - We assessed the nature of the costs taken into account in the calculation of the capital gain, and the related documentation; - We redid the arithmetical calculation of the amount of the capital gain. Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.

- ***Analysis of the disputes with the foreign institutional investors***
  (Notes 1.3.9, 1.5, 19 and 26 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 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 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 provided 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 Group management report, it being specified that, in accordance with Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

- **Format of presentation of the consolidated financial statements intended to be included in the annual financial report**

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chairman of the Management Board, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF *(Autorité des marchés financiers)* agree with those on which we have performed our work.

- **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 ET ASSOCIES and on 15 June 2000 for ERNST & YOUNG et Autres.

As at 31 December 2021, DELOITTE ET ASSOCIES was in its fifth year and ERNST & YOUNG et Autres in its twenty-second 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, 10 March 2022

The Statutory Auditors
French original signed by:

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

Preliminary comments:

As from September 14, 2021, in accordance with IFRS 5 - Non-current assets held for sale and discontinued operations, Universal Music Group (UMG) was presented as a discontinued operation in Vivendi's Consolidated Financial Statements. On September 23, 2021, the payment date of the distribution in kind of UMG shares to Vivendi's shareholders, Vivendi ceded control of UMG and deconsolidated its 70% interest in UMG. For a detailed description of this transaction, please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2021.

The adjustments to previously published data are presented in Note 31 to the Consolidated Financial Statements for the year ended December 31, 2021. These adjustments were made in respect of data from the Consolidated Statement of Earnings and Cash Flows.

Consolidated Statement of Earnings

	Note	Year ended December 31, 2021	2020
Revenues	5	**9,572**	**8,668**
Cost of revenues		(5,360)	(4,904)
Selling, general and administrative expenses		(3,619)	(3,421)
Restructuring charges	5	(49)	(86)
Impairment losses on intangible assets acquired through business combinations	5	(230)	-
Income from equity affiliates - operational		90	(9)
Earnings before interest and income taxes (EBIT)	5	**404**	**248**
Income from equity affiliates - non-operational	14	(13)	126
Interest	7	(34)	(22)
Income from investments		150	35
Other financial income	7	34	99
Other financial charges	7	(861)	(87)
		(711)	***25***
Earnings before provision for income taxes		**(320)**	**399**
Provision for income taxes	8	(218)	(163)
Earnings from continuing operations		**(538)**	**236**
Earnings from discontinued operations	3	25,413	1,371
Earnings		**24,875**	**1,607**
Of which			
Earnings attributable to Vivendi SE shareowners		**24,692**	**1,440**
of which earnings from continuing operations attributable to Vivendi SE shareowners		(600)	199
earnings from discontinued operations attributable de Vivendi SE shareowners		25,292	1,241
Non-controlling interests		**183**	**167**
of which earnings from continuing operations		62	37
earnings from discontinued operations		121	130
Earnings from continuing operations attributable to Vivendi SE shareowners per share - basic	9	(0.56)	0.17
Earnings from continuing operations attributable to Vivendi SE shareowners per share - diluted	9	(0.56)	0.17
Earnings from discontinued operations attributable to Vivendi SE shareowners per share - basic	9	23.50	1.09
Earnings from discontinued operations attributable to Vivendi SE shareowners per share - diluted	9	23.43	1.09
Earnings attributable to Vivendi SE shareowners per share - basic	9	**22.94**	**1.26**
Earnings attributable to Vivendi SE shareowners per share - diluted	9	22.87	1.26

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, 2021	Year ended December 31, 2020
Earnings		**24,875**	**1,607**
Actuarial gains/(losses) related to employee defined benefit plans, net		50	12
Financial assets at fair value through other comprehensive income		59	(118)
Comprehensive income from equity affiliates, net	14	4	2
Items not subsequently reclassified to profit or loss		**113**	**(104)**
Foreign currency translation adjustments		342	(672)
Unrealized gains/(losses), net		1	2
Comprehensive income from equity affiliates, net	14	32	(167)
Other impacts, net		42	(1)
Items to be subsequently reclassified to profit or loss		**417**	**(838)**
Charges and income directly recognized in equity	10	**530**	**(942)**
Total comprehensive income		**25,405**	**665**
Of which			
Total comprehensive income attributable to Vivendi SE shareowners		**25,171**	**576**
Total comprehensive income attributable to non-controlling interests		234	89

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

Consolidated Statement of Financial Position

(in millions of euros)	Note	December 31, 2021	December 31, 2020
ASSETS			
Goodwill	11	9,447	14,183
Non-current content assets	12	336	3,902
Other intangible assets		777	848
Property, plant and equipment		961	1,125
Rights-of-use relating to leases	13	766	1,068
Investments in equity affiliates	14	8,398	3,542
Non-current financial assets	15	1,727	4,285
Deferred tax assets	8	234	736
Non-current assets		**22,646**	**29,689**
Inventories		256	366
Current tax receivables	8	101	128
Current content assets	12	861	1,346
Trade accounts receivable and other	16	5,039	5,482
Current financial assets	15	1,136	135
Cash and cash equivalents	17	3,328	976
Current assets		**10,721**	**8,433**
TOTAL ASSETS		**33,367**	**38,122**
EQUITY AND LIABILITIES			
Share capital		6,097	6,523
Additional paid-in capital		865	2,368
Treasury shares		(971)	(2,441)
Retained earnings and other		12,990	9,309
Vivendi SE shareowners' equity		**18,981**	**15,759**
Non-controlling interests		213	672
Total equity	18	**19,194**	**16,431**
Non-current provisions	19	678	1,060
Long-term borrowings and other financial liabilities	22	3,496	4,171
Deferred tax liabilities	8	395	1,166
Long-term lease liabilities	13	758	1,070
Other non-current liabilities		48	916
Non-current liabilities		**5,375**	**8,383**
Current provisions	19	467	670
Short-term borrowings and other financial liabilities	22	783	2,230
Trade accounts payable and other	16	7,363	10,095
Short-term lease liabilities	13	125	221
Current tax payables	8	61	92
Current liabilities		**8,798**	**13,308**
Total liabilities		**14,173**	**21,692**
TOTAL EQUITY AND LIABILITIES		**33,367**	**38,122**

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, 2021	2020
Operating activities			
EBIT	6	404	248
Adjustments	23	640	821
Content investments, net		22	36
Gross cash provided by operating activities before income tax paid		***1,066***	***1,105***
Other changes in net working capital		75	7
Net cash provided by operating activities before income tax paid		***1,141***	***1,112***
Income tax (paid)/received, net	8	(107)	117
Net cash provided by operating activities of continuing operations		**1,034**	**1,229**
Net cash provided by operating activities of discontinued operations	3	603	(3)
Net cash provided by operating activities		**1,637**	**1,226**
Investing activities			
Capital expenditures	5	(460)	(373)
Purchases of consolidated companies, after acquired cash	2	(254)	(92)
Investments in equity affiliates	14	(612)	(118)
Increase in financial assets	15	(1,258)	(1,425)
Investments		***(2,584)***	***(2,008)***
Proceeds from sales of property, plant, equipment and intangible assets	5	4	3
Proceeds from sales of consolidated companies, after divested cash	3	-	64
Disposal of equity affiliates	14	-	9
Decrease in financial assets	15	76	249
Divestitures		***80***	***325***
Dividends received from equity affiliates	14	74	39
Dividends received from unconsolidated companies	15	144	30
Net cash provided by/(used for) investing activities of continuing operations		**(2,286)**	**(1,614)**
Net cash provided by/(used for) investing activities of discontinued operations	3	(1,466)	(31)
Net cash provided by/(used for) investing activities		**(3,752)**	**(1,645)**
Financing activities			
Net proceeds from issuance of common shares in connection with Vivendi SE's share-based compensation plans	21	18	153
Sales/(purchases) of Vivendi SE's treasury shares	18	(693)	(2,157)
Distributions to Vivendi SE's shareowners	18	(653)	(690)
Other transactions with shareowners	2 ; 3	5,943	2,784
Dividends paid by consolidated companies to their non-controlling interests		(40)	(65)
Transactions with shareowners		***4,575***	***25***
Setting up of long-term borrowings and increase in other long-term financial liabilities	22	5	5
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	22	(3)	(1)
Principal payment on short-term borrowings	22	(1,375)	(1,061)
Other changes in short-term borrowings and other financial liabilities	22	93	35
Interest paid, net	7	(34)	(22)
Other cash items related to financial activities		(28)	(18)
Transactions on borrowings and other financial liabilities		***(1,342)***	***(1,062)***
Repayment of lease liabilities and related interest expenses	13 ; 7	(155)	(165)
Net cash provided by/(used for) financing activities of continuing operations		**3,078**	**(1,202)**
Net cash provided by/(used for) financing activities of discontinued operations	3	1,356	527
Net cash provided by/(used for) financing activities		**4,434**	**(675)**
Foreign currency translation adjustments of continuing operations		14	(24)
Foreign currency translation adjustments of discontinued operations		19	(36)
Change in cash and cash equivalents		**2,352**	**(1,154)**
Cash and cash equivalents			
At beginning of the period	17	**976**	**2,130**
At end of the period	17	**3,328**	**976**

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

Consolidated Statements of Changes in Equity

Year ended December 31, 2021		**Capital**					**Retained earnings and other**			**Total equity**
		Common shares		Additional paid-in capital	Treasury shares	Subtotal	Retained earnings	Other comprehensive income	Subtotal	
(in millions of euros, except number of shares)	Note	*Number of shares (in thousands)*	Share capital							
BALANCE AS OF DECEMBER 31, 2020		***1,185,996***	**6,523**	**2,368**	**(2,441)**	**6,450**	**11,827**	**(1,846)**	**9,981**	**16,431**
Attributable to Vivendi SE shareowners		***1,185,996***	***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***
Contributions by (distributions to) Vivendi SE shareowners		***(77,435)***	**(426)**	**(1,503)**	**1,470**	**(459)**	**(25,948)**	**-**	**(25,948)**	**(26,407)**
Capital reduction through cancellation of treasury shares		*(78,662)*	(433)	(1,514)	1,952	5	(5)	-	(5)	-
Sales/(purchases) of treasury shares	18	-	-	-	(504)	(504)	-	-	-	(504)
Dividend paid on June 25, 2021 with respect to fiscal year 2020 (€0.60 per share)	18	-	-	-	-	-	(653)	-	(653)	(653)
Distribution of 59.87% of Universal Music Group's share capital paid on September 23, 2021	3	-	-	-	-	-	(25,284)	-	(25,284)	(25,284)
Capital increase related to share-based compensation plans	21	*1,227*	7	11	22	40	(6)	-	(6)	34
of which exercise of stock-options by executive management and employees		*1,227*	*7*	*11*	*-*	*18*	*-*	*-*	*-*	*18*
Changes in non-controlling interests that result in a gain/(loss) of control		**-**	**-**	**-**	**-**	**-**	**33**	**(514)**	**(481)**	**(481)**
of which distribution of 59.87% of Universal Music Group's share capital paid on September 23, 2021	3	*-*	*-*	*-*	*-*	*-*	*33*	*(514)*	*(481)*	*(481)*
Changes in Vivendi SE's ownership interest in its subsidiaries that do not result in a loss of control		**-**	**-**	**-**	**-**	**-**	**5,017**	**(79)**	**4,938**	**4,938**
of which sale of an additional 20% of Universal Music Group's share capital	3	*-*	*-*	*-*	*-*	*-*	*5,052*	*(78)*	*4,974*	*4,974*
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SE SHAREOWNERS (A)		***(77,435)***	**(426)**	**(1,503)**	**1,470**	**(459)**	**(20,898)**	**(593)**	**(21,491)**	**(21,950)**
Contributions by (distributions to) non-controlling interests		-	-	-	-	-	(126)	-	(126)	(126)
Changes in non-controlling interests that result in a gain/(loss) of control		-	-	-	-	-	(1,407)	(152)	(1,559)	(1,559)
of which distribution of 59.87% of Universal Music Group's share capital paid on September 23, 2021		*-*	*-*	*-*	*-*	*-*	*(1,408)*	*(152)*	*(1,560)*	*(1,560)*
Changes in non-controlling interests that do not result in a gain/(loss) of control		-	-	-	-	-	915	78	993	993
of which sale of an additional 20% of Universal Music Group's share capital	3	*-*	*-*	*-*	*-*	*-*	*914*	*78*	*992*	*992*
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)		**-**	**-**	**-**	**-**	**-**	**(618)**	**(74)**	**(692)**	**(692)**
Earnings		-	-	-	-	-	24,875	-	24,875	24,875
Charges and income directly recognized in equity	10	-	-	-	-	-	42	488	530	530
TOTAL COMPREHENSIVE INCOME (C)		**-**	**-**	**-**	**-**	**-**	**24,917**	**488**	**25,405**	**25,405**
TOTAL CHANGES OVER THE PERIOD (A+B+C)		***(77,435)***	***(426)***	***(1,503)***	***1,470***	***(459)***	***3,401***	***(179)***	***3,222***	***2,763***
Attributable to Vivendi SE shareowners		*(77,435)*	*(426)*	*(1,503)*	*1,470*	*(459)*	*3,832*	*(151)*	*3,681*	*3,222*
Attributable to non-controlling interests		*-*	*-*	*-*	*-*	*-*	*(431)*	*(28)*	*(459)*	*(459)*
BALANCE AS OF DECEMBER 31, 2021		***1,108,561***	**6,097**	**865**	**(971)**	**5,991**	**15,228**	**(2,025)**	**13,203**	**19,194**
Attributable to Vivendi SE shareowners		***1,108,561***	***6,097***	***865***	***(971)***	***5,991***	***14,982***	***(1,992)***	***12,990***	***18,981***
Attributable to non-controlling interests		***-***	***-***	***-***	***-***	***-***	***246***	***(33)***	***213***	***213***

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

Year ended December 31, 2020

(in millions of euros, except number of shares)	Capital: Common shares – Number of shares (in thousands)	Capital: Common shares – Share capital	Capital: Additional paid-in capital	Capital: Treasury shares	Capital: Subtotal	Retained earnings and other: Retained earnings	Retained earnings and other: Other comprehensive income	Retained earnings and other: Subtotal	Total equity
BALANCE AS OF DECEMBER 31, 2019	***1,184,576***	**6,515**	**2,353**	**(694)**	**8,174**	**8,303**	**(902)**	**7,401**	**15,575**
Attributable to Vivendi SE shareowners	***1,184,576***	***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	-	-	-	(1,986)	(1,986)	-	-	-	(1,986)
Dividend paid on April 23, 2020 with respect to fiscal year 2019 (€0.60 per share)	-	-	-	-	-	(690)	-	(690)	(690)
Capital increase related to share-based compensation plans	*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	-	-	-	-	-	*2,419*	*(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	-	-	-	-	-	*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	-	-	-	-	-	-	(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	***1,185,996***	**6,523**	**2,368**	**(2,441)**	**6,450**	**11,827**	**(1,846)**	**9,981**	**16,431**
Attributable to Vivendi SE shareowners	***1,185,996***	***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***

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 (SE) 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's shares are 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. 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 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. Prisma Media is the market leader in French magazine publishing, online video and daily digital audience. 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, the United Kingdom 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.

As from September 14, 2021, in accordance with IFRS 5 - *Non-current assets held for sale and discontinued operations*, Universal Music Group (UMG) was presented as a discontinued operation in Vivendi's Consolidated Financial Statements. On September 23, 2021, the payment date of the distribution in kind of UMG shares to Vivendi's shareholders, Vivendi ceded control of UMG and deconsolidated its 70% interest in UMG. For a detailed description of this transaction, please refer to Note 3.

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 7, 2022, at a meeting held at the headquarters of Vivendi, the Management Board approved the Financial Report and the Audited Consolidated Financial Statements for the year ended December 31, 2021. They were reviewed by the Audit Committee at its meeting held on March 7, 2022 and by the Supervisory Board at its meeting held on March 9, 2022.

The Consolidated Financial Statements for the year ended December 31, 2021 will be submitted to Vivendi's shareholders for approval at the Annual General Shareholders' Meeting to be held on April 25, 2022.

Note 1 Accounting policies and valuation methods

1.1 Compliance with accounting standards

The 2021 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, 2021.

Amendments to IFRS standards and IFRIC interpretations issued by the IASB applicable as from January 1, 2021, had no material impact on Vivendi's Consolidated Financial Statements.

In particular, the application of the final agenda decision of May 2021 relating to IAS 19 – *Employee Benefits*, regarding the attribution of post-employment benefits to periods of service or periods of benefits' accrual under certain defined benefit pension plans for which benefits accrued are conditional on the beneficiary's presence at retirement date had no material impact for Vivendi.

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 7.

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), 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 of 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.

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 "Adjusted Earnings Before Interest and Tax" (EBITA).

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 of 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 2020 and 2019 Consolidated Financial Statements to conform to the presentation of the 2021 and 2020 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 to be provided. 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 1.3.5);
- goodwill and other intangible assets: valuation methods used to identify intangible assets acquired through business combinations (please refer to Note 1.3.6.2);
- 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 1.3.6.8 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 1.3.9 and 19);
- 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 1.3.9 and 20);
- share-based compensation: assumptions are updated annually, such as the estimated term, volatility and the estimated dividend yield (please refer to Notes 1.3.11 and 21);
- lease liabilities and right-of-use assets, at the commencement date of each lease contract please refer to Notes 1.3.6.7 and 13):

   - 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 1.3.10 and 8); and
- certain financial instruments: valuation method at fair value defined according to the three following classification levels (please refer to Notes 1.3.6.9, 1.3.8, 15, 17 and 22):
   - 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 Consideration of climate change

The preparation of financial statements involves taking into account climate change issues, in particular in the context of the information presented in Chapter 2, "Non-financial performance" of the 2021 Universal Registration Document.

The consequences of climate change and the commitments made by Vivendi described in this chapter had no significant impact on Vivendi's Consolidated Financial Statements as at December 31, 2021.

In addition, Vivendi Management ensured that the assumptions supporting the estimates of the Consolidated Financial Statements incorporate the future effects deemed to be the most probable relating to these issues (e.g., assumptions used for goodwill impairment testing). Vivendi considers that the consequences of climate change and the commitments made by the group do not have a significant impact on its medium-term activities.

1.3.3 Principles of consolidation

For a list of Vivendi's major subsidiaries, joint ventures and associated entities, please refer to Note 27.

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.

1.3.4 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, except for 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.

1.3.5 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

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 the "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.

1.3.5.1 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 the "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 the "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

Regarding 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)

These intellectual property licenses are static licenses transferring to the customer a right to use Canal+ Group'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 movies, net of a provision for estimated returns (please refer to Note 1.3.5.6) 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.

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 the "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.

1.3.5.2 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 the "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 the "principal".

When Havas Group acts as the "principal", certain pass-through costs chargeable 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 chargeable 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.

1.3.5.3 Editis

Physical sales of books

The intellectual property licenses presented in Note 1.3.6.3 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 1.3.5.6) and rebates, if any, are accounted for at the shipping point of products.

1.3.5.4 Prisma Media

Press Release - Magazine

Revenues from sales linked to the distribution of press and magazines on physical and/or digital media, net of a provision for estimated returns (see note 1.3.5.6) are accounted for on the publication date of the issue, commonly on the delivery date, these two dates being generally concomitant.

Sales of advertising spaces

The advertising display in an issue or on a digital medium is an advertising impression corresponding to a distinct performance obligation, satisfied at a point in time, when the advertisements are published.

Revenue from the sale of advertising space, net of rebates if any, are accounted for when the advertising impressions are produced, i.e., when the advertisements are published. Prisma Media is usually the "principal" in the sale transaction with the customer, notably when Prisma Media is responsible for the execution and setting the price.

Sales of advertising spaces can be made through non-monetary exchange transactions and are accounted for in the balance sheet at their fair value and are reversed on the date on which the performance obligation is satisfied.

1.3.5.5 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, add-ins, 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 the "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 the "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.

1.3.5.6 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.

1.3.6 Assets

1.3.6.1 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.

1.3.6.2 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 1.3.6.8 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.

1.3.6.3 Content assets

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.

1.3.6.4 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.

1.3.6.5 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, catalogs, trade names, subscribers' bases and market shares generated internally are not recognized as intangible assets.

1.3.6.6 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.

1.3.6.7 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 its residual lease term at this date and its 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). 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).

1.3.6.8 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 11.

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.

1.3.6.9 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 1.3.8) 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.

1.3.6.10 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.

1.3.6.11 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.

1.3.6.12 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.

1.3.7 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.

Accounting principles and valuation methods applicable specifically to Universal Music Group (UMG), a business divested in 2021

Revenues and associated costs

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 the "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 1.3.5.6) 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.

Content assets

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.

1.3.8 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.

1.3.9 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 over the vesting period. 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 20. 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.

1.3.10 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.

1.3.11 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 21 for details of the features of these plans.

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 27). 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 to 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

IFRS standards and IFRIC interpretations issued by the IASB and endorsed by the EU as of the date of approval of these Consolidated Financial Statements, but which are not yet effective, and for which Vivendi has not elected for an earlier application, should have no material impact on Vivendi's Consolidated Financial Statements.

Note 2 Major events

2.1 Increased ownership in Lagardère and proposed public tender offer

On August 10, 2020, Vivendi and Amber Capital, not acting in concert, entered into a shareholders' agreement providing for a five-year reciprocal first offer and pre-emption rights relating to Lagardère shares.

On September 14, 2021, Vivendi and Amber Capital entered into a conditional sale and purchase agreement pursuant to which Vivendi agreed to acquire 25,305,448 Lagardère shares from Amber Capital at a price of €24.10 per share.

Further to the announcement made on September 15, 2021, on September 28, 2021, Vivendi completed the acquisition of a minority portion of these shares, i.e., 620,340 Lagardère shares from Amber Capital for a total consideration of €15 million.

On December 9, 2021, Vivendi announced that its Management Board had authorized the acquisition of the remaining Lagardère shares from Amber Capital and that authorizations to acquire the control of Lagardère would be applied for by Vivendi with the European Commission and other relevant competition authorities in the course of 2022.

On December 16, 2021, Vivendi completed the acquisition of the remaining 24,685,108 Lagardère shares from Amber Capital, representing 17.5% of Lagardère's share capital, at a price of €24.10 per share, i.e., €595 million. Pursuant to this acquisition, Vivendi owns 45.13% of Lagardère's share capital.

As a result of the completion of this acquisition, in compliance with applicable rules and regulations, Vivendi announced on December 16, 2021, its intention to file with the *Autorité des marchés financiers* (the "AMF", the French securities regulator), a proposed public tender offer for all Lagardère shares not yet owned by it at a price of €24.10 per share, the same price paid to Amber Capital. The filing of this proposed tender offer was made as of February 21, 2022 (see below). This offer is not conditioned upon obtaining any regulatory authorization other than the conformity statement by the French securities regulator.

As announced on December 9, 2021, pursuant to Article 7(2) of Regulation (EC) No 139/2004 on the control of concentrations between undertakings, Vivendi will not exercise the voting rights attached to all of the Lagardère shares acquired from Amber Capital, or that will be tendered into its mandatory tender offer, until the approvals required for the acquisition of the control of Lagardère are received from the competition authorities. During this period, Vivendi's interest in Lagardère will amount to 22.3% of the theoretical voting rights.

The acquisition by Vivendi of Amber Capital's Lagardère shares terminates the Lagardère shareholders' agreement, dated as of August 10, 2020, entered into by and between Amber Capital and Vivendi.

As of December 31, 2021, Vivendi held 45.13% of the share capital and 22.3% of the theoretical voting rights of Lagardère SA. Since July 1, 2021, Lagardère is accounted for under the equity method by Vivendi (please refer to Note 14).

On February 18, 2022, as part of the proposed public tender offer for the shares of Lagardère declared on December 16, 2021, Vivendi decided to guarantee to Lagardère shareholders the per share price of €24.10 until December 15, 2023, and to increase the price of its tender offer to €25.50 per share, from which the 2021 Lagardère dividend would be deducted, to the shareholders who would elect to sell their shares immediately.

On February 21, 2022, Vivendi filed a draft public tender offer document for the shares of Lagardère SA with the French securities regulator (*Autorité des marchés financiers*).

On that date, Vivendi, which held 63,693,239 Lagardère shares with an equal number of voting rights, representing 45.13% of the share capital and 37.10% of the voting rights of this company[9], irrevocably undertook:

- as a Principal Offer, to acquire, at a price of €25.50 per share (dividend attached), all the outstanding Lagardère shares that it did not own, i.e., a total of 77,440,047 shares, representing 54.87% of the share capital of this company, as well as shares that may be issued as a result of the final acquisition and delivery of free shares, i.e., a maximum of 345,960 Lagardère shares; and
- as a Subsidiary Offer, to offer Lagardère shareholders, subject to a proration and allocation adjustment, for each Lagardère share tendered into the Subsidiary Offer and not withdrawn until the closing date (inclusive) of the public tender offer, or if applicable, the reopened offer, a right (a transfer right) to sell such share to Vivendi at a price of €24.10 until December 15, 2023 (inclusive).

These transfer rights will be transferable but not tradable and exercisable from the day after the settlement-delivery date of the reopened offer until December 15, 2023 (both dates inclusive). Transfer rights not exercised by the end of the exercise period will lapse. Each transfer right entitles its holder to transfer to Vivendi only one Lagardère share and may be exercised only once.

If the number of shares tendered into the Principal Offer during the initial offer period is insufficient to enable Vivendi to reach 51% of Lagardère's share capital outstanding as of the closing date of the initial offer period, i.e., 71,977,976 shares as of February 21, 2022 (the

[9] Based on a share capital of 141,133,286 shares, representing 171,693,464 voting rights pursuant to Article 223-11 paragraph 2 of the AMF General Regulation.

validity threshold), Vivendi will acquire for cash at the offer price under the Principal Offer such portion of shares tendered into the Secondary Offer as is necessary to reach the validity threshold.

Pursuant to Article 231-9, I of the AMF General Regulation, the public tender offer will lapse if, at the closing date of the initial offer period, Vivendi does not hold a number of shares representing more than 50% of the share capital or voting rights of Lagardère.

Vivendi does not intend to request the implementation of a mandatory squeeze-out following closing of the public tender offer, or to request the delisting of Lagardère's shares from Euronext Paris.

In support of the proposed offer, Vivendi filed a draft tender offer document (*note d'information*) (Article 231-18 of the AMF General Regulation) with the AMF, which is being distributed pursuant to Articles 231-13 and 231-16 of the AMF General Regulation.

Lagardère's draft document in response to the public tender offer, including the independent appraiser's report and the reasoned opinion of Lagardère's board of directors, will be subsequently filed with the AMF (Article 231-26 I, 2° of the AMF General Regulation).

As a reminder, the provisions of the AMF General Regulation relating to trading in Lagardère securities (Articles 231-38 to 231-43 of the AMF General Regulation) and the reporting of transactions on Lagardère securities (Articles 231-44 to 231-52 of the AMF General regulation) are applicable.

If this offer is successful and the required regulatory approvals are obtained, Vivendi would like Arnaud Lagardère to remain as Chairman and Chief Executive Officer of Lagardère and intends to continue to rely on the skills of his management team.

The indicative timetable envisages the opening of the offer on April 14, 2022, for a period of 25 market days.

2.2 Acquisition of Prisma Media

On December 14, 2020, Vivendi announced that it had entered into exclusive negotiations to acquire 100% of Prisma Media. Then, 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 acquisition was subject to the information and consultation process with Prisma Media's employee representative bodies as well as finalization of the legal documentation.

On April 29, 2021, the French Competition Authority authorized the transaction unconditionally, and on May 31, 2021, Vivendi completed the acquisition of 100% of Prisma Media's share capital.

Prisma Media is France's number one magazine publishing group, in print and digital, with some 20 leading brands.

As of May 31, 2021, provisional goodwill amounted to €208 million. The purchase price and its allocation will be finalized within the twelve months following the acquisition date, as prescribed by accounting methods.

2.3 Fininvest and MediaForEurope (formerly Mediaset) agreements

On May 3, 2021, Vivendi, Fininvest and Mediaset reached a global agreement to put an end to their disputes by terminating all litigation and waiving all claims between them.

Vivendi will support Mediaset's international development by voting in favor of the transfer of Mediaset's headquarters to the Netherlands and of the proposed resolutions on the termination of the double voting right mechanism. In addition, Vivendi and Mediaset entered into a good neighbor agreement in free-to-air television and standstill commitments for a 5-year term.

On June 23, 2021, at the Annual General Meeting of Mediaset, Fininvest proposed the distribution to all shareholders of an extraordinary dividend of €0.30 per share for payment on July 21, 2021 representing an aggregate amount of €102 million for Vivendi; Vivendi and Fininvest undertook to vote in favor of such resolution.

Vivendi has undertaken to progressively sell on the market the entire 19.19% stake in Mediaset's share capital held by Simon Fiduciaria SpA over a period of five years. Fininvest will have the right to purchase any unsold shares in each 12-month period, at the established annual price.

On July 22, 2021, Vivendi, Fininvest and Mediaset announced the closing of the global agreement reached on May 3, 2021, to put an end to their disputes, mutually waiving all pending lawsuits and complaints (please refer to Note 26).

In particular, Fininvest acquired 5.0% of the share capital of Mediaset held directly by Vivendi, at a price of €2.70 per share (taking into account the ex-dividend date and the dividend payment, which took place on July 19 and July 21, 2021, respectively). Vivendi will remain a shareholder of Mediaset with a residual 4.61% interest and will be free to retain or sell this interest at any time and at any price.

On November 18, 2021, Vivendi, Fininvest and Mediaset announced that they had agreed to amend certain provisions of the agreements entered into on May 3, 2021 and July 22, 2021 to take account of the matters upon which Mediaset's General Shareholders' Meeting would vote on November 25, 2021, with particular reference to the introduction – subject to approval by the shareholders' meeting – of a dual-class share structure (ordinary A shares and ordinary B shares) through the conversion of each outstanding Mediaset share into an ordinary B share and the grant of an ordinary A share to each ordinary B share.

As a result, with reference to Vivendi's undertaking to sell the entire interest in Mediaset currently held through Simon Fiduciaria on the market over a period of five years, on November 18, 2021, it was agreed that one-fifth of the ordinary A shares and the ordinary B shares will be sold each year (starting from July 22, 2021) at a minimum price per share of €1.375 in year 1, €1.40 in year 2, €1.45 in year 3, €1.5 in year 4, and €1.55 in year 5 (unless Vivendi authorizes the sale of these shares at a lower price); in any case, Vivendi will be entitled to sell the ordinary A shares and/or ordinary B shares held through Simon Fiduciaria at any time if their price per share reaches €1.60. This is without prejudice to Fininvest's right to purchase any unsold shares in each 12-month period, at the revised agreed annual price.

On November 25, 2021, Vivendi voted in favor of Mediaset's Board of Directors' proposals on the introduction of a dual-class share structure. The parties had agreed, in partial derogation from what was originally agreed on May 3, 2021, that, at Mediaset's General Shareholders' Meeting of November 25, 2021, Vivendi would be entitled to exercise the voting rights attached to the shares it holds directly – and instruct Simon Fiduciaria to exercise the voting rights attached to the shares held on behalf of Vivendi – by voting in favor of the proposal to create two classes of shares. As from this date, Mediaset is renamed MediaForEurope.

Note 3 Universal Music Group

As announced on July 30, 2018, prior to the initial public offering (IPO) of Universal Music Group (UMG), Vivendi opened up its wholly-owned subsidiary's share capital to strategic minority partners through the sale of 30% of UMG's share capital for total cash proceeds in excess of €9 billion, as follows:

- 20% of UMG's share capital was sold to a Tencent-led consortium (i.e., 10% sold on March 31, 2020), followed by an additional 10% sold on January 29, 2021), pursuant to which it received aggregate cash proceeds of €5,689 million; and
- 10% of UMG's share capital was sold to Pershing Square Holdings and affiliates (Pershing Square) (i.e., 7.1% sold on August 10, 2021, followed by an additional 2.9% sold on September 9, 2021), pursuant to which it received aggregate cash proceeds of US $3,949 million (i.e., €3,360 million).

As announced on February 13, 2021, at the General Shareholders' Meeting held on June 22, 2021, Vivendi proposed to its shareholders the planned distribution of 60% of UMG's share capital and its listing on the regulated market of Euronext Amsterdam and obtained approval from them. UMG's stock market listing and the effective distribution of 59.87% of UMG's share capital to Vivendi's shareholders were made on September 21, 2021 and September 23, 2021, respectively.

The impact of the UMG transactions on equity attributable to Vivendi shareowners is as follows:

- net capital gain on the sale of 10% of UMG's share capital to a Tencent-led consortium (March 31, 2020): +€2,315 million;
- net capital gain on the sale of an additional 10% of UMG's share capital to a Tencent-led consortium (January 29, 2021): +€2,236 million;
- net capital gain on the sale of 10% of UMG's share capital to Pershing Square (August 10 and September 9, 2021): +€2,738 million;
- distribution of 59.87% of UMG to Vivendi SE shareowners (September 21, 2021): -€25,284 million; and
- net capital gain on the deconsolidation of 70% of UMG (September 23, 2021): +€24,840 million,

  i.e., a favorable net impact of +€6,331 million, taking into account the recycling of foreign currency translation adjustments (€514 million) in the capital gain on the deconsolidation of UMG.

3.1 Sale of 20% of Universal Music Group's share capital to a Tencent-led consortium

On August 6, 2019, Vivendi announced that it was entering into preliminary negotiations with Tencent Holdings Limited ("Tencent") for a minority strategic investment in UMG. On December 31, 2019, Vivendi and a Tencent-led consortium entered into an agreement, which contemplated the purchase of 10% of UMG's share capital by this consortium, based on an enterprise value of €30 billion for 100% of UMG's share capital, and the grant of a call option to this consortium to acquire up to an additional 10% of the capital of UMG, such option to be exercisable until January 15, 2021, at the same price and under the same conditions as the initial investment.

On March 31, 2020, Vivendi completed the sale of 10% of UMG's share capital to a Tencent-led consortium pursuant to which it received cash proceeds of €2,842 million.

On December 17, 2020, the consortium decided to exercise its option to acquire an additional 10% of UMG's share capital. On January 29, 2021, Vivendi completed the sale of the additional 10% of UMG's share capital to a Tencent-led consortium pursuant to which it received cash proceeds of €2,847 million. Taking into account the 10% previously acquired, the Tencent-led consortium held 20% of UMG's share capital on that date.

In accordance with IFRS standards, the sale of 20% of UMG's share capital to a Tencent-led consortium was recorded as a sale of non-controlling interests and therefore does not impact the Consolidated Financial Statement of Earnings. In Vivendi's Consolidated Financial Statements, in accordance with IFRS 10 "*Consolidated Financial Statements*", the capital gain on the sale of 20% of UMG's share capital, equal to the difference between the sale price and the value of sold non-controlling interests in the Consolidated Financial Statements, was directly recorded as an increase in equity attributable to Vivendi shareowners for a net aggregate amount of €4,551 million (after sales fees and after tax), i.e., a net capital gain of €2,315 million recorded in 2020 and a net capital gain of €2,236 million recorded in 2021.

3.2 Sale of 10% of Universal Music Group's share capital to Pershing Square

On June 4, 2021, Vivendi and Pershing Square Tontine Holdings, Ltd. (PSTH) entered into discussions regarding the sale by Vivendi of 10% of UMG's share capital to PSTH. On June 20, 2021, Vivendi announced that it had entered into an agreement with PSTH for the sale of 10% of the share capital of UMG, based on an enterprise value of €35 billion for 100% of UMG's share capital.

On July 19, 2021, PSTH informed Vivendi that it intended to assign its rights and obligations to acquire 10% of the share capital of UMG pursuant to the agreement announced on June 20, 2021 to investment funds with significant economic interests or management positions held by Mr. William Ackman. Vivendi approved this request.

On August 10, 2021, Vivendi sold 7.1% of UMG's share capital to Pershing Square Holdings and affiliates ("Pershing Square"), which are managed by Mr. William Ackman, pursuant to which Vivendi received cash proceeds of US $2,800 million, i.e., €2,389 million.

On September 9, 2021, Vivendi sold an additional 2.9% of UMG to Pershing Square, under the same terms and conditions as the initial investment made by Pershing Square, pursuant to which it received cash proceeds of US $1,149 million, i.e., €971 million.

On that date, considering the 7.1% stake already owned by it, Pershing Square held 10% of UMG's share capital.

As with the sale of 20% of UMG's share capital to a Tencent-led consortium, in accordance with IFRS standards, the sale of 10% of UMG's share capital to Pershing Square was accounted for as a sale of non-controlling interests and therefore does not impact the Consolidated Financial Statement of Earnings. In the 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 and the value of sold non-controlling interests in the Consolidated Financial Statements, is directly recorded as an increase in equity attributable to Vivendi shareowners for a net amount of €2,738 million (after sales fees and after tax).

3.3 Universal Music Group's bank credit facilities

As a reminder, since 2020, Universal Music Group, Inc. (UMG Inc.) has been an additional borrower under five of Vivendi SE's eight bilateral credit facilities up to the aggregate limit of €750 million as of December 31, 2020, which was reduced to €450 million as of June 30, 2021.

In addition, UMG Inc. had its own credit facilities maturing in 2021 for an aggregate amount of US $570 million, i.e., €470 million as of June 30, 2021, including a committed credit facility of €247 million maturing in September 2021. On July 7, 2021, UMG Inc. repaid and canceled these facilities.

On March 24, 2021, Universal Music Group B.V. (UMG B.V.) and UMG Inc. secured an agreement for a syndicated revolving bank credit facility of €2 billion (drawings made in euros for UMG B.V. and in US dollars for UMG Inc.) for a five-year period, with two one-year extension options.

On that same date, UMG B.V. entered into a term loan of €1 billion maturing in October 2026. The ability for UMG to draw on these bank credit facilities was conditional upon its strict ring-fencing from Vivendi. On July 7, 2021, Vivendi's and UMG's cash pooling and financing arrangements were fully separated after completion of the following transactions:

- the termination of UMGT S.A.S.'s cash pooling agreement with Vivendi SE, involving the deposited amount of €146 million as of June 30, 2021;
- the repayment by UMG Inc. of its drawings on Vivendi SE's bilateral bank credit facilities for €216 million as of June 30, 2021; and
- the repayment by Universal International Music B.V. (UIM B.V.) of its intra-group borrowing from Vivendi SE for €2,368 million.

On July 7, 2021, to finance the repayment of UIM B.V.'s intra-group borrowing from Vivendi SE, UMG B.V. drew on its term loan of €1 billion, as well as on the revolving credit facility for €1.24 billion. In addition, UMG Inc. drew on the same credit facility for US $500 million, i.e., €416 million.

3.4 Distribution of 59.87% of Universal Music Group's share capital and its stock market listing

3.4.1 Description of the transaction

On February 13, 2021, Vivendi announced that it would study the planned distribution of 60% of UMG's share capital and its listing on the stock market by year-end 2021.

On February 26, 2021, Vivendi and the consortium led by Tencent contributed their respective 80% and 20% shares in the share capital of both Universal International Music B.V. (UIM B.V.) and Universal Music Group, Inc. (UMG Inc.) to a new single holding company, Universal Music Group B.V. (UMG B.V.), based on an equity value of €33 billion for 100% of the share capital of UMG, equal to an enterprise value of €35 billion for 100% of UMG, as determined by experts. This internal reorganization of UMG's shareholding structure was scheduled to take place pursuant to an agreement entered into by and between Vivendi and the Tencent-led consortium in December 2019, as a condition to UMG's listing on the stock market.

On March 29, 2021, Vivendi held an Extraordinary General Shareholders' Meeting to amend the company's by-laws to introduce the principle of a distribution in kind pursuant to which Vivendi would be allowed to pursue the contemplated transaction. At this meeting, the amendment to the company's by-laws allowing Vivendi to distribute dividends or interim dividends, reserves or premiums by means of the delivery of assets in kind, including financial securities, was approved by an affirmative vote of 99.98% of the votes cast.

On June 22, 2021, in accordance with the recommendations of the French securities regulator (the *Autorité des marchés financiers* or "AMF") on the sale and acquisition of significant assets and the recommendations of the AFEP-MEDEF Code, Vivendi's General Shareholders' Meeting was consulted and issued a favorable opinion, with 99.99% of the votes cast in favor, on the proposed special distribution in kind of 60% of UMG's share capital to Vivendi's shareholders. In this context, Vivendi's Management Board proposed to its shareholders the distribution of a special dividend in kind in the form of UMG shares with respect to fiscal year 2020, representing a distributed amount of €5,312 million, subject to the two following conditions:

i. the approval by the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten-AFM*) of the listing prospectus and the effective admission of UMG's shares to trading on the regulated market of Euronext Amsterdam; and

ii. a decision by Vivendi's Management Board, subject to an interim balance sheet as of June 30, 2021, showing distributable earnings at least equal to the proposed amount of the interim dividend to be distributed with such amount having been certified by the Statutory Auditors, to supplement the special dividend in kind with a special interim dividend in kind in the form of UMG shares with respect to fiscal year 2021.

On September 14, 2021, the AFM approved the listing prospectus and the effective admission of UMG's ordinary shares to trading on the regulated market of Euronext Amsterdam. As a result, and as anticipated, Vivendi's Management Board supplemented the special dividend in kind with respect to fiscal year 2020 with the payment of an interim special dividend in kind based on earnings recorded in the interim balance sheet as of June 30, 2021.

On September 21, 2021, the listing of UMG's shares began on the market of Euronext Amsterdam. The opening price per share was €25.25, a reference value applicable to the tax consequences of the distribution. On this basis:

- Vivendi confirmed that the distribution in kind of UMG shares to Vivendi shareholders would be paid as contemplated on the basis of one UMG share distributed for every eligible Vivendi share; and
- the total value of the distribution in kind amounted to €27,412.3 million (€25.25 per Vivendi share), as follows:
  - a distribution of €5,312.5 million (€4.89 per Vivendi share) by means of a special dividend in kind paid out of existing reserves as of December 31, 2020, approved by Vivendi's General Shareholders' Meeting held on June 22, 2021; and
  - a distribution of €22,099.8 million (€20.36 per Vivendi share) by means of payment of a special interim dividend in kind based on earnings as recorded in an interim balance sheet as of June 30, 2021, further to the decision of Vivendi's Management Board made on September 14, 2021.

The distribution in kind detachment date was September 21, 2021, and the settlement of the distribution was effective on September 23, 2021.

3.4.2 Accounting treatment of the transaction

In accordance with IFRIC Interpretation 17 – *Distributions on non-cash assets to owners*, the liability to pay a dividend is recognized when the dividend is appropriately authorized and is no longer at the discretion of the entity. In addition, the liability to pay a dividend in the form of a distribution of non-cash assets must be measured at the fair value of the assets to be distributed. Finally, when an entity settles the dividend payable, the difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable is recognized in the Statement of Earnings.

The principle of the special distribution in kind of 60% of UMG was submitted to the consultative opinion of Vivendi's General Shareholders' Meeting held on June 22, 2021 (fifth resolution), which approved it. In practice, the special distribution in kind was made pursuant to two legally separate transactions that became jointly enforceable upon satisfaction of the following conditions precedent:

i. the approval of the distribution of a special dividend in kind in the form of UMG shares with respect to fiscal year 2020 at Vivendi's General Shareholders' Meeting held on June 22, 2021 (sixth resolution); and

ii. the distribution of a special interim dividend in kind in the form of UMG shares, decided by Vivendi's Management Board on September 14, 2021, according to the interim balance sheet of Vivendi as of June 30, 2021, subject to the conditions precedent of obtaining the approval by the AFM of the listing prospectus and the effective admission of UMG's shares to trading on Euronext Amsterdam. Until such decision is taken by the Management Board, the special distribution in kind was considered to be at Vivendi's discretion according to the criteria of the IFRIC Interpretation 17.

On September 23, 2021, at the time of the effective payment of the special distribution in kind of 59.87% of the shares of UMG, Vivendi ceded control of UMG. Taking into account the 20% interest previously sold to the Tencent-led consortium and the 10% interest previouly sold to Pershing Square, Vivendi retained a 10% interest in UMG, which is recorded using the equity method, Vivendi having a significant influence on UMG due to the concerted shareholders' agreement, entered into on September 8, 2021, by and between Compagnie de l'Odet, Vivendi and the Tencent-led consortium. For a detailed description, please refer to Note 24.2.3.

In Vivendi's consolidated financial statements, these transactions were recorded as follows:

- on September 14, 2021, following the decision by Vivendi's Management Board to distribute the special interim dividend;
  - in accordance with IFRIC Interpretation 17, Vivendi recorded a distribution liability of €19,800 million, i.e., 60% of the fair value of UMG known at that date, against consolidated equity (attributable to Vivendi SE shareowners); and
  - in accordance with IFRS 5 - *Non-current assets held for sale and discontinued operations*, Vivendi reclassified UMG as a discontinued operation in the statement of earnings and statement of cash flows. For a detailed description of the adjustment to previously published data, please refer to Note 31.
- on September 23, 2021, following the effective settlement on the special distribution:
  - in accordance with IFRS 13 – *Fair value measurement*, Vivendi adjusted the distribution liability in the consolidated financial statements to reflect the fair value of 59.87% of UMG on that date, amounting to €25,284 million, i.e., the number of UMG shares distributed (1,085,634,076 shares) multiplied by the retained value of the UMG share (€23.29 per share, equal to the average UMG share price calculated over the five trading days following the effective payment of the special distribution, weighted by daily trading volumes);
  - Vivendi deconsolidated UMG's consolidated net assets by 70%;
  - Vivendi recorded in the Statement of Financial Position, among the equity affiliates, the fair value of 10% of UMG at that date, amounting to €4,235 million i.e., the number of UMG shares retained (181,798,729 shares) multiplied by the retained value of the UMG share (€23.29 per share); and
  - conversely, Vivendi recorded in the statement of earnings on the line "Earnings from discontinued operations" in accordance with IFRS 5, the capital gain of the deconsolidation of its 70% interest in UMG, amounting to a net amount of €24,840 million (after sale fees and after tax), equal to the difference between the fair value of the deconsolidated assets (including 59.87% of UMG distributed and 10% of UMG retained and accounted for under the equity method) and their carrying amount on that date. This amount included the related tax of €895 million. For a detailed description, please refer to Note 8.2.

3.4.3 Statement of earnings from discontinued operations

In accordance with IFRS 5, the line "Earnings from discontinued operations" presented in Vivendi's consolidated Statement of Earnings includes UMG's earnings for 2020 and from January 1, 2021 to September 22, 2021, before non-controlling interests, as well as the capital gain on the deconsolidation of 70% of UMG, net of tax.

(in millions of euros)	From January 1 to September 22, 2021	Year ended December 31, 2020
Revenues	**5,761**	**7,432**
Adjusted earnings before interest and income taxes (EBITA)	1,099	1,329
Earnings before interest and income taxes (EBIT)	998	1,220
Interest	(12)	(14)
Other financial charges and income	(252)	577
Earnings before provision for income taxes	734	1,783
Provision for income taxes	(161)	(412)
Earnings	**573**	**1,371**
Net capital gain on the deconsolidation of 70% of UMG	24,840	na
Earnings from discontinued operations	**25,413**	**1,371**
Of which attributable to Vivendi SE shareowners	25,292	1,241
non-controlling interests	121	130

na: not applicable.

3.4.4 Statement of cash flows from discontinued operations

In accordance with IFRS 5, the line "Cash Flows from discontinued operations" presented in Vivendi's Consolidated Statement of Cash Flows includes cash flow generated by UMG in 2020 and from January 1, 2021 to September 22, 2021, as well as the impact of the deconsolidation of UMG.

(in millions of euros)	From January 1 to September 22, 2021	Year ended December 31, 2020
EBIT	998	1,220
Adjustments	152	214
Content investments, net	(303)	(1,517)
Gross cash provided by operating activities before income tax paid	***847***	***(83)***
Other changes in net working capital	(52)	286
Net cash provided by operating activities before income tax paid	***795***	***203***
Income tax (paid)/received, net	(192)	(206)
Net cash provided by operating activities	**603**	**(3)**
Net cash provided by/(used for) investing activities	**16**	**(31)**
Net cash provided by/(used for) financing activities	**1,356**	**527**
Foreign currency translation adjustments	**19**	**(36)**
Impact of the deconsolidation of UMG	**(1,482)**	**na**
Of which impact of the deconsolidation of UMG as of September 22, 2021	(428)	na
tax paid by Vivendi SE on the distribution of 59.87% of UMG's share capital	(774)	na
other expenses paid as part of the distribution of 59.87% of UMG's share capital	(280)	na
Change in cash and cash equivalents	**512**	**457**

na: not applicable.

Note 4 COVID-19 pandemic impacts

In 2021, notwithstanding the uncertainties created by the COVID-19 pandemic and although its impacts were more significant in certain countries or on certain businesses than others, Vivendi showed resilience in adapting its business 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 pay television services, as well as Havas Group and Editis. However, as expected, the pandemic's effects continued to slow down certain businesses such as Vivendi Village (in particular live entertainment).

Vivendi continually monitors the current and potential consequences of the health crisis. To date, it is difficult to determine how it will impact Vivendi's results in 2022. Nevertheless, the Group remains confident in the resilience of its main businesses. It continues to make every effort to ensure the continuity of its business activities, as well as to best serve and entertain its customers and audiences while complying with the health guidelines of authorities in each country where it operates.

In 2021, 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).

As of December 31, 2021, Vivendi's liquidity improved by €5,301 million, up from a Financial Net Debt of €4,953 million as of December 31, 2020 to a Net Cash Position of €348 million as of December 31, 2021. In addition, Vivendi has significant financing capacity. As of December 31, 2021, €2.8 billion of the group's committed credit facilities were available.

As of December 31, 2021, the average "economic" term of the gross financial debt, calculated on the assumption that the available medium-term credit lines may be used to redeem the group's shortest term borrowings, was 4.2 years (compared to 4.8 years as of December 31, 2020).

For a detailed description on borrowings and other financial liabilities, please refer to Note 22.

Note 5 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). EBITA reflects 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:

- **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;
- **Prisma Media**: market leader in French magazine publishing, online video and daily digital audience;
- **Gameloft**: creation and publishing of downloadable video games for mobile phones, tablets, triple-play boxes and smart TVs;
- **Vivendi Village**: Vivendi Ticketing (in Europe, the United Kingdom 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); and
- **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.

5.1 Statement of earnings by business segment

Consolidated Statement of Earnings

Year ended December 31, 2021

	Canal+ Group	Havas Group	Editis	Prisma Media	Gameloft	Vivendi Village	New Initiatives	Corporate	Eliminations and other	**Total Vivendi**
REVENUES	**5,770**	**2,341**	**856**	**194**	**265**	**104**	**89**	**-**	**(47)**	**9,572**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(4,974)	(1,974)	(719)	(164)	(245)	(113)	(141)	(95)	47	(8,378)
Charges related to share-based compensation plans	(4)	(4)	(1)	-	(1)	-	-	(5)	-	(15)
EBITDA*	**792**	**363**	**136**	**30**	**19**	**(9)**	**(52)**	**(100)**	**-**	**1,179**
Restructuring charges	(22)	(6)	(15)	(2)	(1)	(2)	-	(1)	-	(49)
Gains/(losses) on sales of tangible and intangible assets	(3)	-	(1)	-	-	-	-	-	-	(4)
Depreciation of tangible assets	(137)	(41)	(6)	(1)	(3)	(4)	(7)	(2)	-	(201)
Amortization of intangible assets excluding those acquired through business combinations	(114)	(8)	(50)	(1)	(3)	(1)	(4)	(1)	-	(182)
Amortization of rights-of-use relating to leases	(37)	(70)	(11)	(5)	(4)	(4)	(3)	(6)	-	(140)
Income from equity affiliates - operational	1	1	-	-	-	-	36	-	52	90
of which Universal Music Group									*33*	*33*
Lagardère									*19*	*19*
Other operating charges and income	-	-	(2)	(1)	-	-	-	-	-	(3)
Adjusted earnings before interest and income taxes (EBITA)*	**480**	**239**	**51**	**20**	**8**	**(20)**	**(30)**	**(110)**	**52**	**690**
Amortization of intangible assets acquired through business combinations	(44)	-	(2)	-	(1)	-	(1)	-	(8)	(56)
Impairment losses on intangible assets acquired through business combinations	(1)	-	(1)	-	(200)	(28)	-	-	-	(230)
EARNINGS BEFORE INTEREST AND INCOME TAXES (EBIT)										**404**
Income from equity affiliates - non-operational										(13)
Interest										(34)
Income from investments										150
Other financial charges and income										(827)
Earnings before provision for income taxes										**(320)**
Provision for income taxes										(218)
Earnings from continuing operations										(538)
Earnings from discontinued operations										25,413
Earnings										**24,875**
of which										
EARNINGS ATTRIBUTABLE TO VIVENDI SE SHAREOWNERS										**24,692**
Earnings from continuing operations attributable to Vivendi SE shareowners										(600)
Earnings from discontinued operations attributable to Vivendi SE shareowners										25,292
Non-controlling interests										**183**

*non-GAAP measures.

Year ended December 31, 2020

	Canal+ Group	Havas Group	Editis	Gameloft	Vivendi Village	New Initiatives	Corporate	Eliminations	**Total Vivendi**
REVENUES	**5,498**	**2,137**	**725**	**253**	**40**	**65**	**-**	**(50)**	**8,668**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(4,721)	(1,830)	(611)	(257)	(80)	(118)	(132)	50	(7,699)
Charges related to share-based compensation plans	(10)	(10)	(1)	(3)	(1)	-	(8)	-	(33)
EBITDA*	**767**	**297**	**113**	**(7)**	**(41)**	**(53)**	**(140)**	**-**	**936**
Restructuring charges	(42)	(33)	(6)	(2)	(2)	-	(1)	-	(86)
Gains/(losses) on sales of tangible and intangible assets	(10)	(1)	-	-	-	-	-	-	(11)
Depreciation of tangible assets	(135)	(43)	(4)	(4)	(5)	(5)	(2)	-	(198)
Amortization of intangible assets excluding those acquired through business combinations	(105)	(14)	(47)	(2)	(1)	(4)	-	-	(173)
Amortization of rights-of-use relating to leases	(41)	(84)	(12)	(8)	(4)	(4)	(7)	-	(160)
Income from equity affiliates - operational	1	(1)	-	-	-	(9)	-	-	(9)
Other operating charges and income	-	-	(6)	(1)	(6)	-	12	-	(1)
Adjusted earnings before interest and income taxes (EBITA)*	**435**	**121**	**38**	**(24)**	**(59)**	**(75)**	**(138)**	**-**	**298**
Amortization of intangible assets acquired through business combinations	(46)	-	(2)	(1)	-	(1)	-	-	(50)
Impairment losses on intangible assets acquired through business combinations	-	-	-	-	-	-	-	-	-
EARNINGS BEFORE INTEREST AND INCOME TAXES (EBIT)									**248**
Income from equity affiliates - non-operational									126
Interest									(22)
Income from investments									35
Other financial charges and income									12
Earnings before provision for income taxes									**399**
Provision for income taxes									(163)
Earnings from discontinued operations									1,371
Earnings									**1,607**
of which									
EARNINGS ATTRIBUTABLE TO VIVENDI SE SHAREOWNERS									**1,440**
Earnings from continuing operations attributable to Vivendi SE shareowners									199
Earnings from discontinued operations attributable to Vivendi SE shareowners									1,241
Non-controlling interests									**167**

*non-GAAP measures.

5.1.1 Revenues

By business segment

(in millions of euros)	Year ended December 31, 2021	2020
Subscription services	5,056	4,940
Advertising	2,751	2,406
Intellectual property licensing	1,562	1,312
Merchandising and other	250	60
Elimination of intersegment transactions	(47)	(50)
Revenues	**9,572**	**8,668**

By geographic area

Revenues are broken down by customer location.

(in millions of euros)	Year ended December 31, 2021		2020	
France	4,863	*51%*	4,448	*51%*
Rest of Europe	2,200	*23%*	1,972	*23%*
Americas	1,264	*13%*	1,138	*13%*
Africa	844	*9%*	737	*9%*
Asia/Oceania	401	*4%*	373	*4%*
Revenues	**9,572**	***100%***	**8,668**	***100%***

5.2 Statement of Financial Position by operating segment

Segment assets and liabilities

(in millions of euros)	December 31, 2021	December 31, 2020
Segment assets (a)		
Canal+ Group	10,369	9,814
Havas Group	5,848	5,438
Editis	1,430	1,372
Prisma Media	341	-
Gameloft	542	734
Vivendi Village	315	309
New Initiatives	402	360
Corporate	10,456	5,218
of which investments in equity affiliates	*8,094*	*3,179*
listed equity securities	*883*	*1,700*
Total Vivendi	**29,703**	**23,245**
Universal Music Group	na	13,036
	29,703	**36,281**
Segment liabilities (b)		
Canal+ Group	3,366	2,946
Havas Group	4,412	4,024
Editis	603	545
Prisma Media	164	-
Gameloft	124	117
Vivendi Village	258	159
New Initiatives	76	72
Corporate	436	499
Total Vivendi	**9,439**	**8,362**
Universal Music Group	na	5,670
	9,439	**14,032**

na: not applicable.

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 11 "Goodwill" and Note 12 "Content assets and commitments".

Segment assets by geographic area

(in millions of euros)	December 31, 2021		December 31, 2020	
France	15,352	*52%*	13,197	*36%*
Rest of Europe	12,036	*40%*	11,520	*32%*
Americas	1,157	*4%*	10,303	*28%*
Africa	834	*3%*	710	*2%*
Asia/Oceania	324	*1%*	551	*2%*
Segment assets	**29,703**	***100%***	**36,281**	***100%***

Capex, increase in tangible and intangible assets and rights-of-use

(in millions of euros)	Year ended December 31, 2021	2020
Capital expenditures, net (capex net) (a)		
Canal+ Group	324	305
Havas Group	25	25
Editis	22	7
Prisma Media	2	-
Gameloft	2	1
Vivendi Village	5	5
New Initiatives	42	26
Corporate	34	1
	456	**370**
Increase in tangible and intangible assets and rights-of-use relating to leases		
Canal+ Group	497	327
Havas Group	67	98
Editis	24	6
Prisma Media	3	-
Gameloft	4	8
Vivendi Village	6	18
New Initiatives	43	26
Corporate	34	1
	678	**484**

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

Note 6 EBIT

Personnel costs and average employee numbers

(in millions of euros)	Note	Year ended December 31, 2021	2020
Salaries		1,946	1,742
Social security and other employment charges		496	453
Capitalized personnel costs		(27)	(23)
Wages and expenses		**2,415**	**2,172**
Share-based compensation plans	21	15	33
Employee benefit plans	20	37	85
Other		52	49
Personnel costs		**2,519**	**2,339**
Annual average number of full-time equivalent employees (in thousands)		*34.3*	*34.0*

Additional information on operating expenses

Advertising costs amounted to €299 million in 2021 (compared to €249 million in 2020).

Expenses recorded in the Statement of Earnings, with respect to service contracts related to satellite transponders amounted to €134 million in 2021 (compared to €130 million in 2020).

Research and development costs amounted to a net charge of €102 million in 2021 (compared to €107 million in 2020).

Taxes on production

Taxes on production amounted to €115 million in 2021 (compared to €119 million in 2020).

Note 7 Financial charges and income

Interest

(in millions of euros)		Year ended December 31,	
(Charge)/Income	Note	2021	2020
Interest expense on borrowings	22	(41)	(48)
Interest income from cash, cash equivalents and investments		(2)	9
Interest income from intra-group financing granted to UMG		9	17
Interest		**(34)**	**(22)**
Fees and premiums on borrowings and credit facilities issued		*(2)*	*(2)*
		(36)	**(24)**

Other financial income and charges

	Year ended December 31,		
(in millions of euros)	2021	2020	
Capital gain and revaluation on financial investments	8	74	(a)
Effect of undiscounting assets (b)	-	-	
Expected return on plan assets related to employee benefit plans	6	6	
Foreign exchange gain	3	10	
Change in value of derivative instruments	16	4	
Other	1	5	
Other financial income	**34**	**99**	
Write-down of the Telecom Italia shares accounted for under the equity method	(728) (c)	-	
Capital loss and downside adjustment on financial investments	(22)	(6)	
Effect of undiscounting liabilities (b)	-	(1)	
Interest cost related to employee benefit plans	(13)	(14)	
Fees and premiums on borrowings and credit facilities issued	(2)	(2)	
Interest expenses on lease liabilities	(19)	(23)	
Foreign exchange loss	(15)	(18)	
Other	(62)	(23)	
Other financial charges	**(861)**	**(87)**	
Net total	**(827)**	**12**	

a. In 2020, it mainly 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.

c. Please refer to Note 14.

Note 8 Income taxes

8.1 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, 2021, 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.
- After having succeeded before the French Council of State (*Conseil d'Etat*), which recognized Vivendi's right to (i) use the Consolidated Global Profit Tax System until the end of the authorization granted to it (French Council of State decision No. 403320 dated October 25, 2017, in respect of fiscal year 2011) and (ii) use foreign tax receivables upon exit from the regime in accordance with Article 122 bis of the French General Tax Code, i.e., over five years (French Council of State decision No. 426730 dated December 19, 2019, in respect of fiscal year 2012), Vivendi is now initiating proceedings relating to the enforceability of the five-year carry-forward rule. The objective of this litigation is to restore Vivendi's right to use the remaining tax receivables it held as of December 31, 2021, i.e., a total of €793 million in tax receivables, without limitation of duration. Accordingly, Vivendi has requested from the tax authorities, by means of a contentious claim filed on November 25, 2020, the refund of the tax paid in respect of fiscal year ended December 31, 2017, for €7 million.
- 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.
- In the Financial Statements for the year ended December 31, 2021, the tax results of the subsidiaries comprised within the scope of Vivendi SE's French Tax Group System are calculated based on estimates. After taking into account the effects of the ongoing tax audits on the amount of tax attributes admitted by the tax authorities, Vivendi SE carried forward €201 million of tax losses as of January 1, 2021, deducted in full for calculating the 2021 corporate tax. Consequently, as of December 31, 2021, Vivendi SE no longer carries forward tax losses. However, Vivendi SE contests the result of these ongoing controls and requests the restoration of €2,304 million of tax losses to its profit (please refer to Note 8.6).

8.2 Tax related to the sale of UMG

Prior to UMG's initial public offering (IPO), Vivendi sold 30% of its subsidiary's share capital to strategic minority partners: (i) 10% of UMG's share capital sold to a Tencent-led consortium on March 31, 2020; (ii) an additional 10% of UMG's share capital sold to a Tencent-led consortium on January 29, 2021; and (iii) 10% of UMG's share capital sold to Pershing Square Holdings and affiliates ("Pershing Square"), i.e., 7.1% sold on August 10, 2021, followed by an additional 2.9% sold on September 9, 2021.

In 2020, since Vivendi recorded a tax loss, the sale of 10% of UMG's share capital to a Tencent-led consortium had no impact on the tax charge.

In 2021, the tax related to the sales of an additional 10% of UMG's share capital to a Tencent-led consortium and 10% of UMG's share capital to Pershing Square amounted to €168 million. In accordance with IFRS 10, the sale of 20% of UMG's share capital to a Tencent-led consortium, as well as the sale of 10% of UMG's share capital to Pershing Square, were recorded as sales of non-controlling interests, the capital gain on which is recognized in Vivendi shareowners' equity. The related tax was therefore recorded as a decrease in Vivendi shareowners' equity according to the same accounting classification as the capital gains, except for the portion of tax relating to the difference between the tax and accounting values in the Consolidated Financial Statements, recorded in the statement of earnings for €8 million in accordance with IAS 12.

In addition, on September 21, 2021, Vivendi distributed 59.87% of UMG's share capital to its shareholders. Effective payment was made on September 23, 2021, taking into account the settlement-delivery period. From a tax perspective, this distribution is treated as a sale of securities. The tax related to the distribution of 59.87% of UMG's share capital amounted to €775 million, which was recorded in the statement of earnings on the line "Earnings from discontinued operations" in accordance with IFRS 5.

Finally, the difference between the tax value of Vivendi's remaining 10.03% interest in UMG's share capital and its equity value in the Consolidated Financial Statements led to the recognition of a deferred tax liability of €119 million, in accordance with IAS 12, through the counterparty entry in "Earnings from discontinued operations".

In 2021, the taxes related to the UMG transactions amounted to a total of €1,063 million, primarily with respect of Vivendi's capital gains, of which €895 million were recorded in "Earnings from discontinued operations", €8 million were recorded in "Earnings from continued operations" and €160 million recorded as a decrease in Vivendi shareowners' equity.

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

Provision for income taxes

In 2021, provision for income taxes was a net charge of €1,273 million, of which €1,063 million related to the UMG transactions (please refer to Note 8.2); provision for income taxes recognized in respect of continuing operations was a net charge of €218 million, which was as follows:

	Year ended December 31,	
(in millions of euros)	2021	2020
(Charge)/Income		
Current		
France	(19)	(60)
Rest of Europe	(33)	(8)
United States	(30)	(35)
Rest of the world	(50)	(39)
	(132)	**(142)**
Deferred		
France (a)	(105)	(16)
Rest of Europe	2	(17)
United States	14	5
Rest of the world	3	7
	(86)	**(21)**
Provision for income taxes	**(218)**	**(163)**

Income tax paid

In 2021, income tax paid was a net outflow of €1,047 million, of which €940 million in France related to the UMG transactions, and income tax paid for continued operations was an outflow of €107 million, as follows:

	Year ended December 31,	
(in millions of euros)	2021	2020
France (b)	11	214
Rest of Europe	(20)	(22)
United States	(35)	(30)
Rest of the world	(63)	(45)
Income tax (paid)/collected	**(107)**	**117**

a. Includes a charge of €94 million in 2021, compared to a charge of €18 million in 2020 corresponding to changes in deferred tax assets related to tax savings and to Vivendi's Tax Group in France.

b. As a reminder, in January 2020, following the favorable decision of the Council of State of December 19, 2019 on Vivendi's tax attributes, the tax authorities repaid €250 million to Vivendi.

8.4 Effective tax rate

(in millions of euros, except %)	Year ended December 31, 2021	2020
Earnings from continuing operations	**(538)**	**236**
Eliminations		
Income from equity affiliates	(77)	(116)
Provision for income taxes	218	163
Earnings from continuing operations before provision for income taxes and income from equity affiliates	**(397)**	**283**
French statutory tax rate	*28.41%*	*32.02%*
Theoretical provision for income taxes based on French statutory tax rate	**113**	**(91)**
Reconciliation of the theoretical and effective provision for income taxes		
Earnings tax rates differences	15	18
Impacts of the changes in tax rates	2	(7)
Use or recognition of tax losses	166	141
Depreciation or non-recognition of tax losses	(86)	(124)
Changes in deferred tax assets related to Vivendi SE's French Tax Group	(94)	(18)
Adjustments to tax expense from previous years	1	3
Impairment of goodwill related to Gameloft	(57)	-
Write-down of the Telecom Italia shares accounted for under the equity method	(207)	-
Tax on corporate value added (*Cotisation sur la valeur ajoutée des entreprises*)	(13)	(28)
Withholding tax	(29)	(29)
Other	(29)	(28)
Provision for income taxes	**(218)**	**(163)**
Effective tax rate	***-54.9%***	***57.5%***

8.5 Deferred tax assets and liabilities

Changes in deferred tax assets/(liabilities), net

(in millions of euros)	Year ended December 31, 2021	2020
Opening balance of deferred tax assets/(liabilities), net	**(430)**	**(255)**
Provision for income taxes (a)	(140)	(153)
Charges and income directly recorded in equity	21	(31)
Business combinations	22	(2)
Deconsolidation of Universal Music Group	382	-
Changes in foreign currency translation adjustments and other	(16)	11
Closing balance of deferred tax assets/(liabilities), net	**(161)**	**(430)**

a. Includes Universal Music Group's provision for income taxes until September 22, 2021: in accordance with IFRS 5, these amounts are reclassified on the line "Earnings from discontinued operations" of the Consolidated Statement of Earnings in 2021 and 2020.

Components of deferred tax assets and liabilities

(in millions of euros)	December 31, 2021	December 31, 2020
Deferred tax assets		
Recognizable deferred taxes		
Tax attributes - Vivendi SE Tax Group (a) (b)	-	711
Tax attributes - US Tax Group (a) (c)	-	95
Tax attributes - Havas Group (a)	227	246
Tax attributes - Other subsidiaries (a)	254	337
Other	334	776
Of which non-deductible provisions	*31*	*91*
employee benefits	*140*	*191*
working capital	*21*	*170*
Total gross deferred taxes	**815**	**2,165**
Deferred taxes, unrecognized		
Tax attributes - Vivendi SE Tax Group (a) (b)	-	(617)
Tax attributes - US Tax Group (a) (c)	-	(95)
Tax attributes - Havas Group (a)	(217)	(234)
Tax attributes - Other subsidiaries (a)	(251)	(327)
Other	(113)	(155)
Total deferred tax assets, unrecognized	**(581)**	**(1,428)**
Recorded deferred tax assets	**234**	**737**
Deferred tax liabilities		
Asset revaluations (d)	(138)	(381)
Other	(257)	(786)
Recorded deferred tax liabilities	**(395)**	**(1,167)**
Deferred tax assets/(liabilities), net	**(161)**	**(430)**

a. The amount of tax attributes presented in this table is 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 at the latest on May 1 and October 15 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 8.1). After taking into account the potential outcomes of ongoing tax audits (please refer to Note 8.6), there would no longer be tax losses carried forward as of December 31, 2021. 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.

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.

8.6 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 the event of litigation, 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 is 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 under 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 (and which was notified to Vivendi SE on January 13, 2017), in which it declared that the adjustments suggested by the tax authorities should be discontinued. Moreover, given that the disagreement was based on administrative doctrine, Vivendi requested 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*) held in favor of Vivendi's appeal for misuse of authority. Subsequently, 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 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 2, 2021, the administrative Court of Montreuil dismissed Vivendi's complaint. On February 9, 2022, Vivendi filed a request to appeal to the Paris administrative Court of Appeal. A decision is expected in 2023 at the earliest.

Regarding the tax audit for fiscal years 2013 to 2017 in respect of the group's consolidated earnings, on June 14, 2021, the tax authorities proposed an adjustment to Vivendi SE. As of December 31, 2021, the proceedings on tax audit are still in progress.

Regarding the tax audit 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, considering the issues at stake, to challenge them.

In respect of the litigation concerning the right to defer foreign tax receivables upon the exit from the Consolidated Global Profit Tax System without time limitation, the registry of the administrative Court of Montreuil informed Vivendi of the closing of the hearing scheduled on April 29, 2022. A decision is therefore expected in 2022 at the earliest.

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, 2021.

Concerning Canal+ Group, in proposed adjustments issued on June 4 and June 7, 2021, the French tax authorities challenged Canal+ Group's right to break down, by type of service and VAT rate, the revenues of composite offer comprising services that, if marketed separately, would be subject to different VAT rates. However, the tax authorities did not consider circumstances where, due to the French Treasury, Canal+ increased the amount of VAT by using this breakdown method. They also failed to take into account the deductibility of VAT from the corporate tax base for which they expected payment for the years 2016 to 2019. The tax authorities also intend to impose penalties for deliberate non-compliance, even if Canal+ Group can demonstrate that its practice relies on formal positions taken by the tax authorities, both in the context of either direct responses that may have been given to it or previous tax audits or litigation initiated by the audited companies. On August 3, 2021, Canal+ formally contested these recalls. To date, no response to Canal+ comments has been sent by the French tax authorities. In this context, Vivendi Management believes that it has solid legal grounds to defend its positions on the VAT assessment of its subsidiaries. Vivendi Management, therefore, considers that the outcome of the ongoing tax audits is unlikely to have a material impact on the group's financial position or liquidity.

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 the Court of 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 of 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 took 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, 2021 in respect of this assessment.

Note 9 Earnings per share

	Year ended December 31,			
	2021		2020	
	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)				
Earnings from continuing operations attributable to Vivendi SE shareowners	(600)	(600)	199	199
Earnings from discontinued operations attributable to Vivendi SE shareowners	25,292	25,292	1,241	1,241
Earnings attributable to Vivendi SE shareowners	24,692	24,692	1,440	1,440
Number of shares (in millions)				
Weighted average number of shares outstanding (a)	1,076.3	1,076.3	1,140.7	1,140.7
Potential dilutive effects related to share-based compensation	-	3.2	-	4.1
Adjusted weighted average number of shares	**1,076.3**	**1,079.5**	**1,140.7**	**1,144.8**
Earnings per share (in euros)				
Earnings from continuing operations attributable to Vivendi SE shareowners per share	(0.56)	(0.56)	0.17	0.17
Earnings from discontinued operations attributable to Vivendi SE shareowners per share	23.50	23.43	1.09	1.09
Earnings attributable to Vivendi SE shareowners per share	22.94	22.87	1.26	1.26

a. Net of the weighted average number of treasury shares (72.5 million shares in 2021, compared to 44.7 million shares in 2020).

Note 10 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, 2019	**(385)**	**(468)**	**77**	**(99)**	**(28)**	**(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)**	**(1,846)**
Charges and income directly recognized in equity	56	33	1	342	36	468
Tax effect	(6)	26	-	-	-	20
Deconsolidation of Universal Music Group	25	2	(83)	(601)	(9)	(666)
Other	-	-	-	2	(2)	-
Balance as of December 31, 2021	**(298)**	**(525)**	**(3)**	**(1,028)**	**(170)** (c)	**(2,024)**

a. Please refer to Note 20.

b. Please refer to Note 22.7.

c. Included foreign currency translation from Telecom Italia for -€194 million as of December 31, 2021 (compared to -€218 million as of December 31, 2020).

Note 11 Goodwill

(in millions of euros)	December 31, 2021	December 31, 2020
Goodwill, gross	16,002	27,924
Impairment losses	(6,555)	(13,741)
Goodwill	**9,447**	**14,183**

11.1 Changes in goodwill

(in millions of euros)	December 31, 2020	Impairment losses	Business combinations	Divestitures completed or in progress	Changes in foreign currency translation adjustments and other	December 31, 2021
Canal+ Group	5,663	(1)	46	-	(3)	5,705
Havas Group	2,008	-	37	-	71	2,116
Editis	838	-	-	-	-	838
Prisma Media	-	-	224 (a)	-	-	224
Gameloft	600	(200) (b)	(1)	-	-	399
Vivendi Village	156	(2)	4	-	4	162
New Initiatives	3	-	-	-	-	3
Universal Music Group	4,915	-	1	(5,128) (c)	212 (d)	-
Total	**14,183**	**(203)**	**311**	**(5,128)**	**284**	**9,447**

(in millions of euros)	December 31, 2019	Impairment losses	Business combinations	Divestitures completed or in progress	Changes in foreign currency translation adjustments and other	December 31, 2020
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
Universal Music Group	5,381	-	7	-	(473) (c)	4,915
Total	**14,690**	**-**	**69**	**-**	**(576)**	**14,183**

a. Mainly included the provisional goodwill recognized pursuant to the acquisition of Prisma Media consolidated since June 1, 2021 for €208 million (please refer to Note 2.2).

b. Vivendi Management concluded that Gameloft's recoverable amount was less than its carrying amount as of December 31, 2021, which led to a goodwill impairment loss of €200 million and reflected the decline in Gameloft's operating performance over the recent period.

c. Vivendi deconsolidated Universal Music Group as of September 23, 2021, following the effective payment of the special distribution in kind of 59.87% of UMG's share capital to Vivendi's shareholders (please refer to Note 3).

d. Primarily included the foreign currency translation of the dollar (USD) against the euro.

11.2 Goodwill impairment test

In 2021, Vivendi tested the value of goodwill allocated to its Cash-Generating Units (CGU) or groups of CGUs by applying valuation methods consistent with previous years. Vivendi ensured that the recoverable amount of CGU or groups of CGUs 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 1.3.6.8.

In 2021, notwithstanding the uncertainties created by the COVID-19 pandemic and although its impacts were more significant in certain countries or on certain businesses than others, Vivendi showed resilience in adapting its business 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 pay television services, as well as Havas Group and Editis. However, as expected, the pandemic's effects continued to slow down certain businesses such as Vivendi Village (in particular live entertainment).

During the fourth quarter of 2021, Vivendi performed a goodwill impairment test on each CGU or group of CGUs, 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, except for Gameloft, as of December 31, 2021, the recoverable amount for each CGU or group of CGUs tested exceeded their carrying value.

Vivendi tested the value of goodwill on Gameloft. Gameloft's recoverable amount value was determined using standard valuation methods, in particular the value in use, based on the DCF approach (discounted value of future cash flows). In this respect, the cash flow forecasts and financial parameters used are the most recent validated by the group's Management and updated to reflect the decline in Gameloft's operating performance over the recent period. On this basis, Vivendi Management concluded that Gameloft's recoverable amount was less than its carrying amount as of December 31, 2021, which led to a related goodwill impairment loss of €200 million.

Presentation of CGU or groups of CGUs

Operating Segments	Cash Generating Units (CGU)	CGU or groups of CGUs tested
Canal+ Group	Pay-TV in Mainland France	Canal+ Group excluding Studiocanal (b)
	Canal+ International (a)	
	Platforma Canal+ (Poland)	
	M7 (Central Europe and Benelux)	
	Free-to-air TV in France	
	Studiocanal	Studiocanal
Havas Group (c)	Havas Creative Group	Havas Group (b)
	Havas Health & You	
	Havas Media Group	
Editis	Editis	Editis
Prisma Media (d)	Prisma Media	Prisma Media
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 and Switzerland	Ticketing (Vivendi Ticketing) (b)
	See Tickets United Kingdom	
	See Tickets United States	
	See Tickets B.V.	
New Initiatives	Dailymotion	Dailymotion
	Group Vivendi Africa	Group Vivendi Africa

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

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

c. In 2020, CGUs were redefined to reflect the current operational organization of the Havas Group, with the inclusion of Creative and Media activities within the Havas Villages, as well as the development of the Health & You division. As from December 31, 2020, Vivendi has 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, 2021, no goodwill impairment test attributable to Prisma Media was completed given that the acquisition date (May 31, 2021) was close to the financial closing date.

Presentation of key assumptions used for the determination of recoverable amounts

The value in use of each CGU or group of CGUs is usually determined as the discounted value of future cash flows by using cash flow projections consistent with the 2022 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 CGUs 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 CGUs was determined based on its value in use based upon the main key assumptions set out below.

Operating segments	**CGU or groups of CGU tested**	Valuation Method		Discount Rate (a)		Perpetual Growth Rate	
		2021	2020	2021	2020	2021	2020
Canal+ Group	Canal+ Group excluding Studiocanal (b)	Comparables	Comparables	na	na	na	na
	Studiocanal	DCF	DCF	7.80%	7.70%	1.00%	1.00%
Havas Group	Havas Group	DCF & comparables model (c)	DCF & comparables model (c)	8.10%	7.80%	1.50%	1.50%
Editis	Editis	DCF & comparables model	DCF & comparables model	6.90%	6.90%	1.50%	1.50%
Gameloft	Gameloft	DCF & comparables model	DCF & comparables model	11.00%	10.00%	1.50%	2.00%
Vivendi Village	Paddington	DCF	DCF	8.50%	8.80%	1.00%	1.00%
	Live entertainment in France	DCF	DCF	10.10%	9.50%	1.00%	1.00%
	Live entertainment in the United Kingdom	DCF	DCF	10.10%	10.10%	1.00%	1.00%
	Venues in France	DCF	DCF	9.00%	9.00%	1.00%	1.00%
	Ticketing (Vivendi Ticketing)	DCF	DCF	9.10%	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. Based on multiple valuations observed in recent acquisitions, Vivendi considered that Canal+ Group's recoverable amount exceeded its carrying value.

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

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

	December 31, 2021				
	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	7.80%	+3.55 pts	1.00%	-7.29 pts	-36%
Havas Group (a)	8.10%	+11.62 pts	1.50%	-30.10 pts	-65%
Editis	6.90%	+1.47 pts	1.50%	-2.65 pts	-24%
Gameloft	na	na	na	na	na

	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

na: not applicable.

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

b. Vivendi Management considered that Gameloft's recoverable amount as of December 31, 2020, 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.

Note 12 Content assets and commitments

12.1 Content assets

	December 31, 2021		
(in millions of euros)	Content assets, gross	Accumulated amortization and impairment losses	Content assets
Film and television costs	7,525	(6,971)	554
Sports rights	578	-	578
Editorial creations	960	(917)	43
Music catalogs and publishing rights	-	-	-
Advances to artists and repertoire owners	-	-	-
Merchandising contracts and artists services	-	-	-
Other	54	(32)	22
Content assets	**9,117**	**(7,920)**	**1,197**
Deduction of current content assets	(874)	13	(861)
Non-current content assets	**8,243**	**(7,907)**	**336**

	December 31, 2020		
(in millions of euros)	Content assets, gross	Accumulated amortization and impairment losses	Content assets
Film and television costs	7,064	(6,486)	579
Sports rights	416	-	416
Editorial creations	902	(859)	43
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)	-
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**

Changes in content assets

(in millions of euros)	Year ended December 31, 2021		2020	
Opening balance	**5,248**		**4,169**	
Amortization of content assets excluding those acquired through business combinations	(74)		(75)	(a)
Amortization of content assets acquired through business combinations	(101)		(108)	(a)
Impairment losses on content assets acquired through business combinations	-		-	
Increase	2,887		3,987	
Decrease	(2,578)		(2,530)	
Business combinations	-		-	
Deconsolidation of Universal Music Group	(4,514)		-	
Foreign currency translation adjustments and other	328		(195)	
Closing balance	**1,196**		**5,248**	

a. Relates to the amortization of content assets as reported in the 2020 Universal Registration Document. These amounts have not been adjusted for the impact of the application of IFRS 5 on the consolidated statement of earnings.

12.2 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.

	Minimum future payments as of December 31, 2021				Total minimum future payments as of December 31, 2020
		Payments due in			
(in millions of euros)	Total	2022	2023 - 2026	After 2026	
Film and television rights	206	206	-	-	174
Sports rights	455	455	-	-	275
Music royalties to artists and repertoire owners	-	-	-	-	2,315
Other	87	83	3	1	535
Content liabilities	**748**	**744**	**3**	**1**	**3,299**

Off-balance sheet commitments given/(received)

	Minimum future payments as of December 31, 2021					Total minimum future payments as of December 31, 2020	
			Payments due in				
(in millions of euros)	Total		2022	2023 - 2026	After 2026		
Film and television rights (a)	3,256		1,220	2,016	20	4,063	
Sports rights	2,638	(b)	951	1,609	78	2,601	
Other	38		30	7	1	1,374	(c)
Given commitments	**5,932**		**2,201**	**3,632**	**99**	**8,038**	
Film and television rights (a)	(112)		(89)	(23)	-	(176)	
Sports rights	(371)		(145)	(226)	-	(52)	
Other				not available (c)			
Other	(7)		(3)	(2)	(2)	(7)	
Received commitments	**(490)**		**(237)**	**(251)**	**(2)**	**(235)**	
Total net	**5,442**		**1,964**	**3,381**	**97**	**7,803**	

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+ Group 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, 2021, provisions recorded in respect of these commitments amounted to €40 million (compared to €52 million as of December 31, 2020).

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 €22 million as of December 31, 2021, compared to €380 million as of December 31, 2020. 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.

On December 2, 2021, Canal+ Group announced the signing of a historic agreement in French cinema, thus extending a partnership of more than 30 years with French cinema organizations until year-end 2024 at least. This agreement notably provides for:

- a guaranteed investment of more than €600 million for the next three years in French and European cinema for Canal+ and Ciné+;
- an earlier position in the media chronology for Canal+, providing it with access to titles six months after their theatrical release, in line with its renewed status as the leading contributor to French and European cinema;
- a period of exclusive rights for Canal+ of at least 9 months, which could be extended for up to 16 months under a second period; and
- better capacity for exhibiting and circulating works on Canal+ Group cinema channels and on myCanal.

b. Notably includes broadcasting rights held by Canal+ Group to the following sporting events:
   - Lot 3 of the French professional Soccer League 1 from 2022/2023 and 2023/2024 with the sub-licensing agreement entered into with beIN Sports on February 12, 2020. Canal+ Group terminated the sub-licensing agreement but was ordered, pursuant to the decision of the Tribunal de Commerce de Nanterre on August 5, 2021, to continue to implement this agreement until a decision on the merits is reached regarding termination of this agreement. This broadcasting right is subject to litigation (please refer to Note 22 Litigation);
   - the Soccer Champions League, on an exclusive basis for the two premium lots for the seasons 2022/2023 and 2023/2024, of which Canal+ Group has granted exclusive co-broadcasting rights to Altice Group under a sub-license agreement, for the same seasons;
   - the English Premier League: on July 8, 2021, Canal+ Group announced the extension of the agreement in France for three additional seasons, i.e., from 2022/2023 to 2024/2025. Canal+ Group is continuing its international development by acquiring the exclusive rights to the Premier League in its entirety in the Czech Republic and Slovakia, for three consecutive seasons starting with the 2022/2023 season and ending after the 2024/2025 season;
   - the National French Rugby Championship TOP 14, on an exclusive basis, until the end of the season 2022/2023. On March 3, 2021, Canal+ Group announced the extension of the agreement for four seasons until the end of the season 2026/2027;
   - Formula 1, Formula 2 and GP3 racings on an exclusive basis until the 2024 season; and
   - MotoGP™, Moto2 and Moto3 on an exclusive basis until the 2028 season.

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

c. As of December 31, 2020, 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 13 Leases

13.1 Rights-of-use relating to leases

As of December 31, 2021, the rights-of-use relating to leases amounted to €766 million (€1,068 million as of December 31, 2020) less the accumulated amortization and impairment losses for €583 million as of December 31, 2021 (€822 million as of December 31, 2020). These rights-of-use relate to real estate leases.

Changes in the rights-of-use

	Year ended December 31,	
(in millions of euros)	2021	2020
Opening balance	**1,068**	**1,245**
Amortization	(191)	(228) (a)
Acquisitions/increase	244	132
Sales/decrease	(2)	(1)
Business combinations	26	-
Deconsolidation of UMG	(397)	-
Foreign currency translations and other	18	(80)
Closing balance	**766**	**1,068**

a. In 2020, this amount related to amortization of leases as published in the 2020 Universal Registration Document. It is not adjusted for the impact of the application of IFRS 5 on the Consolidated Statement of Earnings.

13.2 Maturity of lease liabilities

(in millions of euros)	December 31, 2021	December 31, 2020
< 1 year	125	221
Between 1 and 5 years	469	619
> 5 years	289	451
Lease liabilities	**883**	**1,291**

13.3 Lease-related expenses

Lease-related expenses recorded in the Statement of Earnings amounted to €160 million in 2021, compared to €182 million in 2020.

Note 14 Investments in equity affiliates

14.1 Main investments in equity affiliates

As of December 31, 2021, the main companies accounted for by Vivendi under the equity method were as follows:

- Universal Music Group (UMG): the world leader in recorded music, music publishing and merchandising with its registered office located in Hilversum (Netherlands);
- Lagardère: publishing, media and retail group in passenger travel areas with its registered office located in Paris (France);
- Telecom Italia: fixed and mobile telephony operator in Italy and Brazil with its registered office located in Milan (Italy); and
- Banijay Group Holding: producer and distributor of television programs with its registered office located in Paris (France).

	Ownership interest as of December 31,		Voting interest as of December 31,		Net carrying value of equity affiliates	
(in millions of euros)	2021	2020	2021	2020	December 31, 2021	December 31, 2020
Universal Music Group (a)	10.03%	90.00%	10.03%	90.00%	4,235	na
Lagardère (b)	45.13%	29.20%	22.3%	22.12%	1,469	na
Telecom Italia (c)	17.04%	17.04%	23.75%	23.75%	2,390	3,179
Banijay Group Holding	32.90%	32,90%	32.90%	32,90%	254	238
Other					50	125
					8,398	**3,542**

na: not applicable.

a. As of December 31, 2021, Vivendi held 181.8 million UMG shares, representing 10.03% of the share capital and voting rights in UMG. As of September 23, 2021, Vivendi ceded control and deconsolidated 70% of Universal Music Group, following the effective payment of the special distribution in kind of 59.87% of UMG's share capital to Vivendi's shareholders (please refer to Note 3). As from this date, UMG is accounted for by Vivendi under the equity method, with Vivendi having a significant influence on UMG notably pursuant to the shareholders' agreement entered into by and between Compagnie de l'Odet, Vivendi and the Tencent-led consortium which was signed prior to UMG's initial public offering (IPO) and establishing a concerted action under Dutch law. For a detailed description of the shareholders' agreement, please refer to Note 24.2.3. As of December 31, 2021, the stock market price of UMG shares was €24.780 per share and the value of these shares accounted for under the equity method on the Consolidated Statement of Financial Position was €23.29 per share.

b. As of December 31, 2021, Vivendi held 63.7 million Lagardère shares, representing 45.13% of the share capital of Lagardère, taking into account the 24.7 million shares acquired from Amber Capital on December 16, 2021, pursuant to the agreement entered into by and between Vivendi and Amber Capital on September 14, 2021. In accordance with Article 7(2) of Regulation (EC) No 139/2004 on the control of concentrations between undertakings, Vivendi will not exercise the voting rights attached to all of the Lagardère shares acquired from Amber Capital or as part of the public tender offer, until the authorization required for the takeover of Lagardère by the competition authorities is obtained. During this period, Vivendi's interest in Lagardère will amount to 22.3% of the theoretical voting rights. Since July 1, 2021, Lagardère has been accounted for by Vivendi under the equity method, Vivendi having a significant influence on Lagardère following the Shareholders' Meeting of the general partners and limited shareholders of Lagardère SCA, held on June 30, 2021, which approved the conversion of the company into a French limited liability company (société anonyme) with a Supervisory Board and appointed new members of Lagardère SA's Supervisory Board, including Mr. Arnaud de Puyfontaine, Chairman of Vivendi's Management Board (please refer to Note 2.1). As of December 31, 2021, the stock market price of Lagardère shares was €24.380 per share and the value of these shares accounted for under the equity method on Consolidated Statement of Financial Position was €23.06 per share.

c. As of December 31, 2021, Vivendi held 3,640.1 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. On that date, the stock market price of Telecom Italia ordinary shares (€0.434 per share) showed a decrease compared to the average purchase price paid by Vivendi (€1.071 per share) and the value of Telecom Italia shares accounted for under the equity method (€0.857 per share). With no change compared to the previous year-ends, Vivendi tested the interest in Telecom Italia to determine whether its recoverable amount was greater than its carrying value. With the assistance of a third-party appraiser, Vivendi performed standard valuation methods: the value in use, determined as the discounted value of future cash flows; the fair value, determined on the basis of market data including, stock market prices, comparable listed companies and comparison with the value attributed to similar assets or companies in recent acquisition transactions. Notwithstanding Vivendi's expectations of an improvement in Telecom Italia's value, Vivendi wrote down the value of its interest in Telecom Italia accounted for under the equity method for €728 million (-€0.20 per share) notably to take into account the economic environment uncertainties and strategic changes that could affect Telecom Italia's outlook. In Vivendi's consolidated financial statements for the year ended December 31, 2021, the value of Telecom Italia shares accounted for under the equity method amounted to €0.657 per share.

Change in value of investments in equity affiliates

(in millions of euros)	Year ended December 31, 2021	2020
Opening balance	**3,542**	**3,520**
Acquisitions/increase	5,676	119
Sales/decrease	-	-
Write-down of Telecom Italia	(728)	-
Income from equity affiliates (a)	79	108
Change in other comprehensive income	36	(166)
Deconsolidation of Universal Music Group	(103)	-
Dividends received	(76)	(40)
Other	(28)	1
Closing balance	**8,398**	**3,542**

a. As of December 31, 2021, mainly includes Vivendi's share of Universal Music Group, Lagardère and Telecom Italia's net earnings. As of December 31, 2020, mainly includes Vivendi's share of Telecom Italia's net earnings.

14.2 Financial information data

In 2021, the main aggregates in the Consolidated Financial Statements, as publicly disclosed by Universal Music Group, Lagardère and Telecom Italia are as follows:

Statement of Financial Position	Universal Music Group	Lagardère	Telecom Italia
	June 30, 2021 (a)	June 30, 2021 (a)	September 30, 2021 (b)
Date of publication:	*July 28, 2021*	*July 26, 2021*	*October 28, 2021*
(in millions of euros)			
Non-current assets	7,808	5,260	61,916
Current assets	2,865	3,096	11,065
Total assets	10,673	8,356	72,981
Total equity	1,487	686	30,640
Non-current liabilities	2,308	4,332	28,870
Current liabilities	6,878	3,338	13,471
Total liabilities	10,673	8,356	72,981
of which net financial position/(debt) (c)	*205*	*(1,716)*	*(22,492)*

Statement of Earnings	Universal Music Group	Lagardère	Telecom Italia
	Year ended December 31, 2021 (a)		Nine months Financial Statements as of September 30, 2021 (b)
Date of publication:	*March 3, 2022 (d)*	*February 17, 2022 (e)*	*October 28, 2021*
(in millions of euros)			
Revenues	8,504	5,130	11,403
EBITDA/Recurring EBIT (c)	1,686	249	4,394
Earnings attributable to shareowners	886	(101)	22
of which continuing operations	*886*	*(103)*	*22*
discontinued operations	-	*2*	-
Vivendi's share of net earnings	25 (a)	19 (a)	(13) (b)
Other items in comprehensive income	11	11	18
Dividends paid to Vivendi SE	(36)	na	(36)

na: not applicable.

a. Vivendi relies on the public financial information published by Universal Music Group and Lagardère to account for these interests under the equity method. At the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2021, Universal Music Group and Lagardère had published their Statement of Earnings, on March 3, 2022 and February 17, 2022, respectively, but had not yet published their Statement of Financial Position. Pending the publication of their complete Consolidated Financial Statements, Vivendi presents the Statement of Financial Position of Universal Music Group and Lagardère as of June 30, 2021, the last Statement of Financial Position published. Vivendi's share of Universal Music Group's net earnings amounted to €25 million, after amortization of assets for -€8 million related to the purchase price allocation. As for Lagardère, Vivendi's share of its earnings amounted to €19 million; the purchase price allocation is in progress.

b. 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 2021, Vivendi's earnings take into account its share of Telecom Italia's net earnings for the fourth quarter of 2020 and for the first nine months of 2021, i.e., a share loss of €13 million (after amortization of assets for -€60 million related to the purchase price allocation). As of December 31, 2020, in accordance with Decree no. 104/2020 (Art. 110, subsections 8 and 8a), Telecom Italia benefited from the option to reassess the tax value of its assets by aligning it with their carrying value. Consequently, as from 2021, Telecom Italia is able to generate a tax savings resulting from the amortization of the revalued tax value for a net amount of €5,877 million, which can be amortized over an 18-year period. Accordingly, the current tax savings expected by Telecom Italia amounted to €326 million per year, of which Vivendi's share is €56 million per year. In accordance with Vivendi's accounting policies and due to a three-month reporting lag in the recognition of Vivendi's share of Telecom Italia's net earnings, as of December 31, 2021, Vivendi has (i) for the first quarter of 2021, reversed its share (€1,009 million) of the deferred tax income recognized by Telecom Italia in the fourth quarter of 2020; and (ii) for the second, third and fourth quarters of 2021, included its share (€42 million) of Telecom Italia's current tax savings for the first nine months of 2021. For information, Telecom Italia's earnings attributable to shareowners for the year ended December 31, 2021, as published on March 3, 2022, represent a loss amounting of -€8,652 million, notably due to: (i) the goodwill impairment loss on domestic activities (-€4,120 million), as well as (ii) in accordance with Decree no. 104/2020 (Art. 110, subsections 8 and 8a), the partial depreciation (-€3,785 million) in deferred tax asset related to the amortization of the revalued tax value of some assets, which led Telecom Italia to the recognition of a deferred tax income, which was not taken into account by Vivendi, of €5,877 million in earnings attributable to shareowners in the fourth quarter of 2020. Given (i) the write-down (-€728 million) of Telecom Italia's shares recorded by Vivendi as of December 31, 2021, as well as (ii) Vivendi's failure to take into account its share (€1,009 million) of the deferred tax income recorded by Telecom Italia in the fourth quarter of 2020, Telecom Italia's share of earnings recognized by Vivendi as of December 31, 2021 is not affected by impairment/depreciation recognized by Telecom Italia in the fourth quarter of 2021.

c. Non-GAAP measures, including EBITDA as publicly disclosed by Universal Music Group and Telecom Italia, as well as recurring EBIT (recurring operating profit of fully consolidated companies) as publicly disclosed by Lagardère, used as main performance indicators.

d. The financial information publicly disclosed by Universal Music Group were unaudited, given that the audit report was in progress.

e. Lagardère's consolidated financial statements have been audited. The audit report will be signed off once the specific verifications have been completed.

	Nine months Financial Statements as of September 30, 2020 (a)	
	Telecom Italia	
Date of publication:	*November 10, 2020*	
Non-current assets	55,819	
Current assets	9,036	
Total assets	64,855	
Total equity	21,473	
Non-current liabilities	33,002	
Current liabilities	10,380	
Total liabilities	64,855	
of which net financial debt (b)	*25,632*	
Revenues	11,657	
EBITDA (b)	5,118	
Earnings attributable to shareowners	1,178	
of which continuing operations	*1,178*	
discontinued operations	-	
Other items in comprehensive income attributable to shareowners	929	
Total comprehensive income/(loss) attributable to shareowners	249	
Vivendi's share of net earnings	186	(a)
Other items in comprehensive income	(159)	(c)
Dividends paid to Vivendi SE	(36)	

a. 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 share gain of €126 million (after amortization of assets for -€60 million related to the purchase price allocation).

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

c. Notably included -€209 million related to foreign currency translation adjustments.

Note 15 Financial assets

	December 31, 2021			December 31, 2020		
(in millions of euros)	Total	Current	Non-current	Total	Current	Non-current
Financial assets at fair value through profit or loss						
Term deposits (a)	124	124	-	-	-	-
Level 1						
Listed equity securities	-	-	-	1,862	-	1,862
Level 2						
Unlisted equity securities	-	-	-	43	-	43
Derivative financial instruments	30	6	24	7	3	4
Other financial assets (a)	292	292	-	50	50	-
Level 3 - Other financial assets (b)	59	-	59	39	1	38
Financial assets at fair value through other comprehensive income						
Level 1 - Listed equity securities	1,380	-	1,380	2,095	-	2,095
Level 2 - Unlisted equity securities	10	1	9	20	-	20
Level 3 - Unlisted equity securities	10	-	10	24	-	24
Financial assets at amortized cost	**258**	**13**	**245**	**210**	**11**	**199**
Bolloré Group - Compagnie de l'Odet current accounts (a)	700	700	-	70	70	-
Financial assets	**2,863**	**1,136**	**1,727**	**4,420**	**135**	**4,285**

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 17).

b. These financial assets notably include 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, 2021							
	Number of shares held	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)		
MediaForEurope (b)	562,096	24.21%	1.85	na	602	15	(438)	+60/-60
of which Shares A	*281,052*		*1.85*	*0.90*	*252*			
Shares B	*281,044*		*1.85*	*1.25*	*350*			
Other (c)					778	(32)	(113)	
Total					**1,380**	**(17)**	**(551)**	

	December 31, 2020							
	Number of shares held	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 (b)	340,246	28.80%	3,70	2.09	710	(195)	(549)	+71/-71
Other (c)					601	(82)	(81)	
Lagardère (d)	38,297	29.20%	15,53	20.48	784	189	189	+78/-78
Spotify (e)	6,487	3.44%	6.58	257.34	1,669	798	1,627	+167/-167
Tencent Music Entertainment (e)	12,246	0.74%	na	15.74	193	64	193	+19/-19
Total					**3,957**	**774**	**1,379**	

na: not applicable.

a. Includes acquisition fees and taxes.

b. On July 22, 2021, Fininvest acquired 5.0% of Mediaset's (renamed MediaForEurope as from November 25, 2021) share capital from Vivendi at a price of €2.70 per share. For a detailed description, please refer to Note 2.3. As a reminder, 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 26).

c. Notably includes interests in Multichoice (> 15% of share capital as of December 31, 2021), in PRISA (9,9% of share capital since January 25, 2021), and in Telefonica (approximately 1% of share capital).

d. Since July 1, 2021, Lagardère is accounted for under the equity method by Vivendi, please refer to Note 14.

e. As of December 31, 2020, Spotify and Tencent Music Entertainment were held by Universal Music Group. As a reminder, on September 23, 2021, Vivendi deconsolidated Universal Music Group, which is now an equity accounted company. For a detailed description, please refer to Note 3.

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, 2021, Vivendi held a portfolio of listed non-controlling equity interests (including Universal Music Group, Lagardère and Telecom Italia). The aggregate market value was approximately €9.0 billion (before taxes). Vivendi is exposed to the risk of fluctuation in the value of these interests: as of December 31, 2021, the net unrealized capital gains or losses represented a net unrealized capital loss amounting to approximately €2.3 billion (before taxes). A 10% uniform decrease in the value of all of these shares, valued as of December 31, 2021, would have a cumulative negative impact of approximately €0.9 billion on Vivendi's financial position.

Note 16 Net working capital

Changes in net working capital

(in millions of euros)	December 31, 2020	Changes in operating working capital (a)	Business combinations	Divestitures completed or in progress	Changes in foreign currency translation adjustments	Other (b)	December 31, 2021
Inventories	366	(49)	11	(89)	12	5	256
Trade accounts receivable and other	5,482	447	110	(1,080)	98	(18)	5,039
Of which trade accounts receivable	*3,645*	*401*	*116*	*(435)*	*67*	*(65)*	*3,729*
write-offs	*(223)*	*2*	*(34)*	*49*	*(1)*	*28*	*(179)*
Working capital assets	**5,848**	**398**	**121**	**(1,169)**	**110**	**(13)**	**5,295**
Trade accounts payable and other	10,095	484	151	(3,910)	247	296	7,363
Other non-current liabilities	916	(11)	1	(708)	13	(164)	47
Working capital liabilities	**11,011**	**473**	**152**	**(4,618)**	**260**	**132**	**7,410**
Net working capital	**(5,163)**	**(75)**	**(31)**	**3,449**	**(150)**	**(145)**	**(2,115)**

(in millions of euros)	December 31, 2019	Changes in operating working capital (a)	Business combinations	Divestitures completed or in progress	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*
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)**

a. Excludes content investments. In 2020, related to amounts as published in the 2020 Universal Registration Document; does not include the adjustments from the impact of applying IFRS 5 on the Consolidated Statement of Cash Flow.

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

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.

Trade accounts payable and other

(in millions of euros)	Note	December 31, 2021	December 31, 2020
Trade accounts payable		5,104	4,498
Music royalties to artists and repertoire owners	12.2	-	2,305
Other		2,259	3,292
Trade accounts payable and other		**7,363**	**10,095**

Note 17 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.

	December 31, 2021			December 31, 2020		
(in millions of euros)	Carrying value	Fair value	*Level (a)*	Carrying value	Fair value	*Level (a)*
Term deposits	124	na	*na*	-	na	*na*
Bolloré Group - Compagnie de l'Odet current accounts (b)	700	na	*na*	70	na	*na*
Other financial assets	292	292	*2-3*	50	50	*2*
Cash management financial assets	**1,116**			**120**		
Cash	278	na	*na*	314	na	*na*
Term deposits and current accounts	2,629	na	*na*	662	na	*na*
Money market funds	220	na	*na*	-	na	*na*
Other financial assets	201	201	*2*	-		
Cash and cash equivalents	**3,328**			**976**		
Cash position	**4,444**			**1,096**		

na: not applicable.

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

b. Vivendi SE set up an intra-group cash management agreement, on market terms, with Bolloré SE on March 20, 2020, and Compagnie de l'Odet on October 26, 2021, to optimize the investment and financing capacities, in accordance with Article L. 511-7 of the French Monetary and Financial Code (please refer to Note 24.2).

In 2021, the average interest rate on Vivendi's investments was a negative investment rate of -0.04% (compared to a positive investment rate of +0.35% in 2020).

Investment risk and counterparty risk

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

As of December 31, 2021, the group's cash position amounted to €4,444 million (compared to €1,096 million as of December 31, 2020), of which €3,438 million was held by Vivendi SE (compared to €258 million as of December 31, 2020).

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 credit institutions and limits the amount of each such investment.

Liquidity risk

As of March 7, 2022, (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2021), 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 22.3) 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 ordinary authorizations, as well as its investment projects, in particular commitments related to the public tender offer for the shares of Lagardère SA (please refer to Note 2.1), for the next 12 months.

In addition, as of December 31, 2021, Vivendi held a portfolio of listed non-controlling equity interests (including Universal Music Group, Telecom Italia and Lagardère) with an aggregate market value of approximately €9.0 billion (before taxes), compared to €5.3 billion as of December 31, 2020, including Spotify and Tencent Music Entertainment held by UMG for €1.9 billion.

Note 18 Equity

Changes in the share capital of Vivendi SE

(in thousands)	December 31, 2021	December 31, 2020
Number of shares comprising the share capital (nominal value: €5.5 per share)	**1,108,561**	**1,185,996**
Treasury shares	(63,157)	(93,166)
Number of shares, net	**1,045,404**	**1,092,830**
Number of voting rights, gross	**1,143,439**	**1,262,578**
Treasury shares	(63,157)	(93,166)
Number of voting rights, net	**1,080,282**	**1,169,412**

As of December 31, 2021, Vivendi SE's share capital amounted to €6,097 million, divided into 1,108,561 thousand shares. In addition, as of December 31, 2021, 52 thousand stock options and 3,760 thousand performance shares were outstanding (please refer to Note 21.1), representing a potential maximum nominal share capital increase of €21 million (i.e., 0.34%).

As of December 31, 2021, Vivendi held 63,157 thousand treasury shares, representing 5.70% of its share capital, of which 48,151 thousand shares were designated for cancellation, 8,634 thousand shares were allocated to covering employee shareholding plans and 6,372 thousand shares were allocated to covering performance share plans.

As of March 7, 2022 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2021), Vivendi held 65,498 thousand treasury shares, representing 5.91% of its capital, of which 50,784 thousand shares were designated for cancellation, 8,634 thousand shares were allocated to covering employee shareholding plans and 6,080 thousand shares were allocated to covering performance share plans.

Share repurchases and cancellation

In 2021

Between January 1 and December 31, 2021, Vivendi SE repurchased 49,740 thousand shares for an aggregate amount of €691 million, excluding fees and taxes of €2 million.

In accordance with the authorization from the General Shareholders' Meeting held on April 20, 2020, between January 5 and February 12, 2021, Vivendi repurchased 7,277 thousand shares at an average price of €25.90 per share, for an aggregate amount of €189 million.

On June 18, 2021, Vivendi's Management Board cancelled 37,759 thousand treasury shares[10], representing 3.18% of the share capital, pursuant to the authorization granted in the twenty-seventh resolution of the General Shareholders' Meeting held on April 20, 2020.

On June 22, 2021, the General Shareholder's Meeting approved the following two resolutions relating to share repurchases:

- the renewal of the authorization granted to the Management Board to repurchase shares of the company within the limit of 10% of the share capital at a maximum purchase price of €29 per share (2021-2022 program), and to cancel the shares acquired up to a limit of 10% of the share capital; and
- the renewal of the authorization granted to the Management Board to purchase shares of the company pursuant to a Public Share Buyback Offer (OPRA) within the limit of 50% of Vivendi's share capital at a maximum price of €29 per share (or 40% depending on repurchases made under the 2021-2022 program that are deducted from this 50% limit), and to cancel the shares acquired.

[10] Including 19,103 thousand shares repurchased under the previous share repurchase program (2019-2020) and 18,655 thousand shares repurchased under the current share repurchase program (2020-2021).

Since the authorization granted at the Shareholders' Meeting of June 22, 2021, major transactions on Vivendi SE's share capital were as follows:

	2021-2022 share repurchase program				Cancellation of shares in thousands of shares			
	% of the share capital (a)	In thousands of shares		In millions of euros	From the 2020-2021 share repurchase program	Others	Total	% of the share capital (a)
Cancellation of treasury shares on July 26, 2021					*40,903*	-	*40,903*	*3.56%*
Share repurchases made between August 2 and August 6, 2021	0.20%	2,231	(b)	64				
Share repurchases made between Sept 21 and Nov 19, 2021	3.63%	40,232	(b)	438				
Position as of December 31, 2021	**3.83%**	**42,463**		**502**	**40,903**	**-**	**40,903**	**3.56%**
Share repurchases made between Feb 24 and March 7, 2022 (c)	0.24%	2,634	(b)	28				
Transactions authorized at the Shareholders' Meeting of June 22, 2021	**4.07%**	**45,097**		**530**	**40,903**	**-**	**40,903**	**3.56%**

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

b. Shares acquired for cancelation purposes.

c. At the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2021.

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 of €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 share repurchase program), with the option 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 pursuant to 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 2020-2021 share repurchase 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, major transactions on Vivendi SE's share capital were as follows:

	2020-2021 share repurchase program				Cancellation of shares in thousands of shares			
	% of the share capital (a)	In thousands of shares		In millions of euros	From the 2020-2021 share repurchase program	Others	Total	% of the share capital (a)
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 Oct 22 and Dec 31, 2020	2.51%	29,811	(c)	758				
Position as of December 31, 2020	**5.59%**	**66,219**		**1,598**	**-**	**-**	**-**	**-**
Share repurchases made between Jan 5 and Feb 12, 2021	0.61%	7,277		189				
Cancellation of treasury shares on June 18, 2021					*37,759*	-	*37,759*	*3.18%*
Transactions authorized at the Shareholders' Meeting of April 20, 2020	**6.20%**	**73,496**		**1,787**	**37,759**	**-**	**37,759**	**3.18%**

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

b. Allocated to employee shareholding plans.

c. Shares acquired for cancelation purposes.

Ordinary cash dividend distribution to Shareholders

On March 7, 2022 (the date of Vivendi's Management Board Meeting that approved the Consolidated Financial Statements for the year ended December 31, 2021, 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 €0.25 per share. This proposal was presented to, and approved by, Vivendi's Supervisory Board at its meeting held on March 9, 2022, and will be submitted to the approval of the General Shareholders' Meeting to be held on April 25, 2022.

On June 25, 2021, with respect to fiscal year 2020, an ordinary dividend of €0.60 per share was paid (following the coupon detachment on June 23, 2021), representing a total distribution of €653 million.

Special distribution in kind of 59.87% of Universal Music Group's share capital to Vivendi Shareholders

Please refer to Note 3.3.

Note 19 Provisions

(in millions of euros)	Note	December 31, 2021	December 31, 2020
Employee benefits (a)		478	839
Restructuring costs (b)		50	89
Litigations	26	449	411
Losses on onerous contracts		48	77
Contingent liabilities due to disposal (c)		11	10
Other (d)		109	304
Provisions		**1,145**	**1,730**
Deduction of current provisions		(467)	(670)
Non-current provisions		**678**	**1,060**

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 (€27 million as of December 31, 2021, compared to €77 million as of December 31, 2020), Prisma Media (€17 million) and Editis (€5 million as of December 31, 2021, compared to €1 million as of December 31, 2020). As of December 31, 2020, provisions for restructuring at UMG amounted to €11 million.

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)	2021	2020
Opening balance	**1,730**	**1,621**
Addition	243	507
Utilization	(270)	(206)
Reversal	(122)	(165)
Business combinations	39	6
Deconsolidation of Universal Music Group	(433)	
Divestitures, changes in foreign currency translation adjustments and other	(42)	(33)
Closing balance	**1,145**	**1,730**

Note 20 Employee benefits

20.1 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 20.2.2 below.

		Year ended December 31,	
(in millions of euros)	Note	2021	2020
Employee defined contribution plans		32	33
Employee defined benefit plans	20.2.2	5	52
Employee benefit plans		**37**	**85**

20.2 Employee defined benefit plans

20.2.1 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	
	2021	2020	2021	2020
Discount rate (a)	1.5%	1.2%	2.9%	2.4%
Rate of compensation increase	1.6%	1.4%	na	na
Duration of the benefit obligation (in years)	11.1	14.4	8.4	9.2

na: not applicable.

a. A 50 basis point increase (or a 50 basis point decrease, respectively) to the 2021 discount rate would have led to a decrease of €0.7 million in pre-tax expense (or an increase of €0.4 million, respectively) and would have led to a decrease in the obligations of pension and post-retirement benefits of €48 million (or an increase of €58 million, respectively).

Assumptions used in accounting for pension benefits, by country

	United States		United Kingdom		Germany		France	
	2021	2020	2021	2020	2021	2020	2021	2020
Discount rate	3.00%	2.50%	2.00%	1.50%	0.75%	0.75%	0.75%	0.75%
Rate of compensation increase (weighted average)	na	na	na	na	1.75%	1.75%	3.47%	3.38%

na: not applicable.

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

	United States		Canada	
	2021	2020	2021	2020
Discount rate	3.00%	2.50%	2.75%	2.50%
Rate of compensation increase (weighted average)	na	na	na	na

na: not applicable.

Allocation of pension plan assets

	December 31, 2021	December 31, 2020 (a)
Equity securities	8%	7%
Debt securities	34%	28%
Diversified funds	13%	9%
Insurance contracts	11%	37%
Real estate	3%	1%
Cash and other	31%	18%
Total	**100%**	**100%**

a. Included UMG's pension plan assets consolidated as of December 31, 2020.

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

These assets do not include occupied buildings or assets used by the 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 5.8% for the under 65 years of age and the 65 years of age and older categories in 2021, to 4.3% in 2030 for these categories. In 2021, a one-percentage-point increase in the assumed cost evolution rates would have increased post-retirement benefit obligations by €3.4 million and the pre-tax expense by €0.1 million. Conversely, a one-percentage-point decrease in the assumed cost evolution rates would have decreased post-retirement benefit obligations by €3.1 million and the pre-tax expense by €0.1 million.

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

	Pension benefits		Post-retirement benefits		Total	
(in millions of euros)	2021	2020	2021	2020	2021	2020
Current service cost	29	29	-	-	29	29
Past service cost (a)	(25)	22	-	-	(25)	22
(Gains)/losses on settlements	-	-	-	-	-	-
Other	1	1	-	-	1	1
Impact on selling, administrative and general expenses	**5**	**52**	**-**	**-**	**5**	**52**
Interest cost	11	11	2	3	13	14
Expected return on plan assets	(6)	(6)	-	-	(6)	(6)
Impact on other financial charges and income	**5**	**5**	**2**	**3**	**7**	**8**
Net benefit cost recognized in profit or loss	**10**	**57**	**2**	**3**	**12**	**60**

a. In 2021, past service cost was a net operating income of €25 million, which included:

- an operating charge of €11 million (compared to €12 million in 2020), corresponding to the residual cost of Vivendi SE's supplemental and differential defined benefit pension plans over the remaining employment period of the beneficiaries, which is now closed to vesting as a result of the French "Pacte Law"; and
- an operating income of €35 million, which notably included the impact of the loss of rights resulting from the departure of beneficiaries in 2021 (€19 million), notably related to the sale of UMG, and the impact in respect of fiscal years 2020 and 2021 (€9 million) of the capping of accrued rights under Vivendi SE's new supplemental and differential defined benefit pension plans, implemented under the French "Pacte Law".

In 2020, past service cost also included an operating charge of €9 million following the execution of an amendment to Vivendi SE's company-level collective agreement impacting the end-of-career compensation plan on December 7, 2020.

In 2021, benefits paid amounted to (i) €31 million with respect to pensions (€31 million in 2020), of which €12 million was paid by pension funds (€12 million in 2020), and (ii) €9 million was paid with respect to post-retirement benefits (€9 million in 2020).

20.2.3 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, 2021		
(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		**1,431**	**639**	**(792)**
Current service cost		31		(31)
Past service cost		(25)		25
(Gains)/losses on settlements		(1)	(1)	-
Other		-	(1)	(1)
Impact on selling, administrative and general expenses				***(7)***
Interest cost		16		(16)
Expected return on plan assets			7	7
Impact on other financial charges and income				***(9)***
Net benefit cost recognized in profit or loss (a)				**(16)**
Experience gains/(losses) (b)		(21)	-	21
Actuarial gains/(losses) related to changes in demographic assumptions		(20)	-	20
Actuarial gains/(losses) related to changes in financial assumptions		(13)	-	13
Adjustment related to asset ceiling		-	-	-
Actuarial gains/(losses) recognized in other comprehensive income				**54**
Contributions by plan participants		2	2	-
Contributions by employers		-	75	75
Benefits paid by the fund		(15)	(15)	-
Benefits paid by the employer		(40)	(40)	-
Business combinations (c)		15	-	(15)
Divestitures of businesses (d)		(419)	(208)	211
Transfers		-	-	-
Foreign currency translation and other		8	25	17
Closing balance		**949**	**483**	**(466)**
of which wholly or partly funded benefits		*708*		
wholly unfunded benefits (e)		*241*		
of which assets related to employee benefit plans				*4*
provisions for employee benefit plans (f)	19			*(470)*

		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 (a)				**(64)**
Experience gains/(losses) (b)		(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 (e)		*462*		
of which assets related to employee benefit plans				*10*
provisions for employee benefit plans (f)	19			*(802)*

a. In 2021, includes employee benefit plan expenses related to UMG's defined benefit plans until the deconsolidation on September 23, 2021. In 2020, related to employee benefit plan expenses related to the defined benefit plans disclosed in Vivendi’s 2020 Universal Registration Document. These amounts have not been restated for the impact of the application of IFRS 5 on the Consolidated Statement of Earnings.

b. 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.

c. Mainly includes the impact of the acquisition of Prisma Media on May 31, 2021.

d. Includes the impact of the deconsolidation of UMG on September 23, 2021, following the effective payment of the special distribution in kind of 59.87% of UMG’s share capital to Vivendi’s shareholders (please refer to Note 3).

e. In accordance with local laws and practices, certain plans are not covered by plan assets. As of December 31, 2021, such plans principally comprised supplementary pension plans and post-retirement benefit plans in the United States. As of December 31, 2020, they related to UMG pension plans in Germany.

f. Included a current liability of €83 million as of December 31, 2021 (compared to €72 million as of December 31, 2020).

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)	2021	2020	2021	2020	2021	2020 (c)
Benefit obligation						
US companies	97	104	81	99	178	203
UK companies	343	529		3	343	532
German companies (d)	-	184	-	-	-	184
French companies	375	412	2	3	377	415
Other	42	88	9	9	51	97
	857	**1,317**	**92**	**114**	**949**	**1,431**
Fair value of plan assets						
US companies	46	46	-	-	46	46
UK companies	330	467	-	-	330	467
German companies (d)	-	2	-	-	-	2
French companies	99	70	-	-	99	70
Other	8	54	-	-	8	54
	483	**639**	**-**	**-**	**483**	**639**
Net provision						
US companies	(51)	(58)	(81)	(99)	(132)	(157)
UK companies	(13)	(62)	-	(3)	(13)	(65)
German companies (d)	-	(182)	-	-	-	(182)
French companies	(276)	(342)	(2)	(3)	(278)	(345)
Other	(34)	(34)	(9)	(9)	(43)	(43)
	(374)	**(678)**	**(92)**	**(114)**	**(466)**	**(792)**

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 20.2.1).

c. Includes the obligations and assets of UMG's plan consolidated as of December 31, 2020.

d. Related to UMG's defined benefit plans in Germany in 2020.

20.2.4 Benefits estimation and future payments

For 2022, hedge fund contributions and benefit payments by Vivendi to retirees are estimated at €74 million in respect of pensions, of which €3 million relates to pension funds and €8 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
2022	74	9
2023	26	8
2024	58	8
2025	35	8
2026	35	8
2027-2031	213	33

Note 21 Share-based compensation plans

21.1 Plans granted by Vivendi SE

21.1.1 Equity-settled instruments

Transactions relating to outstanding instruments that occurred in 2020 and 2021 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, 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**		**14.4**	**5,344**	
Granted	-		na	-	
Exercised / Issued	(1,228)	(a)	14.4	(1,087)	
Forfeited	(30)		17.2	-	
Cancelled	-		na	(497)	(b)
Balance as of December 31, 2021	**52**		**11.8**	**3,760**	(c)
Acquired / Exercisable as of December 31, 2021	**52**		**11.8**	**-**	
Rights acquired as of December 31, 2021	**52**		**11.8**	**631**	

na: not applicable.

a. In 2021, beneficiaries exercised stock options at the weighted average stock market price of €28.4 (compared to €22.8 for stock options exercised in 2020.

b. At its meeting held on March 3, 2021, after a review by the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board acknowledged the achievement level of the objectives set for the cumulative fiscal years 2018, 2019 and 2020 under the performance share plan granted by the Supervisory Board on May 17, 2018. It was confirmed that all the criteria had been significantly met. However, given that the negative impact of the situation in Italy over the period was not reflected in the financial results, the Supervisory Board decided to set the final vesting rate of the 2018 performance share plan at only 75% of the initial grant. Consequently, 380,209 rights to performance shares, which were granted in 2018, were cancelled, of which 43,750 of such cancelled rights related to members of the Management Board. In addition, 116,962 rights were cancelled due to the termination of employment of certain beneficiaries.

   For the performance share plan granted in 2017, 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. 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 set the final vesting rate of the 2017 performance share plan at only 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 related to members of the Management Board. In addition, 74,839 rights were cancelled due to the termination of employment of certain beneficiaries.

c. The weighted-average remaining period prior to the delivery of performance shares was 1.1 year.

Please refer to Note 18 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, 2021

Range of strike prices	Number	Weighted average strike price	Weighted average remaining life
	(in thousands)	(in euros)	(in years)
Under €11	-	na	-
€11-€12	52	11.8	0.3
More than €12	-	na	-
	52	**11.8**	**0.3**

na: not applicable.

Performance share plan

In 2021, Vivendi SE did not grant any performance shares (please refer to Note 21.1.3).

On February 13, 2020, Vivendi SE granted 1,595 thousand performance shares to employees and executive management, of which 185 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%. 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. Consequently, the fair value of each granted performance share was estimated at €21.68, corresponding to an aggregate fair value of the plan of €35 million.

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 within 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 1.3.11.

Satisfaction of the objectives that determine the definitive vesting 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 2021, the charge recognized with respect to all performance share plans amounted to €15 million, compared to €23 million in 2020.

21.1.2 Employee stock purchase and leveraged plans

In 2021, Vivendi SE did not implement any employee shareholding schemes within the framework of an employee stock purchase plan or leveraged plan, reserved for employees, retirees or corporate officers of the group.

On July 21, 2020, Vivendi SE implemented an employee shareholding plan through the sale of treasury shares pursuant to 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.

These shares, which are subject to certain sale or transfer restrictions during a five-year period, were 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
Grant date	June 18
Data at grant date:	
Share price (in euros)	22.77
Expected dividend yield	2.64%
Risk-free interest rate	-0.48%
5-year interest rate	3.91%
Repo rate	0.36%
Discount for non-transferability per share	18.64%

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 per share of €16.554 subscribed for in 2020). 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 (excluding UMG which is classified as a discontinued operation in accordance with IFRS 5).

Under the leveraged plan, 6,486 thousand shares were acquired in 2020 through a company mutual fund at a price per share of €16.554. The leveraged plan entitled 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 hedged 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. In 2020, the charge recognized with respect to the leveraged plan amounted to nearly €8 million (excluding UMG which is classified as a discontinued operation in accordance with IFRS 5).

21.1.3 Cash awards and partial offset in connection with the distribution of 59.87% of UMG's share capital

No grant of performance shares in 2021

At its meeting on March 3, 2021, on the recommendation of the Governance, Nominations and Remuneration Committee, the Supervisory Board approved in principle the granting of cash awards to employees, executive management and corporate officers of the group eligible for annual performance share grants[11], as follows:

- the payment of the cash award is conditioned upon completion, before year-end 2021, of the planned distribution of 60% of UMG's share capital and the planned listing of the shares of UMG on the regulated market of Euronext Amsterdam; and
- if the cash payment is made, no performance shares will be granted to employees and executive management for 2021.

Considering that no Vivendi performance shares were granted for 2021, employees, executive management and corporate officers were granted a cash award, conditioned upon the completion in 2021 of the plan to list and distribute Universal Music Group N.V.'s shares. The gross amount of the grant was set at €21 for each theoretical right to performance shares in 2021. Based on the 1,620,809 theoretical rights to performance shares in 2021, a gross amount of €34 million will be paid in 2022, subject to the presence of the beneficiaries.

Pursuant to Article L. 22-10-34 II. of the French Commercial Code, the payment of the amounts allocated in this context to the Chairman and members of the Management Board in respect with 2021 is subject to approval at the Annual General Shareholders' Meeting to be held on April 25, 2022 (a description will be included in Section 2 of Chapter 4 of the 2021 Annual Report – Universal Registration Document).

Non-eligibility of 2019 and 2020 performance share rights for the special distribution of UMG shares

As a reminder, the performance share rights granted in 2019 and 2020 (approximately 600 beneficiaries) were not eligible for the special distribution of 59.87% of UMG's share capital, on the basis of one UMG share for every one Vivendi SE share held, as of September 21, 2021. As stated in the report on the special dividend in kind and special interim dividend in kind published on April 19 and April 22, 2021, pursuant to the provisions of Article L. 228-99 of the French Commercial Code, since these dividends were charged against distributable earnings, they did not give rise to adjustments to the rights of the beneficiaries of grants of performance shares under the 2019 and 2020 performance share plans.

At its meeting held on March 9, 2022, the Supervisory Board, on the recommendation of the Governance, Nominations and Remuneration Committee, decided to authorize in principle the payment of a gross amount of €7 for each of the 1,264,360 performance share rights definitely granted to employees, executive management and corporate officers of the group under the 2019 performance share plan, subject to the level of achievement of the performance criteria set in 2019 and subject to the presence of the beneficiaries. The corresponding gross amount of €9 million will be paid in 2022. For the 2020 grant, the payment of a gross amount of €7 could also be applied under the same conditions to

[11] *In 2020, 1.660 million performance shares were granted.*

each of the 1,422,100 performance share rights that could be definitely granted to employees, executive management and corporate officers of the group. The corresponding gross amount of €10 million would be paid in 2023.

In accordance with the provisions of the French Commercial Code, the principle and payment of amounts granted in this context to the Chairman and members of the Management Board are subject to approval at the Annual General Shareholders' Meeting (a description will be included in Section 2 of Chapter 4 of the 2021 Annual Report – Universal Registration Document).

Non-eligibility of certain 2017 and 2018 performance share rights for the special distribution of UMG shares

In addition, the management of certain group subsidiaries decided to pay a cash amount for each performance share rights granted in 2017 and 2018 to certain employees not resident in France. Their rights vested 3 years after the date of grant, and due notably to local tax regulations, these employees receive their performance shares only after at the end of a five-year period. Therefore, they were not eligible for the special distribution of UMG shares in 2021. The gross amount of this cash payment was set at €25.25 per performance share, corresponding to UMG's first listing price on September 21, 2021. It applied to 118,075 performance share rights granted in 2017 and to 205,353 performance share rights granted in 2018, representing a gross amount of €3 million and €5 million, respectively, with payment in 2021, 2022 and 2023, as applicable.

21.2 Dailymotion's long-term incentive plan

From 2015 until June 30, 2020, certain corporate officers of Dailymotion and Universal Music Group benefited from a long-term incentive plan tied to the growth of Dailymotion's enterprise value compared to its acquisition price. As of June 30, 2020, the plan expired without any cash payments having been made.

In 2021, certain corporate officers of Dailymotion benefited from a new long-term incentive plan that will expire on June 30, 2023, tied to the growth of Dailymotion's enterprise value compared to its acquisition price as of June 30, 2015, as such value would result from the sale of at least 10% of the company's share capital or based upon an independent appraisal carried out at the end of the plan. In the event of an increase in Dailymotion's value, the compensation with respect to the incentive plan will be capped at a percentage, of such increase, depending on the beneficiary. In accordance with IFRS 2, a charge representative of this compensation must be estimated and recognized at each fiscal year end until the payment date. As of December 31, 2021, no expenses were recorded under this plan.

Note 22 Borrowings and other financial liabilities and financial risk management

		December 31, 2021			December 31, 2020			
(in millions of euros)	Note	Total	Long-term	Short-term	Total	Long-term	Short-term	
Bonds	22.2	4,050	3,350	700	5,050	4,050	1,000	
Bank credit facilities	22.3	23	-	23	661	-	661	
Short-term marketable securities		-	-	-	310	-	310	
Bank overdrafts		4	-	4	10	-	10	
Accrued interest to be paid		12	-	12	16	-	16	
Cumulative effect of amortized cost	22.1	(12)	(12)	-	(17)	(16)	(1)	
Other		19	13	6	19	11	8	
Borrowings at amortized cost		**4,096**	**3,351**	**745**	**6,049**	**4,045**	**2,004**	
Commitments to purchase non-controlling interests		175	144	31	324	108	216	(a)
Derivative financial instruments		8	1	7	28	18	10	
Borrowings and other financial liabilities		**4,279**	**3,496**	**783**	**6,401**	**4,171**	**2,230**	
Lease liabilities	13	883	758	125	1,291	1,070	221	
Total		**5,162**	**4,254**	**908**	**7,692**	**5,241**	**2,451**	

a. As of December 31, 2020, includes the commitment of €189 million related to the share repurchase mandate effective as of December 31, 2020.

22.1 Fair market value of borrowings and other financial liabilities

(in millions of euros)	December 31, 2021			December 31, 2020			
	Carrying value	Fair market value	*Level (a)*	Carrying value		Fair market value	*Level (a)*
Nominal value of borrowings	4,108			6,066			
Cumulative effect of amortized cost	(12)			(17)			
Borrowings at amortized cost	**4,096**	**4,202**	***1 - 2***	**6,049**		**6,228**	***1 - 2***
Commitments to purchase non-controlling interests	175	175	*3*	324	(b)	324	*1 - 3*
Derivative financial instruments	8	8	*2*	28		28	*2*
Borrowings and other financial liabilities	**4,279**	**4,385**		**6,401**		**6,580**	

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

b. Includes the firm commitment (classified at fair value of Level 1) related to the share repurchase mandate effective as of December 31, 2020; between January 5 and February 12, 2021, Vivendi repurchased 7,277 thousand of its own shares at an average price of €25.90 per share, for an aggregate amount of €189 million. For a detailed description, please refer to Note 18.

22.2 Bonds

(in millions of euros)	Interest rate (%)		Maturity	December 31, 2021		December 31, 2020
	nominal	effective				
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
€500 million (May 2016)	1.875%	1.93%	May-26	500		500
€1 billion (May 2016)	0.750%	0.90%	May-21	-	(a)	1,000
Nominal value of bonds				**4,050**		**5,050**

a. This bond was redeemed in full on April 26, 2021.

Bonds issued by Vivendi SE are registered on Euronext Paris.

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[12] that would apply if, as a result of such event, the long-term rating of Vivendi SE is downgraded below grade status Baa3.

22.3 Bank credit facilities

Vivendi SE

As part of the separation of the cash pooling and financing arrangements between Vivendi SE and Universal Music Group (UMG), implemented on July 7, 2021 (please refer to Note 3.3), Vivendi SE agreed with its banks to reduce the amount of its credit facilities.

On June 28, 2021, Vivendi SE's syndicated credit facility was reduced to €1.5 billion (compared to €2.2 billion previously) maturing in January 2026. As of July 7, 2021, Vivendi SE's eight bilateral credit facilities were reduced to an aggregate amount of €800 million.

These credit facilities do not require compliance with financial covenants, but 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, 2021, €2.3 billion of Vivendi SE's credit facilities were available.

As of March 7, 2022 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2021), €2.3 billion of Vivendi SE's credit facilities were available.

[12] *Bolloré Group was carved out of the change-of-control provision under the bonds.*

Havas SA

Havas SA has committed credit facilities, undrawn as of December 31, 2021, 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 not subject to any financial covenant.

As of March 7, 2022 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2021), €460 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 €50 million.

Vivendi group

As of December 31, 2021, €2.8 billion of the Vivendi group's committed credit facilities were available.

As of March 7, 2022 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2021), €2.8 billion of the Vivendi group's facilities were available.

22.4 Borrowings by maturity

(in millions of euros)	December 31, 2021		December 31, 2020	
Maturity				
< 1 year (a)	746	*18%*	2,004	*33%*
Between 1 and 2 years	608	*15%*	706	*12%*
Between 2 and 3 years	852	*21%*	602	*10%*
Between 3 and 4 years	701	*17%*	851	*14%*
Between 4 and 5 years	501	*12%*	702	*11%*
> 5 years	700	*17%*	1,201	*20%*
Nominal value of borrowings	**4,108**	***100%***	**6,066**	***100%***

a. Mainly includes Vivendi SE's bond maturing in June 2022 for €700 million. As of December 31, 2020, they notably included Vivendi SE's bond redeemed in April 2021 for €1 billion, marketable securities issued by Vivendi SE for €310 million and credit facility drawings made by UMG Inc. for €635 million as of December 31, 2020.

The average "economic" term of the group's gross financial debt, calculated on the assumption that available medium-term credit lines may be used to redeem the group's shortest term borrowings, was 4.2 years (compared to 4.8 years as of December 31, 2020).

As of December 31, 2021, the future undiscounted cash flows related to borrowings and other financial liabilities amounted to €4,423 million (compared to €6,584 million as of December 31, 2020) with a carrying value of €4,279 million (compared to €6,401 million as of December 31, 2020) and are set out in Note 25.1 in the group's contractual minimum future payments schedule.

22.5 Interest rate risk management

Vivendi's interest rate risk management seeks to reduce its net exposure to interest rate increases. Therefore, to the extent needed, Vivendi uses 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, 2021, the nominal value of borrowings at fixed interest rate amounted to €4,073 million (compared to €5,090 million as of December 31, 2020) and the nominal value of borrowings at floating interest rate amounted to €35 million (compared to €976 million as of December 31, 2020).

As of December 31, 2021, and 2020, Vivendi had not entered into any interest rate swaps.

22.6 Foreign currency risk management

Breakdown by currency

(in millions of euros)	December 31, 2021		December 31, 2020		
Euro - EUR	4,074	*99%*	5,385		*89%*
US dollar - USD	-	-	635	(b)	*10%*
Other	34	*1%*	46		*1%*
Nominal value of borrowings before hedging	**4,108**	***100%***	**6,066**		***100%***
Currency swaps USD	*396*		*492*		
Other currency swaps	*(36)*		*213*		
Net total of hedging instruments (a)	***360***		***705***		
Euro - EUR	4,434	*108%*	6,090		*100%*
US dollar - USD	(396)	*-10%*	143		*3%*
Other	70	*2%*	(167)		*-3%*
Nominal value of borrowings after hedging	**4,108**	***100%***	**6,066**		***100%***

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

b. Relates to credit facility drawings made by Universal Music Group Inc. for €635 million as of December 31, 2020.

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, 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. The hedging instruments are foreign currency swaps or forward contracts that mostly have maturity periods 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, 2021 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.

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, 2021						
	Notional amounts					Fair value	
(in millions of euros)	**Total**	USD	PLN	GBP	Other	Assets	Liabilities
Sales against the euro	(401)	(121)	(97)	(14)	(169)	4	3
Purchases against the euro	1,201	791	104	215	91	23	5
Other	-	77	(77)	-	-	5	-
	800	**747**	**(70)**	**201**	**(78)**	**32**	**8**
Breakdown by accounting category of foreign currency hedging instruments							
Cash Flow Hedge							
Sales against the euro	(145)	(1)	(15)	(3)	(126)	1	1
Purchases against the euro	76	9	6	(4)	65	-	1
Other	-	16	(16)	-	-	1	-
	(69)	**24**	**(25)**	**(7)**	**(61)**	**2**	**2**
Fair Value Hedge							
Sales against the euro	(217)	(93)	(82)	(11)	(31)	3	2
Purchases against the euro	939	782	-	145	12	23	3
Other	-	61	(61)	-	-	4	-
	722	**750**	**(143)**	**134**	**(19)**	**30**	**5**
Economic Hedging (a)							
Sales against the euro	(39)	(27)	-	-	(12)	-	-
Purchases against the euro	186	-	98	74	14	-	1
Other	-	-	-	-	-	-	-
	147	**(27)**	**98**	**74**	**2**	**-**	**1**

	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**

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

22.7 Derivative financial instruments

Value on the Statement of Financial Position

(in millions of euros)	Note	December 31, 2021 Assets	December 31, 2021 Liabilities	December 31, 2020 Assets	December 31, 2020 Liabilities
Interest rate risk management	22.5	-	-	-	-
Foreign currency risk management	22.6	32	8	8	28
Other		-	-	-	-
Derivative financial instruments		**32**	**8**	**8**	**28**
Deduction of current derivative financial instruments		(8)	(7)	(4)	(10)
Non-current derivative financial instruments		**24**	**1**	**4**	**18**

Unrealized gains and losses recognized directly in equity

(in millions of euros)	Cash Flow Hedge: Interest rate risk management	Cash Flow Hedge: Foreign currency risk management	Net Investment Hedge	Total
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**
Charges and income directly recognized in equity	-	1	-	1
Items to be reclassified as profit or loss	-	-	-	-
Tax effect	-	-	-	-
Deconsolidation of Universal Music Group	-	-	(83)	(83)
Balance as of December 31, 2021	**-**	**(1)**	**(2)**	**(3)**

22.8 Credit ratings

As of March 7, 2022 (the date of Vivendi’s Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2021), Vivendi’s credit ratings were as follows:

Rating agency	**Type of debt**	**Ratings**	
Moody's	Long-term senior unsecured debt	Baa2	Negative outlook

Note 23 Consolidated Cash Flow Statement

23.1 Adjustments

(in millions of euros)	Note	Year ended December 31, 2021	Year ended December 31, 2020
Items related to operating activities with no cash impact			
Amortization and depreciation of intangible and tangible assets	5	809	581
Change in provision, net		(78)	215
Other non-cash items from EBIT		(5)	5
Other			
Income from equity affiliates - operational		(90)	9
Proceeds from sales of property, plant, equipment and intangible assets		4	11
Adjustments		**640**	**821**

23.2 Investing and financing activities with no cash impact

In 2021, the distribution of 59.87% of Universal Music Group’s share capital had no cash impact (please refer to Note 3). In 2020, there were no significant investing and financing activities with no cash impact.

Note 24 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 disregarded for the purposes of the preparation of Vivendi's Consolidated Financial Statements;
- companies over which Vivendi exercises a significant influence and which are accounted for under the equity method;
- 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, since Vivendi has been fully consolidated by Bolloré Group since April 26, 2017.

24.1 Corporate officers

Supervisory Board

The Supervisory Board currently comprises 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 No. 2011-103 of January 27, 2011, the two employee representatives are not taken into account for the calculation of this percentage). In 2021 and 2020, the composition of the Supervisory Board changed as follows:

- On June 22, 2021, Vivendi SE's General Shareholders' Meeting renewed the terms of Ms. Véronique Driot-Argentin as a Supervisory Board member and Ms. Sandrine Le Bihan as a Supervisory Board member representing employee shareholders for a four-year term, pursuant to paragraph 2 of Article 8-I.1. of Vivendi's by-laws.

- 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.

With respect to fiscal year 2021, 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 2020), from which the amount of his remuneration (formerly called "attendance fees") of €60.000 (compared to €60,000 with respect to fiscal year 2020) 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 2021 (including a gross payment of €180,000 with respect to fiscal year 2021 and a gross variable component of €420,000 paid in 2021 with respect to fiscal year 2020), compared to €1,662,197 in 2020 (including a gross variable component of €600,000 paid in 2020 with respect to fiscal year 2019). In view of the lack of a Vivendi performance share grant in respect of fiscal year 2021, the Chairman and Chief Executive Officer of Havas received a gross cash award of €315,000, conditioned upon the completion in 2021 of the plan to list and distribute Universal Music Group N.V's shares, which will be paid in 2022. On February 13, 2020, the Chairman and Chief Executive Officer of Havas was granted 15,000 Vivendi performance shares (with a book value of €325,200[13]), subject to the satisfaction of certain performance criteria as described in Note 21.1.1.

With respect to fiscal year 2021, the gross amount of the compensation paid to the members of the Supervisory Board of Vivendi SE was an aggregate amount of €1,238,571 (compared to €1,150,000 with respect to fiscal year 2020).

[13] *The book value is calculated based on the number of performance shares. The value per performance share used for this table is equal to the value recognized in the financial statements in accordance with IFRS 2 (please refer to Note 21.1.1 for a description of the measurement of equity-settled instruments). This per-share value is €21.68 for the February 13, 2020 plan.*

Management Board

The Management Board currently comprises seven members.

In 2021, the gross compensation paid by the Vivendi group to the Management Board members amounted to €12.5 million (compared to €11.9 million paid in 2020). This amount included:

- fixed compensation of €7.1 million (compared to €6.0 million in 2020);
- variable compensation of €4.8 million paid in 2021 with respect to fiscal year 2020 (compared to €5.3 million paid in 2020 with respect to fiscal year 2019);
- 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 and to the executive management amounted to €2.1 million in 2021 (compared to €3.1 million in 2020).

The group supplemental pension plan is described in the compensation policy of the Chairman and members of the Management Board for 2021, as approved at the Shareholders' Meeting held on June 22, 2021, 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 4 of the Annual Report – 2020 Universal Registration Document. The Supervisory Board, at its meeting held on March 9, 2022, confirmed that the performance criteria applying to the pension rights growth rate under this plan had been met with respect to fiscal year 2021. The charge recorded by Vivendi related to pension commitments toward Management Board members and executive management amounted to €7.2 million in 2021 (€16.5 million in 2020). As of December 31, 2021, the net pension commitments toward the Management Board members and the executive management under the group benefit supplemental pension plan was an aggregate amount of €56.4 million (€72.4 million as of December 31, 2020). In accordance with Article D. 22-10-16 of the French Commercial Code *(Code de commerce)*, information on commitments under benefit supplemental pension plans will be included in the compensation components of the Chairman and members of the Management Board, in Section 2 of Chapter 4 of the Annual Report - 2021 Universal Registration Document.

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
- 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.

In view of the lack of a Vivendi performance share grant in respect of fiscal year 2021, the Chairman of Vivendi's Management Board received a gross cash award of €840,000, conditioned upon the completion in 2021 of the plan to list and distribute Universal Music Group N.V's shares. Pursuant to Article L. 22-10-34 II. of the French Commercial Code, payment of this amount is subject to approval at the General Shareholders' Meeting to be held on April 25, 2022 (please refer to the compensation policy of the Chairman and the members of the Management Board for 2021, as approved at the Shareholders' Meeting held on June 22, 2021, and which is included in the report on corporate governance referred to in Articles L. 22-10-20 and L. 225-68 of the French Commercial Code included in Section 2 of Chapter 4 of the Annual Report – 2020 Universal Registration Document). On February 13, 2020, the Chairman of the Management Board was granted 40,000 Vivendi performance shares (with a book value of €867,200[5]), subject to the satisfaction of certain performance criteria, as described in Note 21.1.1.

The report on corporate governance will be included in Section 2 of Chapter 4 of the Annual Report. The 2021 Universal Registration Document will contain a detailed description of the compensation policy applicable to Vivendi's corporate officers for 2022. This chapter will also contain details of the fixed and variable components of their compensation and the benefits in any kind paid or attributed in fiscal year 2021.

Other executive 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 received a compensation, as well as benefits in kind, totaling a gross amount of €1,220,851.86 in 2021 (including a gross variable portion of €450,000 paid in 2021 with respect to fiscal year 2020), compared to a gross amount of €964,962 in 2020 (including a gross variable portion of €450,000 paid in 2020 with respect to fiscal year 2019). In view of the lack of a Vivendi performance share grant in respect of fiscal year 2021, the Advisor to the Chairman of Vivendi's Management Board received a gross cash award of €420,000, conditioned upon the completion in 2021 of the plan to list and distribute Universal Music Group N.V's shares, which will be paid in 2022. On February 13, 2020, he was granted 20,000 Vivendi performance shares (with a book value of €433,600), subject to the satisfaction of certain performance criteria as described in Note 21.1.1.

24.2 Bolloré Group – Compagnie de l'Odet (formerly Financière de l'Odet SE)

Following Vivendi's General Shareholders' Meeting held on April 25, 2017, based on the analysis conducted by Bolloré Group of certain 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.

As of December 31, 2020, Bolloré Group, through Compagnie de Cornouaille and Financière de Larmor, two wholly-owned subsidiaries of Bolloré SE, held 320,521,374 Vivendi shares bearing 375,309,383 voting rights, i.e., 27.03% of Vivendi SE's share capital and 29.73% of the gross voting rights.

On May 25, 2021, Compagnie de Cornouaille[14], a simplified joint stock company, reported that it had individually crossed the 25% threshold of Vivendi SE's share capital and that it individually held 320,511,374 Vivendi shares representing 350,293,383 voting rights, i.e., 27.01% of Vivendi's share capital and 28.29% of its voting rights[15]. This threshold crossing is the result of the merger of the company Financière de Larmor with and into Compagnie de Cornouaille on that same date.

On that date, through Compagnie de Cornouaille and Compagnie de l'Odet (previously known as Financière de l'Odet SE)[16] which he controls, Mr. Vincent Bolloré did not indirectly cross any threshold and directly and indirectly held 325,058,806 Vivendi SE shares representing 354,833,558 voting rights, i.e., 27.39% of Vivendi SE's share capital and 28.66% of its voting rights[7] (see AMF notice No. 221C1222 of May 27, 2021).

On June 25, 2021, as part of the dividend payment made by Vivendi SE to its shareholders with respect to fiscal year 2020, Bolloré Group received a dividend of €198 million (compared to a dividend with respect to fiscal year 2019 of €192 million paid in 2020).

On September 23, 2021, as part of Vivendi SE's distribution of 59.87% of Universal Music Group N.V.'s (UMG) share capital to its shareholders (please refer to Note 3), Bolloré Group received 326,506,933 UMG shares (including 5,995,559 shares for Compagnie de l'Odet and 320,511,374 shares for its sub-subsidiary Compagnie de Cornouaille). As a reminder, prior to this distribution, Compagnie de l'Odet and its sub-subsidiary Compagnie de Cornouaille acquired 2 and 98 UMG shares from Vivendi SE, respectively (please refer to Note 24.2.3).

As of December 31, 2021, through Compagnie de l'Odet and Compagnie de Cornouaille which he controls, Mr. Vincent Bolloré directly and indirectly held 326,572,434 Vivendi SE shares bearing 340,164,809 voting rights, i.e., 29.46% of Vivendi's share capital and 29.75% of its SE's gross voting rights.

24.2.1 Cash management agreement between Vivendi SE, Bolloré SE and Compagnie de l'Odet

On October 26, 2021, in accordance with Article L. 511-7 of the French Monetary and Financial Code, Vivendi SE and Compagnie de l'Odet entered into an intra-group cash management agreement on market terms to optimize investment and financing capacities within the two groups. Under this cash management agreement, Vivendi SE advanced €100 million to Compagnie de l'Odet, repayable on first request by Vivendi SE. As of December 31, 2021, the outstanding amount of this advance was €100 million.

On March 20, 2020, in accordance with Article L. 511-7 of the French Monetary and Financial Code, 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. As of December 31, 2021, the outstanding amount of this advance was €600 million (compared to €70 million as of December 31, 2020), repayable on first request by Vivendi SE.

24.2.2 Regulated related-party agreement between Vivendi SE and Compagnie de l'Odet regarding Mediaset

On May 4, 2021, Vivendi SE and Compagnie de l'Odet entered into an agreement in the context of settlement negotiations between Vivendi SE and Mediaset and Fininvest.

Mediaset and Fininvest requested that Financière de l'Odet SE, acting on its own behalf and on behalf of its subsidiaries, together with Vivendi SE, enter into a five-year standstill commitment regarding the share capital of Mediaset and Mediaset España, as well as the share capital of any company holding more than 3% of either company. This commitment also included divestment obligations and penalties, and a ban on exercising the rights attached to the shares concerned.

Compagnie de l'Odet, together with Vivendi SE, agreed to comply with the aforementioned standstill commitment for a five-year period. In return, Vivendi SE agreed to be liable, without limitation as to amount or duration, for all the consequences, damages, expenses and costs that

[14] *Controlled by Bolloré SE, which is ultimately controlled by Mr. Vincent Bolloré.*

[15] *Based on a share capital of 1,186,700,603 shares representing 1,238,224,305 voting rights, as determined pursuant to the second paragraph of Article 223-11 of the General Regulations of the French Autorité des marchés financiers (AMF).*

[16] *Since May 26, 2021, Financière de l'Odet SE is named « Compagnie de l'Odet ».*

Compagnie de l'Odet or any of its subsidiaries may incur as a result of an actual or alleged breach of the obligations undertaken by Vivendi SE under this standstill commitment, without Compagnie de l'Odet losing control over any litigation to which it may be subject.

Since Compagnie de l'Odet indirectly holds more than 10% of the voting rights in Vivendi SE, and since four of its directors are members of Vivendi SE's Supervisory Board or Management Board, Vivendi SE's Supervisory Board, at its meeting held on May 3, 2021, after having reviewed the agreement between Vivendi SE and Compagnie de l'Odet, authorized the execution of such agreement in compliance with Article L. 225-86 of the French Commercial Code.

After several years of legal proceedings, the execution of this agreement between Vivendi SE and Compagnie de l'Odet, enables Compagnie de l'Odet to give the requested commitment and satisfy a necessary condition to the completion of the proposed transaction with Mediaset and Fininvest (please refer to Note 26).

Information on this agreement was published as provided for under Article L. 22-10-30 of the French Commercial Code.

In accordance with Article L. 225-88 of the French Commercial Code, this agreement was approved at the General Shareholders' Meeting held on June 22, 2021.

24.2.3 Regulated related-party agreements between Vivendi SE, Compagnie de l'Odet and Compagnie de Cornouaille regarding Universal Music Group N.V.

In connection with the special distribution in kind by Vivendi SE to its shareholders of 59.87% of the share capital of Universal Music Group N.V. (UMG) and the admission of UMG shares to trading on Euronext Amsterdam, on September 8, 2021, Vivendi SE, the Tencent-led consortium, and Compagnie de l'Odet and its sub-subsidiary Compagnie de Cornouaille, the latter two of which together received 18% of UMG's share capital and voting rights in the distribution, agreed to use their respective powers as UMG shareholders to cause UMG to declare and pay semi-annual dividends in an aggregate amount of not less than 50% of UMG's annual earnings.

To this effect, as from the date of admission of UMG's shares to trading on Euronext Amsterdam, Vivendi SE, the Tencent-led consortium and Compagnie de l'Odet and Compagnie de Cornouaille are committed to vote in favor of all distribution-related resolutions that comply with this dividend policy and to vote against all resolutions that deviate from it. They will also cause a resolution to be placed on the agenda of UMG's shareholders' meetings, where appropriate, to pay a dividend in accordance with this dividend policy. Furthermore, for a two-year period expiring on the date of UMG's annual general shareholders' meeting to be held in 2024, the parties will use their respective powers to ensure that the Tencent-led consortium has two members on the UMG Board of Directors for so long as they together hold at least 10% of UMG's share capital, and one member for so long as they together hold at least 5% of the share capital.

This agreement has a 5-year term as from the date UMG's shares were admitted to trading on Euronext Amsterdam. A description of this agreement is provided in the prospectus on the admission of UMG's shares to trading on Euronext Amsterdam[17].

Under Dutch law, this agreement constitutes concerted action between the parties, which together hold approximately 48% of the share capital and voting rights in UMG following the special distribution in kind. To avoid the parties having to file a mandatory public tender offer, which is required under Dutch law when the threshold of 30% of the voting rights is crossed, the concerted action has been reinforced by the inclusion of, among other things, a declaration by the parties acting in concert, a cooperation clause between the parties concerning shareholders' meetings and various customary undertakings by the parties, which do not affect any potential transfer by Vivendi SE of its UMG shares after the admission of UMG's shares to trading on Euronext Amsterdam and during the term of the agreement. This agreement allows the parties to benefit from a grandfathering clause exempting them from the obligation to file a mandatory public tender offer for 100% of UMG's share capital so long as they hold, together, at least 30% of UMG's voting rights. It is noted that each UMG share bears one voting right.

In anticipation of the entry into force of this agreement and to ensure that all parties to the agreement had the status as a UMG shareholder prior to the admission of UMG's shares to trading on Euronext Amsterdam, i.e., prior to the receipt of the approval from the Dutch Financial Markets Authority (*Autoriteit Financiële Markten*) on September 14, 2021, Vivendi SE sold, on September 8, 2021, 100 UMG shares out of the 1,813,241,160 shares comprising the share capital of UMG on that date to Compagnie de l'Odet and Compagnie de Cornouaille in proportion to their respective shareholdings in Vivendi SE, i.e., 2 and 98 UMG shares, respectively.

Since Compagnie de l'Odet indirectly, through Compagnie de Cornouaille, holds more than 10% of the voting rights of Vivendi SE, and since four of the directors of Compagnie de l'Odet are either members of Vivendi SE's Supervisory Board (Yannick Bolloré and Cyrille Bolloré) or its Management Board (Gilles Alix and Cédric de Bailliencourt), pursuant to Article L. 225-86 of the French Commercial Code, at its meeting of July 28, 2021, Vivendi SE's Supervisory Board, after having reviewed the agreement between Vivendi SE, Compagnie de l'Odet and Compagnie de Cornouaille, authorized the execution of this agreement and the sale of 100 UMG shares by Vivendi SE to Compagnie de l'Odet and Compagnie de Cornouaille.

[17] *The prospectus is available on the websites of Vivendi (www.vivendi.com/en/shareholders-investors/financial-operations/) and UMG (https://investors.universalmusic.com).*

The agreement to act in concert and the UMG share sale meet the conditions set forth under Dutch law for an exemption from the obligation to make a mandatory public tender offer for UMG, provided that the parties to the act in concert agreement together hold at least 30% of UMG's voting rights.

This agreement to act in concert has a zero price for the parties. The sale price for the 100 UMG shares is €18.20 per share, i.e., €1,820. This price corresponds to the valuation resulting from the financial valuation work made by PwC and confirmed by EY, in connection with the contribution transactions that led to the merger, on February 26, 2021, within UMG of the entire share capital of each of Universal Music Group, Inc. and Universal International Music B.V.

Information on these agreements was published as provided for under Article L. 22-10-30 of the French Commercial Code.

Pursuant to Article L. 225-88 of the French Commercial Code, these agreements are to be submitted to the approval of Vivendi SE's General Shareholders' Meeting to be held on April 25, 2022.

24.3 Regulated related-party agreement between Vivendi SE and Lagardère SA

As announced on December 9 and December 16, 2021, Vivendi SE now holds 45.13% of Lagardère SA's share capital (please refer to Notes 2.1 and 14).

Vivendi SE will request authorization from the European Commission and other relevant competition authorities to acquire control of Lagardère SA during 2022. The approval of ARCOM[18] (*Autorité de régulation de la communication audiovisuelle et numérique*) on the change in the indirect ownership of Lagardère's broadcasting subsidiaries will also be sought by the latter depending on the outcome of Vivendi SE's public tender offer for all the Lagardère SA shares that it does not own, which is expected to be filed in February 2022.

To prepare the required regulatory notifications, Vivendi SE and Lagardère SA have agreed to exchange certain information under the terms and conditions of a clean team, confidentiality and reciprocal cooperation agreement entered into on December 20, 2021.

Lagardère SA and Vivendi SE have appointed an independent third party, whose costs will be borne exclusively by Vivendi SE, to establish and manage each party's clean team so that it can receive any confidential information from the other party that is needed solely for the purpose of preparing the required regulatory notifications. This independent third party is responsible for the exchange of information under the supervision of the parties' external legal counsels.

Given that Mr. Arnaud de Puyfontaine is Chairman of the Management Board of Vivendi SE and a director of Lagardère SA, Vivendi SE's Supervisory Board, at its meetings held on September 15 and November 18, 2021, following a review of the matter, authorized the execution of this clean team, confidentiality and cooperation agreement, in accordance with Article L.225-86 of the French Commercial Code.

This agreement allows the parties to prepare the above-mentioned required regulatory notifications, while limiting the exchange of information to what is strictly necessary, in accordance with applicable regulations and appropriate safeguards.

The total cost of this agreement, to be calculated based on an average gross hourly rate of €370, will depend on the actual number of hours worked by the independent third party, which cannot be determined at this time.

Information on this agreement was published as provided for under Article L. 22-10-30 of the French Commercial Code.

Pursuant to Article L. 225-88 of the French Commercial Code, this agreement is to be submitted to the approval of Vivendi SE's General Shareholders' Meeting to be held on April 25, 2022.

[18] *ARCOM (Autorité de régulation de la communication audiovisuelle et numérique), the French regulatory authority for audiovisual and digital communication, replace the Conseil Supérieur de l'Audiovisuel (CSA) and the Haute autorité pour la diffusion des œuvres et la protection des droits sur internet (HADOPI) as of January 1, 2022.*

24.4 Other related-party transactions

Vivendi's other related parties are companies over which Vivendi exercises a significant influence (i.e., primarily Universal Music Group, Telecom Italia, Banijay Group Holding and Lagardère as from July 1, 2021: please refer to Note 14) and companies in which Vivendi's corporate officers or their close relatives hold significant voting rights. They notably include Bolloré Group and its subsidiaries, either directly or indirectly controlled by Mr. Vincent Bolloré, executive 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 until the end of 2020).

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, 2021	December 31, 2020
Assets		
Non-current financial assets	135	113
Of which Banijay Group Holding and Lov Banijay loans	*118*	*97*
Trade accounts receivable and other	47	53
Of which Bolloré Group	*5*	*5*
Universal Music Group (a)	*3*	*3*
Lagardère (b)	*1*	*na*
Telecom Italia (c)	*34*	*36*
Banijay Group Holding (d)	*1*	*2*
Other current financial assets	700	70
Of which Bolloré SE current account (e)	*600*	*70*
Compagnie de l'Odet current account (e)	*100*	*na*
Liabilities		
Trade accounts payable and other	20	48
Of which Bolloré Group	*12*	*14*
Universal Music Group (a)	*1*	*21*
Lagardère (b)	*-*	*na*
Banijay Group Holding (d)	*1*	*5*
Off-balance sheet contractual obligations, net	66	87
Of which Banijay Group Holding (d)	*55*	*97*

	Year ended December 31,	
(in millions of euros)	2021	2020
Statement of earnings		
Operating income	64	84
Of which Bolloré Group	*5*	*5*
Universal Music Group (a)	*10*	*31*
Lagardère (b)	*-*	*na*
Telecom Italia (c)	*12*	*12*
Banijay Group Holding (d)	*8*	*2*
Other (Interparfums, Groupe Nuxe and Groupe Dassault) (f)	*1*	*-*
Operating expenses	(90)	(101)
Of which Bolloré Group	*(37)*	*(28)*
Universal Music Group (a)	*(7)*	*(5)*
Lagardère (b)	*(2)*	*na*
Banijay Group Holding (d)	*(31)*	*(41)*
Other (Interparfums, Groupe Nuxe and Groupe Dassault) (f)	*-*	*-*

na: not applicable.

a. Since September 23, 2021, Vivendi has ceded control of Universal Music Group (holding Vevo), which is no longer fully consolidated and is accounted for under the equity method, and which therefore remains a related party to Vivendi. In addition, as of December 31, 2020, Universal International Music B.V. had borrowed €2,368 million from Vivendi SE and Universal Music Group Treasury had placed its cash surpluses of €815 million with Vivendi SE.

b. Since July 1, 2021, Lagardère is a related party to Vivendi.

c. Certain Vivendi subsidiaries have rendered operating services to Telecom Italia and its subsidiaries, on an arm's-length basis (mainly communication services) representing an operating income of €8.9 million for Havas Group in 2021 (compared to €8.5 million in 2020) and €3.0 million for Gameloft in 2021 (compared to €3.1 million in 2020).

d. 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.

e. Vivendi SE and Compagnie de l'Odet, as well as Vivendi SE and Bolloré SE, entered into an intra-group cash management agreement, on October 26, 2021 and March 20, 2020, respectively, 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, please refer to Note 24.2.1.

f. Certain Vivendi subsidiaries maintain business relationships with Interparfums, Groupe Nuxe and Groupe Dassault, on an arm's-length basis for insignificant amounts.

The following constitutes supplemental information regarding 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 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 and 2022 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 pay rent of €1 million per year until 2025. Given that CanalOlympia and Bolloré Africa Logistics have no directors and executive managers in common, 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 resulted in 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 €2.1 million (compared to €2.0 million as of December 31, 2020) and payables for €3.5 million as of December 31, 2021 (compared to €3.3 million as of December 31, 2020). In addition, on that 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 €3.7 million in 2021 (compared to €3.5 million in 2020).

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. 22-10-29 of the French Commercial Code. This procedure and its implementation are included in section 1.2.10.7 of Chapter 4 of the Annual Report – 2020 Universal Registration Document.

Note 25 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 12.2), 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 22.3); 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 26).

25.1 Contractual obligations and commercial commitments

		Minimum future payments as of December 31, 2021				Total minimum future payments as of December 31, 2020	
			Payments due in				
(in millions of euros)	Note	Total	2022	2023 - 2026	After 2026		
Borrowings and other financial liabilities		4,423	807	2,885	731	6,584	
Lease liabilities		883	125	469	289	1,291	
Content liabilities	12.2	748	744	3	1	3,299	
Consolidated statement of financial position items		**6,054**	**1,676**	**3,357**	**1,021**	**11,174**	
Contractual content commitments	12.2	5,442	1,963	3,381	98	7,803	
Commercial commitments		805	199	419	187	(3,337)	
Net commitments not recorded in the Consolidated Statement of Financial Position		**6,247**	**2,162**	**3,800**	**285**	**4,466**	(a)
Total contractual obligations and commercial commitments		**12,301**	**3,838**	**7,157**	**1,306**	**15,640**	

a. As of December 31, 2020, the contribution of Universal Music Group (UMG) to contractual content commitments represented a given commitment of €1,337 million and with respect to commercial commitments a received amount of €3,975 million. As of December 31, 2020, UMG's net contribution was a received net commitment of €2,638 million.

Off-balance sheet commercial commitments

	Minimum future payments as of December 31, 2021				Total minimum future payments as of December 31, 2020
		Due in			
(in millions of euros)	Total	2022	2023 - 2026	After 2026	
Satellite transponders	511	68	268	175	568
Investment commitments	217	114	103	-	89
Other	621	241	358	22	703
Given commitments	**1,349**	**423**	**729**	**197**	**1,360**
Satellite transponders	(83)	(41)	(33)	(9)	(90)
Other (a)	(461)	(185)	(276)	-	(4,607)
Received commitments	**(544)**	**(226)**	**(309)**	**(9)**	**(4,697)**
Net total	**805**	**197**	**420**	**188**	**(3,337)**

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 recorded as an expense or income in the period in which they were incurred.

25.2 Other commitments given or received relating to operations

Given commitments amounted cumulatively to €40 million (compared to €111 million as of December 31, 2020). 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.

As of December 31, 2021, received commitments amounted cumulatively to €14 million (compared to €4 million as of December 31, 2020).

25.3 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:

- Vivendi has undertaken to progressively sell on the market its entire 19.19% interest in the share capital of Mediaset (renamed MediaForEurope as from November 25, 2021) held by Simon Fiduciaria SpA over a five-year period. Fininvest will have the right to purchase any unsold shares in each 12-month period, at the established annual price (please refer to Note 2.3); and
- on February 21, 2022, Vivendi filed a draft public tender offer document for the shares of Lagardère SA with the French securities regulator (*Autorité des marchés financiers*). As a reminder, on February 18, 2022, Vivendi decided to guarantee to Lagardère shareholders the per share price of €24.10 until December 15, 2023, and to increase the price of its tender offer to €25.50 per share, from which the 2021 Lagardère dividend would be deducted, to the shareholders who would elect to sell their shares immediately. For a detailed description, please refer to Note 2.1.

In addition, Vivendi and its subsidiaries granted or received put and call options on shares in equity affiliates and unconsolidated investments.

25.4 Contingent assets and liabilities subsequent to given or received commitments related to the divestiture or acquisition of shares

Ref.	Context	Main terms (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.	- -
	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 of 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.	- -
	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	No additional impacts as of December 31, 2021 and 2020.	
	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 warranties 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, expired as of December 31, 2021, notably on film rights granted by the sellers.	-
	Other contingent assets	Cumulated amount of €83 million (compared to €58 million as of December 31, 2020).	-

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.

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.

25.5 Shareholders’ agreements

Under existing shareholders’ agreements (in particular at Universal Music Group N.V.: please refer to Note 24.2.3), 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 with 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. 225-100-3 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. In 2021, following the closing of the liquidity period set out in the shareholders' agreement, the Polish financial market authority (KNF) was informed that the planned IPO had been definitively cancelled.

25.6 Collaterals and pledges

As of December 31, 2021 and 2020, no material asset in Vivendi’s Statement of Financial Position was subject to a pledge or mortgage for the benefit of third parties.

Note 26 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 where they are likely to be incurred and where 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, 2021, provisions recorded by Vivendi for all claims and litigation were €449 million, compared to €411 million as of December 31, 2020 (please refer to Note 19).

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 7, 2022 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2021).

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, respectively, two similar complaints were filed against Vivendi: the first by a US pension fund, the Public Employee Retirement System of Idaho, and the second 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 plaintiffs and reviewing the documentation provided by them to evidence their alleged holding of securities, before commencing the proceedings on the merits. On July 7, 2021, the Court issued its decisions in these various cases. The Court found Vivendi not liable in the absence of fault relating to the publication of inaccurate financial statements, the dissemination of false information and Vivendi's general communications from October 2000 to August 2002. The Court therefore dismissed all the plaintiffs' claims and ordered them to reimburse Vivendi's costs in the amount of €1,085,000. The Court also ordered the provisional execution of the judgment. Most of the plaintiffs have appealed against the ruling of the Court.

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 plaintiffs and reviewing the documentation provided by them to evidence their alleged holding of securities, before commencing the proceedings on the merits. On July 7, 2021, the Court issued its decisions in these various cases. The Court found Vivendi not liable in the absence of fault relating to the publication of inaccurate financial statements, the dissemination of false information and Vivendi's general communications from October 2000 to August 2002. The Court therefore dismissed all the plaintiffs' claims and ordered them to reimburse Vivendi's costs in the amount of €2,450,000. The Court also ordered the provisional execution of the judgment. Most of the plaintiffs have appealed against the ruling of the Court.

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 calculated on an artificially inflated basis.

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 claimed that Vivendi had not filed its notification to the European Commission with respect to the transaction and had thus prevented the last condition precedent to the completion of the transaction from being satisfied. Vivendi considered 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 encouraged the parties 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, 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 had 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 for 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 also sought 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.

The Court of Milan issued its decision on April 19, 2021. With respect to the first proceeding concerning the April 8, 2016 agreement relating to the acquisition of Mediaset Premium, the Court dismissed Fininvest's claim for damages (by ordering it to pay Vivendi approximately €345,000 in legal costs) and ordered Vivendi to pay Mediaset and RTI the total amount of €1,716,586 (plus approximately €46,000 in legal costs) for not having complied with certain preliminary contractual obligations under such agreement. With respect to the second proceeding concerning Vivendi's acquisition of Mediaset shares in the last quarter of 2016, the Court dismissed all of the claims of the Mediaset group and its shareholder Fininvest by ordering them to pay Vivendi approximately €374,000 for the costs of the proceedings.

On May 3, 2021, the parties entered into a global agreement to end their disputes by waiving all litigation and claims between them. This agreement also provides for a gradual withdrawal of Vivendi from Mediaset's share capital over a five-year period and includes a standstill commitment, as well as a "good neighbor" agreement regarding free-to-air television. This settlement agreement took effect on July 22, 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". Pursuant to the agreement entered into between Vivendi, Mediaset and Fininvest on May 3, 2021, which became effective on July 22, 2021, Fininvest withdrew its complaint. On November 16, 2021, the Milan public prosecutor's office filed a motion to dismiss the case,

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. Mediaset dropped this appeal following the agreement reached between Vivendi, Mediaset and Fininvest on May 3, 2021, which came into effect on July 22, 2021

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. On June 24, 2021, in light of the above-mentioned May 3, 2021 agreement, AGCOM issued a decision whereby it closed the investigation.

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 SpA 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 SpA was deprived of its voting rights by Mediaset's Board of Directors and Vivendi initiated legal proceedings in Spain, Italy and the Netherlands. Following interim rulings issued by the Spanish and Dutch courts in Vivendi's favor, this merger plan, as initially envisaged, was abandoned.

On July 22, 2021, pursuant to the agreement entered into on May 3, 2021, among Vivendi, Mediaset and Fininvest, all pending proceedings in this matter were terminated.

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 or 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 June 11, 2021, Consob appealed against this decision before the Italian Court of Cassation. On July 21, 2021, Vivendi filed its statement of defense (*controricorso*).

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 which was suspended on November 22, 2019.

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.

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 alleged 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 established 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 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 role 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 January 15, 2021, the judicial expert filed his final report. On March 30, 2021, Parabole Réunion filed a motion seeking the recusal of the Pre-Trial Judge and submitted arguments for the nullity of the judicial expert's report. On May 18, 2021, the Pre-Trial Judge sent a letter to the parties informing them that Parabole Réunion's request for his recusal was denied.

On February 11, 2022, the Paris Court of Appeal issued its decision. It rejected the request for nullity of the judicial expert's report and upheld the January 17, 2017 decision in its entirety, except for the amount of damages awarded for operating losses suffered by Parabole Réunion. Consequently, the Paris Court of Appeal ordered Canal+ Group to pay the sum of €48.55 million to compensate for operating losses for the period 2008/2012, and €29.5 million to compensate for operating losses for the period 2013/2016, all of which is to be capitalized at an interest rate of 11% for the period January 1, 2013 to December 31, 2016. It also ordered Canal+ Group to pay damages of one million euros for loss of reputation and moral damages of €500,000. Canal+ Group is considering the possibility of appealing to the French Supreme Court. On February 17, 2022, Parabole Réunion filed two motions with the Paris Court of Appeal: one requesting the correction of material errors, notably in relation to the amount of compensation awarded for operating losses as of December 31, 2012; and the other requesting a ruling on interest and the capitalization rate applicable between January 1, 2017, and February 11, 2022.

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, which is currently under review.

Touche Pas à Mon Poste

On June 7, 2017, the French Broadcasting Authority (*Conseil Supérieur de l'Audiovisuel*) (the "CSA" – which was replaced by the French regulatory authority for audiovisual and digital communication (*Autorité de régulation de la communication audiovisuelle et numérique* (the "ARCOM")) 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 (ECHR), 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. In March 2021, an appeal was filed with the ECHR against this decision.

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.

In parallel, Mediapro referred the matter to the French Competition Authority, which has opened an investigation. In this context, on June 21, 2021, Canal+ Group responded to a request for information from the French Competition Authority and the CSA (now the ARCOM).

Canal+ Group against the French Professional Football League

- On July 4, 2019, following the cancellation of a number of League 1 matches between December 2018 and April 2019 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, broadcasting rights to matches and magazines for identified time slots for the periods 2016/2017 to 2019/2020, 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. On June 1, 2021, the Paris Commercial Court denied Canal+ Group's claims and ordered it to pay €10,000 to the LFP for the wrongful act of disparagement, as well as €50,000 for legal fees. Canal+ Group has appealed against this decision. In turn, the LFP filed a cross-appeal requesting that the amount of damages awarded against for disparagement (related to the publication of the complaint in the newspaper L'Equipe) be increased from €10,000 to €500,000.
- 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 and 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 March 11, 2021, the Paris Commercial Court issued its judgment, dismissing all of Canal+ Group's claims and ordering it to pay €50,000 for legal fees. On April 6, 2021, Canal+ Group appealed against this decision before the Paris Court of Appeal.
- 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. On June 11, 2021, the French Competition Authority denied Canal+ Group's request for interim measures for lack of sufficiently probationary evidence. Canal+ Group has appealed against this decision.
- On July 26, 2021, beIN Sports, supported by Canal+ Group, filed a complaint against the LFP before the Paris Judicial Court requesting that the Court declare the contract relating to Lot 3 null and void or, alternatively, terminate it pursuant to Article 1195 of the French Civil Code.
- On December 24, 2021, Canal+ Group filed a second complaint and a request for protective measures against the LFP before the French Competition Authority. Canal+ Group is seeking a finding by the French Competition Authority that the LFP has engaged in discriminatory practices by awarding the bulk of the broadcasting rights to League 1 matches to Amazon for an amount of €250 million per season, whereas Canal+ is compelled to broadcast a League 1 lot awarded in 2018 for an amount of €332 million per season, and that these practices constitute an abuse of a dominant position. It is also seeking to have the French Competition Authority declare the contracts entered into between the LFP and beIN Sports in May 2018, and between the LFP and Amazon in June 2021 null and void and impose any and all financial penalties it deems appropriate on the companies involved. Lastly, Canal+ Group is seeking protective measures consisting of (i) the suspension of the agreement entered into between the LFT and Amazon on June 11, 2021, upon completion of the broadcasting of the 2021/2022 League 1 season and (ii) the reallocation of lot 3 and the lots operated by Amazon for the 2022/2023 to 2023/2024 seasons under non-discriminatory conditions.

BeIN Sports against Canal+ Group

As part of the 2018 call for tenders for the rights to broadcast the League 1 soccer championship for the 2020/2021 to 2023/2024 seasons, beIN Sports was awarded lot 3 and subsequently sub-licensed these rights to Canal+ Group. Following the return of the League 1 championship rights for lots 1, 2, 4, 5 and 7 by Mediapro in January 2021, the French Professional Football League (LFP) subsequently awarded these rights to Amazon on June 11, 2021, for an amount of €250 million (compared to the €780 million paid for these same lots when they were awarded to Mediapro). Considering the price paid by Canal+ Group for the rights to broadcast the lot 3 matches compared to the price of the matches sold to Amazon, Canal+ Group believes that it has been subjected to serious inequality of treatment and discriminatory practices. Accordingly, it has notified the LFP that it will no longer broadcast this lot 3 once the championship resumes in August 2021.

In parallel, Canal+ Group, in its capacity as licensee of the rights to lot 3, enjoined beIN Sports to take all legal measures to have the agreement relating to lot 3 that was signed between beIN Sports and the LFP declared null and void and to refer the matter to the French Competition Authority on the grounds of discriminatory practices and distortion of competition. Faced with beIN Sports' inaction, on July 12, 2021, Canal+ Group notified beIN Sports that it was suspending the performance of its obligations under the sub-license agreement, considering that BeIN Sports had failed to fulfill its essential obligation to take the above-mentioned legal measures. On July 16, 2021, beIN Sports, considering that the suspension of the performance of the sub-license agreement constituted a manifestly unlawful disturbance and exposed beIN Sports to imminent damages vis-à-vis the LFP, summoned Canal+ Group to appear before the Nanterre Commercial Court, requesting that the Court issue an order, subject to a fine in the event of non-compliance, requiring Canal+ Group to produce, broadcast and pay for the matches in lot 3 of the French League 1 championship.

On July 23, 2021, the Nanterre Commercial Court dismissed beIN Sports' claims.

On July 29, 2021, beIN Sports brought a new action against Canal+ Group before the Nanterre Commercial Court seeking to have the Court compel Canal+ Group to perform its obligations under the sub-license agreement. On August 5, 2021, the Nanterre Commercial Court issued a summary order requiring Canal+ Group to fulfill all of its obligations under the sub-license agreement pending a decision on the merits of the action to terminate or nullify the agreement. The Court also imposed a penalty payment of one million euros per day, up to a maximum of 90 days. Canal+ Group has appealed against this decision. The hearing before the Versailles Court of Appeal was held on February 9, 2022. A decision is expected at the end of March 2022.

In addition, on February 2, 2022, beIN Sports brought summary proceedings against Canal+ Group before the Paris Commercial Court, seeking a ruling that the cancellation clause contained in the sub-license agreement does not comply with the mandatory requirements of Article 1225 of the French Civil Code and is therefore ineffective and, consequently, to order Canal+ Group to perform all of its obligations under the sub-license agreement.

Eurosport against Canal+ Group

On January 13, 2021, Eurosport filed a complaint against Canal+ Group before the Paris Judicial 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. In January 2022, the parties entered into a settlement agreement which terminated this dispute.

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 had been discriminatory. Pursuant to two decisions issued in May and October 2021, the plaintiffs' case was dismissed. The plaintiffs have appealed against these decisions.

Maïtena Biraben against Canal+

On July 29, 2016, Maïtena 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 SECP 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. SECP appealed against this judgment. On June 23, 2021, the Versailles Court of Appeal upheld this first-instance judgment. Canal+ Group filed an appeal against this ruling before the French Supreme Court.

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 against this decision. On September 10, 2021, the Paris Court of Appeal ordered C8 to pay damages to Ardis in the amount of €3,800,476 and Télé Paris in the amount of €2,293,657, as well as €417,587 of damages to the latter as a result of its termination on economic grounds, i.e., a total amount of €6.5 million. On September 20, 2021, C8 filed an appeal against this ruling before the French Supreme Court. The French Supreme Court's decision is expected in the fourth quarter of 2022.

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 the agreement 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. On September 2, 2020, the Paris Commercial Court dismissed the case due to lack of jurisdiction and referred it to the Nanterre Commercial Court. On October 22, 2021, the Nanterre Commercial Court issued a decision in which it recognized the wrongful nature of Technicolor's termination of the agreement and its requests for a price increase. The Court also ordered an expert appraisal to calculate the amounts claimed by Canal+ Group in this dispute. Technicolor has appealed against this decision. On February 3, 2022, a hearing was held on Technicolor's appeal, which was dismissed in a decision dated on March 3, 2022. The proceedings before the Nanterre Commercial Court are continuing with respect to the expert opinion that was ordered.

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. Canal+ Group sought enforcement of the contractual warranty provisions and corresponding payments, as well as damages, for a total amount of €24 million. In parallel, Pace filed a complaint against Canal+ International, thereby extending the aforementioned proceedings to the latter. The Paris Commercial Court proposed mediation, which the parties accepted. A settlement was reached on December 3, 2021, and is currently being formalized.

"Free-to-air"cases

On April 22, 2021, TF1, TMC, TFX, TF1 Séries Films, LCI, TF1 Films Production and GIE TF1 Acquisition of Rights filed a complaint against Canal+ Group and SECP before the Paris Judicial Court, claiming that Canal+'s national free-to-air broadcasting in March 2020 during the first lockdown constituted an act of piracy and unfair or prejudicial competition against them. The total amount of their claim is €11.3 million.

On April 23, 2021, France Télévision, France 2 Cinéma and France 3 Cinéma filed a complaint against SECP before the Paris Judicial Court on similar grounds. The total amount of their claim is €29.87 million.

Following a proposal of the Pre-Trial Judge, the parties in these two cases entered into mediation proceedings, which are ongoing.

Audiovisual production obligations matter

On March 24, 2021, the CSA (now the ARCOM) issued a formal notice to the Canal+ channel to "comply, in the future, with its obligations to contribute to the development of the production of heritage audiovisual works, independent heritage audiovisual works and French original heritage audiovisual works". The failures considered by the CSA relate to the 2018 and 2019 fiscal years. On May 19, 2021, Canal+ filed an appeal with the French Council of State (*Conseil d'Etat*) against this formal notice.

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 Digital Media Limited against Gameloft Inc., Gameloft SE, Gameloft Iberica and Vivendi

On August 23, 2017, Glass Egg Digital Media Limited, 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 United States District Court for the Northern District of California San Francisco Division. 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 ordered limited discovery to determine whether it has jurisdiction. This discovery ended on September 30, 2021. At the end of the discovery process, Glass Egg filed supplemental pleadings opposing Gameloft's motion to dismiss challenging the U.S. District Court’s jurisdiction over Gameloft SE.

In parallel, a motion to dismiss Glass Egg's complaint if the U.S. District Court were to assert jurisdiction over Gameloft SE has been filed. This motion challenges the merits and validity of Glass Egg's various claims.

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 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 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.

EPAC against Interforum and Editis

In 2015, Interforum and EPAC Technologies Ltd entered into an agreement for on-demand printing of books. In 2020, a disagreement arose regarding the performance of such agreement. On March 29, 2021, EPAC informed Interforum and Editis that it was terminating the agreement entered into in 2015, effective as of March 31, 2021, and filed a complaint against them before the Supreme Court of the State of New York. EPAC claims that the defendants have failed to pay invoices and failed to comply with several contractual obligations and is seeking damages from the defendants. Interforum and Editis deny these allegations. On July 20, 2021, EPAC expanded its complaint to include Vivendi, which on September 30, 2021, filed a motion to dismiss the complaint in the New York courts. In September 2021, discovery proceedings were initiated against Editis. On December 29, 2021, EPAC also sought discovery from Vivendi. All the defendants are challenging these requests.

Reti Televisive Italiane (RTI) against Dailymotion

Since 2012, several legal actions were 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 sought 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 against 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.

On July 22, 2021, as part of the global agreement entered into among Vivendi, Mediaset and Fininvest on May 3, 2021 (see above), a one-time lump sum payment of €26.3 million was made to RTI, putting an end to all of these disputes.

Note 27 Major consolidated entities or entities accounted for under the equity method

As of December 31, 2021, approximately 820 entities were consolidated or accounted for under the equity method (compared to approximately 1,200 entities as of December 31, 2020).

		December 31, 2021			December 31, 2020		
	Country	Accounting Method	Voting Interest	Ownership Interest	Accounting Method	Voting Interest	Ownership Interest
Vivendi SE	**France**	**Parent company**			**Parent company**		
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.	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	Luxembourg	C	100%	*100%*	C	100%	*100%*
Canal+ Polska S.A.	Poland	C	51%	*51%*	C	51%	*51%*
VSTV (a)	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%*
Creative Lynx Ltd.	United Kingdom	C	100%	*100%*	C	100%	*100%*
Havas Paris	France	C	99%	*99%*	C	99%	*99%*
Havas Media France	France	C	100%	*100%*	C	100%	*100%*
Havas Edge, LLC	United States	C	100%	*100%*	C	100%	*100%*
Havas Media Limited	United Kingdom	C	100%	*100%*	C	100%	*100%*
Havas Media Germany GmbH	Germany	C	100%	*100%*	C	100%	*100%*
Editis Holding S.A.	**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
SOGEDIF S.A.S. (b)	France	C	100%	*100%*	C	100%	*100%*
Editis S.A.S. (b)	France	na	na	*na*	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%*
Prisma Media S.A.S. (c)	**France**	**C**	**100%**	***100%***	**na**	**na**	***na***
Prisma Media S.A.S.	France	C	100%	*100%*	na	na	*na*
Cerise Media S.A.S.	France	C	100%	*100%*	na	na	*na*
Pitcheo SARL	France	C	100%	*100%*	na	na	*na*
EPM 2000	France	C	100%	*100%*	na	na	*na*
Upload Production S.A.S.	France	C	100%	*100%*	na	na	*na*
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%*
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%*
See Tickets A.G.	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%*

	Country	December 31, 2021 Accounting Method	Voting Interest	Ownership Interest	December 31, 2020 Accounting Method	Voting Interest	Ownership Interest
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	32.9%	*32.9%*
Corporate							
Universal Music Group, N.V. (d)	Netherlands	E	10.03%	*10.03%*	na	na	*na*
Universal Music Group, Inc.	United States	ME	10.03%	*10.03%*	C	90%	*90%*
Universal International Music B.V.	Netherlands	ME	10.03%	*10.03%*	C	90%	*90%*
Lagardère (e)	France	ME	22.3%	*45.13%*	na	na	*na*
Telecom Italia	Italia	E	23.75%	*17.04%*	E	23.75%	*17.04%*
Boulogne Studios	France	C	100%	*100%*	C	100%	*100%*
Poltel Investment	Poland	C	100%	*100%*	C	100%	*100%*

C: consolidated; E: equity affiliates.

na: not applicable.

a. 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.

b. On April 30, 2021, Editis SAS was dissolved, with universal transmission of its property to Sogedif S.A.S.

c. Vivendi has fully consolidated Prisma Media since June 1, 2021 (please refer to Note 2.2).

d. On February 26, 2021, Vivendi and the consortium led by Tencent contributed their respective 80% and 20% shares in Universal International Music B.V. (UIM B.V.) and Universal Music Group, Inc. (UMG Inc.) to a new single holding company, Universal Music Group N.V. (UMG N.V.). Since September 23, 2021, the payment date of the distribution in kind of UMG shares to Vivendi's shareholders, UMG is accounted for by Vivendi under the equity method (please refer to Notes 3 and 14).

e. Since July 1, 2021, Lagardère is accounted for by Vivendi under the equity method (please refer to Note 14).

Note 28 Statutory auditors fees

Fees paid by Vivendi SE in 2021 and 2020 to its statutory auditors and members of the statutory auditor firms were as follows:

	Deloitte et Associés Amount		%		Ernst & Young et Autres Amount		%		Total	
(in millions of euros)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Statutory audit, certification, consolidated and individual financial statements audit										
Issuer	0.7	0.6	*8%*	*6%*	0.7	0.7	*18%*	*10%*	1.4	1.3
Fully consolidated subsidiaries	7.2	8.6	*77%*	*81%*	1.8	4.4	*48%*	*67%*	9.0	13.0
Subtotal	**7.9**	**9.2**	***85%***	***87%***	**2.5**	**5.1**	***66%***	***77%***	**10.4**	**14.3**
Services other than certification of financial statements as required by laws and regulations (a)										
Issuer	-	-	-	-	0.2	0.2	*5%*	*3%*	0.2	0.2
Fully consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**0.2**	**0.2**	***5%***	***3%***	**0.2**	**0.2**
Services other than certification of financial statements provided upon the entity's request (a)										
Issuer	0.4	0.9	*4%*	*8%*	0.9	1.1	*24%*	*16%*	1.3	2.0
Fully consolidated subsidiaries	1.0	0.5	*11%*	*5%*	0.2	0.3	*5%*	*4%*	1.2	0.8
Subtotal	**1.4**	**1.4**	***15%***	***13%***	**1.1**	**1.4**	***29%***	***20%***	**2.5**	**2.8**
Total	**9.3**	**10.6**	***100%***	***100%***	**3.8**	**6.7**	***100%***	***100%***	**13.1**	**17.3**

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 29 Audit exemptions

In the past, Vivendi SE has granted a number of guarantees on behalf of subsidiaries of UMG B.V. to third parties in relation to audit exemption procedures in the United Kingdom and the Netherlands. It obtained a counter-guarantee from UMG B.V. to indemnify it against any claims that could arise under these commitments as from the date of the distribution of UMG B.V. shares.

Note 30 Subsequent events

The significant events that occurred between the closing date as of December 31, 2021 and March 7, 2022 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2021) were as follows:

- on February 21, 2022, Vivendi filed a draft public tender offer document for the shares of Lagardère SA with the French securities regulator (*Autorité des marchés financiers*). As a reminder, on February 18, 2022, Vivendi decided to guarantee to Lagardère shareholders the per share price of €24.10 until December 15, 2023, and to increase the price of its tender offer to €25.50 per share, from which the 2021 Lagardère dividend would be deducted, to the shareholders who would elect to sell their shares immediately. For a detailed description, please refer to Note 2.1; and
- Russia's invasion of Ukraine in February 2022 is having a significant impact on the financial markets and the prices of certain commodities and will have repercussions on the entire world economy. Vivendi is mainly present in Ukraine through Gameloft, which is doing everything possible to support its teams in the country and limit the impact of the events on the delivery of its content. The Group also has communications activities in Ukraine through companies affiliated with Havas Group and is fully mobilized to help them as much as possible. At this time, it is not possible for Vivendi to assess the indirect consequences that the Ukraine crisis could have on its business activities.

Note 31 Adjustment of comparative information

Preliminary comments:

As from September 14, 2021, in accordance with IFRS 5 - Non-current assets held for sale and discontinued operations, Universal Music Group (UMG) was presented as a discontinued operation in Vivendi's Consolidated Financial Statements. On September 23, 2021, the payment date of the distribution in kind of UMG shares to Vivendi's shareholders, Vivendi ceded control of UMG and deconsolidated its 70% interest in UMG. For a detailed description of this transaction, please refer to Note 3.

In accordance with IFRS 5 - Non-current assets held for sale and discontinued operations, Vivendi reclassified UMG as a discontinued operation, in the statement of earnings and statement of cash flows. The adjustments to published data in 2020 are presented below.

Adjustment made for the Consolidated Statement of Earnings for the year ended December 31, 2020

	Year ended December 31, 2020		
	Published (A)	Reclassifications related to IFRS 5 to UMG (B)	Adjusted (A+B)
Revenues	**16,090**	**-7,422**	**8,668**
Cost of revenues	(8,812)	+3,908	(4,904)
Selling, general and administrative expenses	(5,685)	+2,264	(3,421)
Restructuring charges	(106)	+20	(86)
Impairment losses on intangible assets acquired through business combinations	(1)	+1	-
Income from equity affiliates - operational	(18)	+9	(9)
Earnings before interest and income taxes (EBIT)	**1,468**	**-1,220**	**248**
Income from equity affiliates - non-operational	126	-	126
Interest	(37)	+15	(22)
Income from investments	36	-1	35
Other financial income	704	-605	99
Other financial charges	(115)	+28	(87)
	588	***-563***	***25***
Earnings before provision for income taxes	**2,182**	**-1,783**	**399**
Provision for income taxes	(575)	+412	(163)
Earnings from continuing operations	**1,607**	**-1,371**	**236**
Earnings from discontinued operations	-	+1,371	1,371
Earnings	**1,607**	**-**	**1,607**
Of which			
Earnings attributable to Vivendi SE shareowners	**1,440**	**-**	**1,440**
of which earnings from continuing operations attributable to Vivendi SE shareowners	1,440	-1,241	199
earnings from discontinued operations attributable de Vivendi SE shareowners	-	+1,241	1,241
Non-controlling interests	**167**	**-**	**167**
of which earnings from continuing operations	167	-130	37
earnings from discontinued operations	-	+130	130
Earnings from continuing operations attributable to Vivendi SE shareowners per share - basic	1.26	-1.09	0.17
Earnings from continuing operations attributable to Vivendi SE shareowners per share - diluted	1.26	-1.09	0.17
Earnings from discontinued operations attributable to Vivendi SE shareowners per share - basic	-	+1.09	1.09
Earnings from discontinued operations attributable to Vivendi SE shareowners per share - diluted	-	+1.09	1.09
Earnings attributable to Vivendi SE shareowners per share - basic	**1.26**	**-**	**1.26**
Earnings attributable to Vivendi SE shareowners per share - diluted	1.26	-	1.26

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

Adjustment made for Cash Flows for the year ended December 31, 2020

	Year ended December 31, 2020		
(in millions of euros)	Published (A)	Reclassifications related to IFRS 5 to UMG (B)	Adjusted (A+B)
Operating activities			
EBIT	1,468	-1,220	248
Adjustments	1,035	-214	821
Content investments, net	(1,481)	+1,517	36
Gross cash provided by operating activities before income tax paid	***1,022***	***+83***	***1,105***
Other changes in net working capital	293	-286	7
Net cash provided by operating activities before income tax paid	***1,315***	***-203***	***1,112***
Income tax (paid)/received, net	(89)	+206	117
Net cash provided by operating activities of continuing operations	**1,226**	**+3**	**1,229**
Net cash provided by operating activities of discontinued operations	**-**	**-3**	**(3)**
Net cash provided by operating activities	**1,226**	**-**	**1,226**
Investing activities			
Capital expenditures	(438)	+65	(373)
Purchases of consolidated companies, after acquired cash	(96)	+4	(92)
Investments in equity affiliates	(120)	+2	(118)
Increase in financial assets	(1,425)	-	(1,425)
Investments	***(2,079)***	***+71***	***(2,008)***
Proceeds from sales of property, plant, equipment and intangible assets	3	-	3
Proceeds from sales of consolidated companies, after divested cash	65	-1	64
Disposal of equity affiliates	10	-1	9
Decrease in financial assets	285	-36	249
Divestitures	***363***	***-38***	***325***
Dividends received from equity affiliates	41	-2	39
Dividends received from unconsolidated companies	30	-	30
Net cash provided by/(used for) investing activities of continuing operations	**(1,645)**	**+31**	**(1,614)**
Net cash provided by/(used for) investing activities of discontinued operations	**-**	**-31**	**(31)**
Net cash provided by/(used for) investing activities	**(1,645)**	**-**	**(1,645)**
Financing activities			
Net proceeds from issuance of common shares in connection with Vivendi SE's share-based compensation plans	153	-	153
Sales/(purchases) of Vivendi SE's treasury shares	(2,157)	-	(2,157)
Distributions to Vivendi SE's shareowners	(690)	-	(690)
Other transactions with shareowners	2,759	+25	2,784
Dividends paid by consolidated companies to their non-controlling interests	(98)	+33	(65)
Transactions with shareowners	***(33)***	***+58***	***25***
Setting up of long-term borrowings and increase in other long-term financial liabilities	5	-	5
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	(1)	-	(1)
Principal payment on short-term borrowings	(1,071)	+10	(1,061)
Other changes in short-term borrowings and other financial liabilities	739	-704	35
Interest paid, net	(37)	+15	(22)
Other cash items related to financial activities	(22)	+4	(18)
Transactions on borrowings and other financial liabilities	***(387)***	***-675***	***(1,062)***
Repayment of lease liabilities and related interest expenses	(255)	+90	(165)
Net cash provided by/(used for) financing activities of continuing operations	**(675)**	**-527**	**(1,202)**
Net cash provided by/(used for) financing activities of discontinued operations	**-**	**+527**	**527**
Net cash provided by/(used for) financing activities	**(675)**	**-**	**(675)**
Foreign currency translation adjustments of continuing operations	(60)	+36	(24)
Foreign currency translation adjustments of discontinued operations	-	-36	(36)
Change in cash and cash equivalents	**(1,154)**	**-**	**(1,154)**
Cash and cash equivalents			
At beginning of the period	**2,130**	**-**	**2,130**
At end of the period	**976**	**-**	**976**