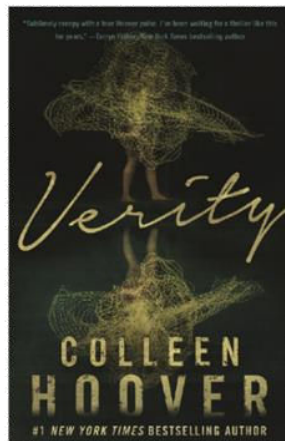
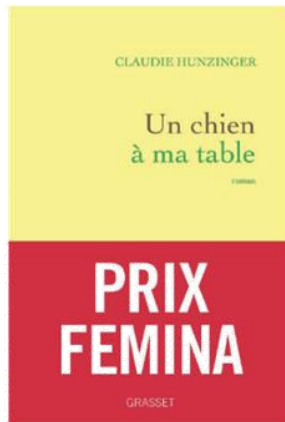




2023 INTERIM FINANCIAL REPORT



Lagardère

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This English version of this document has been prepared for the convenience of English-speaking readers. It is a translation of the original French Rapport financier semestriel 2023. It is intended for general information only and in case of discrepancies the French original shall prevail.

Lagardère is an international group with operations in more than 40 countries worldwide. It employs some 27,400 people and generated revenue of €6,929 million in 2022.

The Group is structured around two priority divisions:

Lagardère Publishing, which includes the Group's Book Publishing and e-Publishing businesses, covering areas such as Education, General Literature, Illustrated Books, Partworks, Dictionaries, Children and Young Adult and Distribution. The division operates predominantly in the three main language groups: English, French and Spanish.

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

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

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

Lagardère Travel Retail is a global market leader in its markets:

- ▶ the fifth-largest travel retail operator (second largest in airport travel retail);
- ▶ the world's largest international network of travel essentials stores;
- ▶ the European leader in the travel retail fashion segment;

- ▶ the fourth-largest operator in airport core duty free;
- ▶ the world's fourth-largest Foodservice provider in transit hubs.

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

- ▶ **Lagardère News**, which comprises *Paris Match*, *Le Journal du Dimanche*, *JDD Magazine*, advertising sales brokerage, licensing management for the Elle brand, Europe 1 and the French music radio networks (Europe 2 and RFM).
- ▶ **Lagardère Live Entertainment**, which is dedicated to producing live performance artists and shows together with L Productions, as well as managing live performance and entertainment venues (Folies Bergère, Casino de Paris, Arkéa Arena and Arena du Pays d'Aix). Further to the May 2023 acquisition of Euterpe Promotion, Lagardère Live Entertainment also organises and promotes French and international productions.
- ▶ **Lagardère Paris Racing**, which operates the Croix Catelan site under a concession from the City of Paris until 31 December 2028. The sports club offers members tennis, swimming, fitness and bridge facilities as well as complementary services (restaurants, event venues, etc.).

The Company's business activities are presented in section 1.3 of the Universal Registration Document filed with the AMF on 14 March 2023 (the "Universal Registration Document").

KEY FIGURES

Condensed consolidated income statement

(in millions of euros)	First-half 2023	First-half 2022
Revenue	3,701	3,027
Group recurring operating profit of fully consolidated companies	141	107
Income (loss) from equity-accounted companies(*)	(5)	(5)
Non-recurring/non-operating items	43	(70)
Finance costs, net	(38)	(37)
Interest expense on lease liabilities	(40)	(29)
Income tax benefit (expense)	(40)	2
Profit (loss) for the period	61	(32)
Profit (loss) attributable to owners of the Parent	45	(45)
Adjusted profit attributable to owners of the Parent (**)	24	25

(*) Before impairment losses.

(**) Excluding non-recurring/non-operational items.

Key figures by division

(in millions of euros)	Revenue		Group recurring operating profit of fully consolidated companies		Free cash flow	
	First-half 2023	First-half 2022	First-half 2023	First-half 2022	First-half 2023	First-half 2022
Lagardère Publishing	1,247	1,216	65	81	(179)	(252)
Lagardère Travel Retail	2,329	1,688	92	26	126	125
Other Activities(*)	125	123	(16)	-	(35)	10
Total	3,701	3,027	141	107	(88)	(117)

(*) Lagardère News (Paris Match, Le Journal du Dimanche, JDD Magazine, Europe 1, Europe 2, RFM and the Elle brand licence), Lagardère Live Entertainment, Lagardère Paris Racing, and the Group Corporate function.



2023 INTERIM MANAGEMENT REPORT

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1.1 FIRST-HALF 2023 RESULTS

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as described in note 1 to the consolidated financial statements, "Accounting principles".

The main changes in the scope of consolidation during the first half of 2023 are described in note 2 to the consolidated financial statements.

1.1.1 CONSOLIDATED INCOME STATEMENT

(in millions of euros)	First-half 2023	First-half 2022	Full-year 2022
Revenue	3,701	3,027	6,929
Recurring operating profit of fully consolidated companies ^(*)	141	107	438
Income (loss) from equity-accounted companies ^(**)	(5)	(5)	13
Non-recurring/non-operating items	43	(70)	(131)
of which impact of IFRS 16 on concession agreements ^(***)	118	17	24
Profit before finance costs and tax	179	32	320
Finance costs, net	(38)	(37)	(74)
Interest expense on lease liabilities	(40)	(29)	(61)
Income tax benefit (expense)	(40)	2	(33)
Profit from discontinued operations	-	-	35
Profit (loss) for the period	61	(32)	187
Attributable to:			
- Owners of the Parent	45	(45)	161
- Minority interests	16	13	26

(*) Recurring operating profit of fully consolidated companies is an alternative performance measure taken from the segment information section of the consolidated financial statements (see reconciliation in note 3 to the condensed interim consolidated financial statements), and is defined as the difference between profit before finance costs and tax and the following income statement items:

- income (loss) from equity-accounted companies;
- gains (losses) on disposals of assets;
- impairment losses on goodwill, property, plant and equipment, intangible assets and investments in equity-accounted companies;
- net restructuring costs;
- items related to business combinations:
 - acquisition-related expenses,
 - gains and losses resulting from purchase price adjustments and fair value adjustments due to changes in control,
 - amortisation of acquisition-related intangible assets;
- specific major disputes unrelated to the Group's operating performance;
- items related to leases and to finance sub-leases:
 - excluding gains and losses on leases,
 - excluding depreciation of right-of-use assets under concession agreements,
 - including decreases in lease liabilities under concession agreements,
 - including interest paid on lease liabilities under concession agreements,
 - including changes in working capital relating to lease liabilities under concession agreements.

(**) Before impairment losses.

(***) Including gains and losses on leases.

Revenue for the Lagardère group climbed sharply over the first half of 2023 to €3,701 million, up 22.3% as reported and up 19.0% like for like. The difference between reported and like-for-like data is attributable to an €87 million positive scope effect, mainly due to the acquisitions of Marché International and Costa Coffee Polska by Lagardère Travel Retail, and of Welbeck Publishing Group by Lagardère Publishing, and to a €4 million negative currency effect attributable to the pound sterling.

Revenue for Lagardère Publishing in first-half 2023 totalled €1,247 million, up 2.5% on a reported basis and up 1.6% like for like. The difference between consolidated and like-for-like data is attributable to a €21 million positive scope effect linked mainly to the acquisition of Welbeck Publishing Group, as well as to a €9 million negative currency effect, chiefly relating to the pound sterling.

The figures below are presented on a like-for-like basis.

After recording like-for-like growth of 1.0% in the first quarter of 2023, business was up by 2.0% year on year in the second quarter.

In France, revenue for the division was up by 7.0% during the first six months of the year, and was supported by a denser publication schedule. Illustrated Books was lifted by Sarah Rivens' successful *Captive* series and by the release of the graphic novel film tie-in with *Asterix & Obelix: The Middle Kingdom*. Business was also boosted by a recovery in Tourist Guides and growth in the Practical Guides segment. General Literature also performed well, propelled by bestsellers such as Prince Harry's *Spare*, Pierre Lemaitre's *Le Silence et la Colère*, and Florent Pagny's *Pagny par Florent* as well as benefiting from continued momentum at Le Livre de Poche.

In the United Kingdom, revenue advanced by 7.3% in a slightly growing market. The performance was propelled chiefly by the Adult Trade segment, with success in both the backlist (titles of Ana Huang) and frontlist (titles including Lauren Asher's *Final Offer* and Colleen Hoover's *Too Late*, as well as the release of Rebecca Yarros's *Fourth Wing*, which was hugely popular on social media). International activity also advanced, particularly in Australia. The Young Adult segment was down, however, following the success of the *Heartstopper* titles in the first half of 2022.

In the United States, revenue was down by 8.6% due to a lighter publication schedule and a lack of bestsellers compared to 2022, which had enjoyed hits including Colleen Hoover's *Verity* and *Run, Rose, Run*, the novel co-written by Dolly Parton and James Patterson, amid a general downturn in the US publishing market.

In Spain/Latin America, revenue grew sharply by 26.1%. In Spain, activity was lifted by strong growth in the Education segment, due to the early start of the school campaign in June under the national curriculum reform. Mexico posted solid growth, boosted by a dictionary sales campaign and an upbeat market in General Literature in particular.

Revenue for Partworks was down by 8.0%.

E-books accounted for 7.8% of total Lagardère Publishing revenue in the first half of 2023 (7.6% in first-half 2022), while digital audiobooks represented 4.7% of revenue (4.5% in first-half 2022).

Revenue for Lagardère Travel Retail in the first half of 2023 totalled €2,329 million, up 37.9% on a reported basis and up 32.4% like for like. The difference between reported and like-for-like revenue is primarily attributable to a €66 million positive scope effect linked chiefly to the acquisitions of Marché International and Costa Coffee Polska, as well as a €5 million positive currency effect.

After recording robust like-for-like growth of 44.2% in the first quarter of 2023, revenue advanced by 24.1% in the second quarter.

The first-half 2023 figures below are presented on a like-for-like basis.

Revenue in France leapt by 27.3% on the back of growth in domestic and international air traffic, despite the impact of strikes.

The EMEA region (excluding France) continued to accelerate, posting strong revenue growth of 36.7%, with excellent performances in Italy and Belgium, buoyed by an increase in American passengers and the gradual recovery in numbers of Chinese travellers.

North America maintained its strong momentum, with growth of 21.5% driven by sustained activity in the United States. Revenue also bounced back in Canada, spurred by the recovery in international traffic.

Business in Asia-Pacific resumed after being severely disrupted by the health crisis in the first half of 2022, delivering growth of 61.8%. This performance was largely attributable to North Asia¹, with growth of 60% driven by the sharp recovery in Chinese domestic traffic in particular, with borders reopening more gradually.

Revenue for Other Activities totalled €125 million in first-half 2023, up 2.5% as reported and also up 2.5% like for like.

Revenue growth was driven mainly by Lagardère Live Entertainment (up 59%), on the back of the full and unrestricted opening of live performance venues throughout the half year.

Revenue for Lagardère News was down by 4.7%, hit by declines in the Press (down 5.1%) and Radio (down 8.5%) segments in the wake of lower audience figures, the impact of which was partly countered by a good performance from the Elle international licensing business (up 4.6%).

Recurring operating profit of fully consolidated companies amounted to €141 million, €34 million higher than in first-half 2022.

- ▶ **Lagardère Publishing** reported €65 million in **recurring operating profit**, down €16 million on its first-half 2022 performance. The change was mainly attributable to inflationary pressures on labour and production costs, as well as to an increase in costs incurred on transformation projects in France. These effects were partly offset by higher selling prices and the impacts of operational efficiency plans, particularly in the United States.
- ▶ **Lagardère Travel Retail** reported €92 million in **recurring operating profit**, up sharply by €66 million on first-half 2022 with all geographic areas contributing to the performance. This increase was driven by revenue growth combined with disciplined margin control amid high inflation, along with efficiency gains brought about by the ramp-up of the LEaP operational efficiency plan. There was a fall in one-off Covid-19-related subsidies, which nonetheless represented €14 million in first-half 2023.

- ▶ **Other Activities posted recurring operating profit** down €16 million versus first-half 2022.

The Group posted a **loss from equity-accounted companies** (before impairment losses) of €5 million in the first half of 2023, unchanged from first-half 2022, with the amortisation of intangible assets in connection with the acquisition of shares in Extime Duty Free Paris, offset by improved operating performances from joint ventures and associates.

Non-recurring/non-operating items included in profit before finance costs and tax represented net income of €43 million in the first half of 2023, comprising:

- ▶ €3 million in **net gains on disposals**, mainly concerning the expiry of warranties granted in connection with disposals carried out in prior periods;
- ▶ €14 million in **restructuring costs**, including €10 million at Lagardère Publishing, mainly in connection with the integration of Workman Publishing and €4 million for Other Activities, consisting of expenses incurred in connection with Vivendi SE's public tender offer for Lagardère SA, as well as costs inherent in the future takeover;
- ▶ €53 million in **amortisation of intangible assets and costs attributable to acquisitions and disposals**, including €47 million for Lagardère Travel Retail, mainly relating to concession agreements in North America (Paradies Lagardère, HBF and Vino Volo), Italy (Rome airport and Airst) and Belgium (IDF); and €7 million for Lagardère Publishing;
- ▶ €11 million in **impairment losses against property, plant and equipment and intangible assets**, attributable to the write-down of right-of-use assets at Lagardère Publishing in the United States in connection with the streamlining of office space further to the integration of Workman Publishing;
- ▶ the impact of **applying IFRS 16 to concession agreements** at Lagardère Travel Retail (including gains and losses on leases), for a positive €118 million, including a non-recurring €90 million gain on lease modifications in connection with the conclusion of an amendment to a concession agreement

¹ Mainland China, Hong Kong and Japan.

substituting variable for fixed lease payments. The lease liability and the right-of-use asset were closed out against a gain on lease modifications. The residual impact includes the cancellation of the fixed rental expense for the concession agreements and the depreciation of the right-of-use assets.

In first-half 2022, non-recurring/non-operating items represented a net negative amount of €70 million, including (i) €29 million in restructuring costs, mainly in connection with the public tender offer and preparatory work for the forthcoming change of control at Lagardère SA, (ii) €56 million in amortisation of intangible assets and expenses relating to acquisitions of consolidated companies, of which €46 million at Lagardère Travel Retail relating to concession agreements, and (iii) €3 million in impairment losses attributable to the closure of points of sale at Lagardère Travel Retail. Lastly, the impact of applying IFRS 16 to concession agreements represented a positive amount of €17 million.

As a result, the Group reported **profit before finance costs and tax** of €179 million in first-half 2023, versus profit of €32 million in first-half 2022.

Net finance costs amounted to €38 million for first-half 2023, versus €37 million one year earlier, mainly reflecting the adverse impact of rising interest rates on variable-rate borrowings (primarily short-term debt), slightly offset by an increase in financial income. In addition, impairment losses were recognised against financial assets in first-half 2022, which was not the case in 2023.

Interest expense on lease liabilities amounted to €40 million in first-half 2023, compared to €29 million in first-half 2022, an increase of €11 million, attributable mainly to the increase in discount rates between end-June 2022 and end-June 2023.

In the six months to 30 June 2023, the Group recognised **income tax expense** of €40 million, an increase of €42 million on the prior-year figure, due to the business upturn in Europe and North America, particularly at Lagardère Travel Retail, and to the deferred tax effect of a gain on lease modifications further to the amendment of a concession agreement.

Profit attributable to minority interests came out at €16 million in the first half of 2023, versus €13 million in first-half 2022, reflecting business growth primarily at Lagardère Travel Retail in North America and Italy.

1.1.2 CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows

(in millions of euros)	First-half 2023	First-half 2022	Full-year 2022
Cash flow from operating activities before changes in working capital	416	304	858
Decrease in lease liabilities	(164)	(119)	(241)
Interest paid on lease liabilities	(40)	(35)	(87)
Changes in working capital relating to lease liabilities	(5)	(6)	(6)
Cash flow from operations before changes in working capital and income taxes paid	207	144	524
Changes in working capital	(164)	(170)	(73)
Income taxes paid	(29)	(23)	(57)
Cash flow from (used in) operations	14	(49)	394
Cash used in investing activities	(250)	(213)	(387)
- Purchases of intangible assets and property, plant and equipment	(104)	(69)	(177)
- Purchases of investments	(146)	(144)	(210)
Proceeds from disposals	11	17	42
- Disposals of intangible assets and property, plant and equipment	2	1	4
- Disposals of investments	9	16	38
Interest received	8	2	7
(Increase) decrease in short-term investments	-	-	-
Net cash used in investing activities	(231)	(194)	(338)
Cash flow from (used in) operations and investing activities	(217)	(243)	56
Net cash used in financing activities excluding lease liabilities	(213)	(88)	(183)
Other movements	3	(14)	(5)
Change in cash and cash equivalents	(427)	(345)	(132)

The Group has applied IFRS 16 since 1 January 2019 using the full retrospective transition approach.

In order to neutralise the impact of IFRS 16, the table above shows net cash from operations and net cash from financing activities excluding lease liabilities. In adopting this presentation, lease payments – represented by interest paid on lease liabilities and the decrease in lease liabilities – can

be included in net cash from operating activities. The data shown thus reflect how Group management monitors performance.

Note 3 to the consolidated financial statements provides a reconciliation of the data set out above with the condensed interim consolidated financial statements.

1.1.2.1 CASH FLOW FROM (USED IN) OPERATIONS AND INVESTING ACTIVITIES

In the first half of 2023, **cash flow from operations before changes in working capital** (operating cash flow) totalled €207 million, versus cash flow from operations of €144 million one year earlier. This improvement resulted primarily from sharp business growth at Lagardère Travel Retail (positive €75 million impact), countered by a €27 million decline at Lagardère Publishing, which had recorded an historically strong performance in first-half 2022.

Changes in working capital excluding lease liabilities represented an outflow of €164 million, versus an outflow of €170 million in first-half 2022. The slight improvement in this item was chiefly attributable to Lagardère Publishing (€74 million decrease in working capital), reflecting a smaller increase in inventories following the sharp rise in the first half of 2022 required to secure supplies, and the impacts of higher raw materials prices. The €42 million year on year change at Lagardère Travel Retail is mainly attributable to the challenging comparison basis versus last year (excluding the wholesale business), with strong business growth in the second quarter of 2022 having given rise to a relatively high levels of trade payables at end-June 2022.

Income taxes paid represented an outflow of €29 million versus an outflow of €23 million in first-half 2022, reflecting business growth during the period.

Taking account of the above items, **cash flow from operations** represented an inflow of €14 million in first-half 2023 versus an outflow of €49 million in first-half 2022.

Purchases of property, plant and equipment and intangible assets represented a net outflow of €104 million – an increase of €29 million compared to the prior-year period, notably at Lagardère Travel Retail in line with the business recovery and investment projects implemented on the back of tender wins.

Purchases of investments represented a cash outflow of €146 million in first-half 2023, and mainly concerned the acquisitions of a 49% stake in Extime Duty Free Paris and of Marché International, the financing of joint ventures in the Pacific and Asia regions at Lagardère Travel Retail, and the consolidation of NEI CEDA at Lagardère Publishing. Purchases of investments represented a cash

outflow of €144 million in first-half 2022, and mainly concerned the acquisition of Creative Table Holdings Ltd, the capital increase at Société de Distribution Aéroportuaire (Lagardère Travel Retail), and the acquisition of Paperblanks (Lagardère Publishing).

Disposals of property, plant and equipment and intangible assets represented virtually nil, unchanged from first-half 2022.

Disposals of investments represented an inflow of €9 million. In first-half 2022, disposals of investments represented an inflow of €16 million, principally concerning the sale of Atticus at Lagardère Publishing.

Interest received amounted to €8 million, up €6 million on the figure reported in first-half 2022.

In all, **operations and investing activities** represented a net cash outflow of €217 million in first-half 2023, versus a net cash outflow of €243 million in the prior-year period.

1.1.2.2 NET CASH USED IN FINANCING ACTIVITIES

Financing activities (excluding leases liabilities) in first-half 2023 represented a net cash outflow of €213 million, comprising:

- ▶ €214 million in dividends paid, including €183 million to shareholders of Lagardère SA and €31 million to minority shareholders (of which €25 million at Lagardère Travel Retail and €6 million at Lagardère Publishing);
- ▶ a €43 million net increase in debt, essentially attributable to drawdowns on the syndicated credit facility for €320 million and net issues of commercial paper (NEU CP) for €103 million, partly offset by the redemption of the bond issued in 2016 for €350 million;
- ▶ €42 million in interest paid, including the payment of €15 million in annual fixed-rate coupons on the bond that was redeemed in April 2023 and on the €300 million bond issued in June 2017. This item also includes €26 million in mostly variable-rate interest on commercial paper, bank loans, credit facilities (including *Schuldscheindarlehen* loans), drawdowns on the credit facility and financial instruments hedging debt denominated in foreign currency.

1.1.3 NET DEBT

Net debt is an alternative performance measure and is calculated based on elements taken from the consolidated financial statements. A reconciliation with those accounting items is presented below:

(in millions of euros)	30 June 2023	31 Dec. 2022
Short-term investments and cash and cash equivalents	400	851
Financial instruments designated as hedges of debt with a positive fair value	7	3
Non-current debt ^(*)	(1,134)	(1,647)
Current debt ^(*)	(1,437)	(920)
Net debt	(2,164)	(1,713)

(*) Current and non-current debt includes financial instruments designated as hedges of debt with a negative fair value, representing €7 million and €4 million, respectively, at 30 June 2023 (negative fair value of €8 million and €19 million, respectively, at 31 December 2022).

Changes in net debt during first-half 2023 and 2022 were as follows:

(in millions of euros)	First-half 2023	First-half 2022
Net debt at 1 January	(1,713)	(1,535)
Cash flow used in operations and investing activities	(217)	(243)
Interest paid	(42)	(29)
(Acquisitions) disposals of treasury shares	-	-
(Acquisitions) disposals of minority interests	-	(1)
Dividends	(214)	(89)
Debt related to put options granted to minority shareholders	-	(17)
Changes in scope of consolidation	1	1
Fair value of financial instruments designated as hedges of debt	20	(30)
Impact of classification of assets as held for sale	-	-
Effect on cash of changes in exchange rates and other	1	(18)
Net debt at 30 June	(2,164)	(1,961)

1.2 SIGNIFICANT EVENTS OF THE FIRST HALF OF 2023

Any existing or significant link between these events and their impact on the condensed consolidated financial statements is presented in section 1.1 below, or in note 2 to the condensed consolidated financial statements for the six months ended 30 June 2023.

1.2.1 PROPOSED TRANSACTION BETWEEN LAGARDÈRE SA AND VIVENDI SE

On 9 June 2023, the European Commission adopted a decision authorising Vivendi SE to acquire control of Lagardère SA.

The Commission's authorisation is conditional upon compliance with the commitments offered by Vivendi SE, entailing the full divestment of Edfis and of *Gala* magazine. Both sales must be concluded with purchasers whose suitability has been assessed and approved by the European Commission.

On 16 June 2023, Vivendi SE announced that it had signed an agreement with the IMI group, a subsidiary of CML, for the sale of the entire share capital of Edfis. On 4 July 2023, Vivendi SE announced that it had entered into exclusive negotiations with the Figaro group for the sale of *Gala* magazine.

The shares acquired by Vivendi SE from Amber Capital and through the public offer will not carry effective voting rights until these two commitments have been fully implemented further to the approval by the European Commission of the respective purchasers of Edfis and *Gala*, such that until that time, it can exercise only 38,387,791 voting rights representing approximately 23% of the total.

1.2.2 FINALISATION OF THE ACQUISITION OF MARCHÉ INTERNATIONAL BY LAGARDÈRE TRAVEL RETAIL

On 1 February 2023, Lagardère Travel Retail confirmed that it had finalised the acquisition, initially announced on 16 November 2022, of Marché International, a multi-brand international catering and foodservice provider operating in travel hubs and leisure locations.

Lagardère Travel Retail has therefore taken control of the Marché network of restaurants in six countries, namely Austria, Croatia, Czech Republic, Germany, Singapore and Slovenia.

1.2.3 AUTONOMY FOR THE GROUP'S RADIO UNIT

On 10 March 2023, the Board of Directors of Lagardère SA unanimously confirmed the advisability of implementing the plan to make the Group's radio division (Europe 1, Europe 2 and RFM) autonomous, through a reorganisation of its ownership and governance structure.

The radio division would be consolidated under a holding company that would adopt the form of a limited partnership with shares, whose limited partners would be Lagardère group companies, and of which Arnaud Lagardère would be

indirectly the General Partner and personally the Managing Partner. In this dual capacity, Arnaud Lagardère would be solely responsible for supervising the management and teams of the radio division and would be the ultimate decision-maker on editorial policy. Constance Benqué would be appointed Chief Executive Officer of the limited partnership and would report to Arnaud Lagardère in her functions.

1.2.4 EXTENSION OF THE MATURITY OF LAGARDÈRE SA'S FINANCIAL LIQUIDITY

On 29 June 2023, all of Lagardère SA's partner banks agreed to extend the maturity of its credit facility, for an amount of €982 million, from 30 April 2024 to 30 April 2025.

This extension was provided for in the amendment to the syndicated credit facility agreement signed in April 2022 between Lagardère SA and its partner banks, subject to the agreement of the banks.

The syndicate of lending banks consists of Banco Santander, Barclays Bank, BNP Paribas, Citibank, Commerzbank, Crédit Agricole CIB, Crédit Agricole d'Île-de-France, Crédit Lyonnais, ING Bank, JP Morgan Chase Bank, Landesbank Baden-Württemberg, Natixis, Société Générale and Unicredit Bank.

1.3 RELATED PARTIES

Information on related parties is provided in note 20 to the condensed interim consolidated financial statements for the six months ended 30 June 2023.

1.4 EVENTS AFTER THE REPORTING PERIOD

None.

1.5 MAIN RISKS AND UNCERTAINTIES FOR THE REMAINING SIX MONTHS OF THE YEAR

A general presentation of risks and uncertainties can be found in chapter 4, "Risk factors and control system" of the Universal Registration Document. These risks and uncertainties, and their level of severity, remain applicable throughout the current year.

Significant developments in disputes since the Universal Registration Document was filed are set out, in particular, in note 19 to the 2023 condensed interim consolidated financial statements.

1.6 OUTLOOK AND LIQUIDITY

2023 outlook

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

- ▶ despite pressures on costs, Lagardère Publishing should maintain relatively similar performances to 2022;

- ▶ in a normalised environment, as global traffic continues to recover, Lagardère Travel Retail has potential for revenue and profitability growth, including LEaP initiatives.

Liquidity

At 30 June 2023, the Group's liquidity stood at €1,062 million, comprising €400 million in cash and cash equivalents and an undrawn renewable credit facility of €662 million granted by a syndicate of the Group's banking partners. The maturity of this credit facility, for an amount of €982 million, has been extended to 30 April 2025.

In addition, in the context of the Group's takeover by Vivendi SE, once approval for the respective purchasers of Egitis and Gala has been received from the European Commission, the Group believes that it is in a position to meet its commitments and ensure its liquidity with, if necessary, the support of its new reference shareholder in the event that bondholders and lenders trigger the early redemption clauses in the context of the Group's change of control (for a maximum amount of approximately €1,553 million, of which €1,300 million corresponds to bonds).

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2023 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

(in millions of euros)		First-half 2023	First-half 2022	Full-year 2022
Revenue	(Notes 3 and 4)	3,701	3,027	6,929
Other income from ordinary activities		29	25	48
Total income from ordinary activities		3,730	3,052	6,977
Purchases and changes in inventories		(1,380)	(1,104)	(2,530)
External charges		(1,061)	(884)	(1,950)
Payroll costs		(835)	(709)	(1,549)
Depreciation and amortisation other than on acquisition-related intangible assets		(85)	(85)	(171)
Depreciation of right-of-use assets	(Note 13)	(175)	(156)	(328)
Amortisation of acquisition-related intangible assets and other acquisition-related expenses		(55)	(55)	(113)
Restructuring costs	(Note 5)	(14)	(29)	(38)
Gains (losses) on disposals of assets	(Note 6)	3	1	7
Gains and losses on leases ^(*)	(Note 13)	95	25	41
Impairment losses on goodwill, property, plant and equipment and intangible assets	(Note 7)	(11)	(3)	(9)
Other operating expenses	(Note 8)	(35)	(49)	(91)
Other operating income	(Note 9)	7	33	61
Income (loss) from equity-accounted companies	(Note 14)	(5)	(5)	13
Profit before finance costs and tax	(Note 3)	179	32	320
Financial income	(Note 10)	14	5	17
Financial expenses	(Note 10)	(52)	(42)	(91)
Interest expense on lease liabilities	(Note 13)	(40)	(29)	(61)
Profit (loss) before tax		101	(34)	185
Income tax benefit (expense)	(Note 11)	(40)	2	(33)
Profit (loss) from continuing operations		61	(32)	152
Profit from discontinued operations		-	-	35
Profit (loss) for the period		61	(32)	187
Attributable to:				
Owners of the Parent		45	(45)	161
Minority interests		16	13	26
<i>Earnings per share – Attributable to owners of the Parent:</i>				
<i>Basic earnings (loss) per share (in €)</i>	(Note 12)	<i>0.32</i>	<i>(0.32)</i>	<i>1.15</i>
<i>Diluted earnings (loss) per share (in €)</i>	(Note 12)	<i>0.32</i>	<i>(0.32)</i>	<i>1.14</i>
<i>Earnings per share from continuing operations – Attributable to owners of the Parent:</i>				
<i>Basic earnings (loss) per share (in €)</i>	(Note 12)	<i>0.32</i>	<i>(0.32)</i>	<i>0.90</i>
<i>Diluted earnings (loss) per share (in €)</i>	(Note 12)	<i>0.32</i>	<i>(0.32)</i>	<i>0.90</i>

^(*) Including gains and losses on lease modifications and negative variable lease payments (see note 13).

Consolidated statement of comprehensive income

(in millions of euros)	First-half 2023	First-half 2022	Full-year 2022
Profit (loss) for the period (1)	61	(32)	187
Actuarial gains and losses on pensions and other post-employment benefit obligations ^(*)	(1)	19	(5)
Change in fair value of investments in non-consolidated companies	-	-	-
Other comprehensive income (expense) for the period, net of tax, that will not be reclassified subsequently to profit or loss (2)	(1)	19	(5)
Currency translation adjustments	(31)	102	60
Change in fair value of derivative financial instruments ^(*)	9	(26)	(26)
Share of other comprehensive income from equity-accounted companies ^(*)	-	-	-
Other comprehensive income for the period, net of tax, that may be reclassified subsequently to profit or loss (3)	(22)	76	34
Other comprehensive income (expense) for the period, net of tax (2)+(3)	(23)	95	29
Total comprehensive income for the period (1)+(2)+(3)	38	63	216
Attributable to:			
Owners of the Parent	24	42	186
Minority interests	14	21	30

(*) Net of tax.

Consolidated statement of cash flows

(in millions of euros)		First-half 2023	First-half 2022	Full-year 2022
Profit (loss) from continuing operations		61	(32)	152
Income tax benefit (expense)	(Note 11)	40	(2)	33
Finance costs, net	(Note 10)	78	66	135
Profit before finance costs and tax		179	32	320
Depreciation and amortisation expense		313	295	608
Impairment losses, provision expense and other non-cash items		12	(6)	(16)
(Gains) on disposals of assets and on leases		(98)	(26)	(46)
Dividends received from equity-accounted companies		5	4	5
(Income) loss from equity-accounted companies	(Note 14)	5	5	(13)
Changes in working capital	(Note 15)	(169)	(176)	(79)
Cash flow from operating activities		247	128	779
Income taxes paid		(29)	(23)	(57)
Net cash from operating activities	(A)	218	105	722
Cash used in investing activities				
- Purchases of intangible assets and property, plant and equipment	(Note 3)	(104)	(69)	(177)
- Purchases of investments	(Note 3)	(147)	(122)	(150)
- Cash acquired through acquisitions	(Note 3)	23	(16)	(15)
- Purchases of other non-current assets	(Note 3)	(22)	(6)	(45)
Total cash used in investing activities	(B)	(250)	(213)	(387)
Cash from investing activities				
Proceeds from disposals of non-current assets				
- Disposals of intangible assets and property, plant and equipment	(Note 3)	2	1	4
- Disposals of investments	(Note 3)	-	10	21
- Cash transferred on disposals	(Note 3)	-	(2)	(2)
Decrease in other non-current assets	(Note 3)	9	8	19
Total cash from investing activities	(C)	11	17	42
Interest received	(D)	8	2	7
Net cash used in investing activities	(F)=(B)+(C)+(D)	(231)	(194)	(338)
Net cash from (used in) operating and investing activities	(G)=(A) + (F)	(13)	(89)	384
Capital transactions				
- Minority interests' share in capital increases by subsidiaries		-	1	1
- (Acquisitions) disposals of treasury shares		-	-	-
- (Acquisitions) disposals of minority interests		-	(1)	(1)
- Dividends paid to owners of the Parent		(183)	(70)	(70)
- Dividends paid to minority shareholders of subsidiaries		(31)	(19)	(35)
Total capital transactions	(H)	(214)	(89)	(105)
Financing transactions				
- Increase in debt		428	96	74
- Decrease in debt		(385)	(66)	(73)
Total movements in debt	(Note 16.1) - (I)	43	30	1
Interest paid	(J)	(42)	(29)	(79)
Decrease in lease liabilities	(Note 13) - (J)	(164)	(119)	(241)
Interest paid on lease liabilities	(Note 13) - (J)	(40)	(35)	(87)
Net cash used in financing activities	(K)=(H)+(I)+(J)	(417)	(242)	(511)
Other movements				
- Effect on cash of changes in exchange rates		3	(15)	(7)
- Effect on cash of other movements		-	1	2
Total other movements	(L)	3	(14)	(5)
Net cash used in discontinued operations	(M)	-	-	-
Change in cash and cash equivalents	(N)=(G)+(K)+(L)+(M)	(427)	(345)	(132)
Cash and cash equivalents at beginning of period		746	878	878
Cash and cash equivalents at end of period	(Note 15)	318	533	746

Consolidated balance sheet

ASSETS (in millions of euros)		30 June 2023	31 Dec. 2022
Intangible assets		998	986
Goodwill		1,636	1,640
Right-of-use assets	(Note 13)	1,644	1,640
Property, plant and equipment		680	661
Investments in equity-accounted companies	(Note 14)	154	83
Other non-current assets		172	183
Deferred tax assets		269	310
Total non-current assets		5,553	5,503
Inventories	(Note 15)	902	833
Trade receivables	(Note 15)	998	957
Other current assets		851	840
Cash and cash equivalents	(Note 15)	400	851
Total current assets		3,151	3,481
Total assets		8,704	8,984

Consolidated balance sheet

EQUITY AND LIABILITIES (in millions of euros)		30 June 2023	31 Dec. 2022
Share capital		861	861
Share premiums		-	-
Reserves and retained earnings		(49)	(31)
Profit for the period attributable to owners of the Parent		45	161
Other comprehensive income		(112)	(92)
Equity attributable to owners of the Parent		745	899
Minority interests	(Note 17)	117	131
Total equity		862	1,030
Provisions for pensions and other post-employment benefit obligations		72	67
Non-current provisions for contingencies and losses		127	121
Non-current debt	(Note 16)	1,135	1,647
Non-current lease liabilities	(Note 13)	1,570	1,634
Other non-current liabilities		44	54
Deferred tax liabilities		265	268
Total non-current liabilities		3,213	3,791
Current provisions for contingencies and losses		104	111
Current debt	(Note 16)	1,436	920
Current lease liabilities	(Note 13)	375	388
Trade payables	(Note 15)	1,368	1,379
Other current liabilities		1,346	1,365
Total current liabilities		4,629	4,163
Total equity and liabilities		8,704	8,984

Consolidated statement of changes in equity

	Share capital	Share premiums	Other reserves	Treasury shares	Translation reserve	Valuation reserve	Equity attributable to owners of the Parent	Minority interests	Total equity
(in millions of euros)									
At 31 December 2021	861	-	64	(71)	8	(47)	815	124	939
Impact of the retrospective application of the IFRIC agenda decision on IAS 38	-	-	(29)	-	-	-	(29)	-	(29)
At 1 January 2022	861	-	35	(71)	8	(47)	786	124	910
Profit for the period	-	-	(45)	-	-	-	(45)	13	(32)
Other comprehensive income (expense) for the period ^(a)	-	-	19	-	94	(26)	87	8	95
Total comprehensive income (expense) for the period	-	-	(26)	-	94	(26)	42	21	63
Dividends paid	-	-	(70)	-	-	-	(70)	(19)	(89)
Parent company capital increase/reduction ^(b)	-	-	(12)	12	-	-	-	-	-
Minority interests' share in capital increases	-	-	-	-	-	-	-	1	1
Changes in treasury shares	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	5	-	-	-	5	-	5
Effect of transactions with minority interests	-	-	-	-	-	-	-	-	-
Changes in scope of consolidation and other	-	-	(14)	-	3	-	(11)	11	-
At 30 June 2022(*)	861	-	(82)	(59)	105	(73)	752	138	890
At 31 December 2022	861	-	105	(57)	63	(73)	899	131	1,030
Profit for the period	-	-	45	-	-	-	45	16	61
Other comprehensive income (expense) for the period ^(a)	-	-	(1)	-	(30)	9	(22)	(1)	(23)
Total comprehensive income (expense) for the period	-	-	44	-	(30)	9	23	15	38
Dividends paid	-	-	(183)	-	-	-	(183)	(31)	(214)
Parent company capital increase/reduction ^(b)	-	-	(3)	3	-	-	-	-	-
Minority interests' share in capital increases	-	-	-	-	-	-	-	-	-
Changes in treasury shares	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	7	-	-	-	7	-	7
Effect of transactions with minority interests	-	-	2	-	-	-	2	-	2
Changes in scope of consolidation and other	-	-	(3)	-	1	(1)	(3)	2	(1)
At 30 June 2023	861	-	(31)	(54)	34	(65)	745	117	862

(*) Data at 30 June 2022 restated for the retrospective application of the IFRIC agenda decision on IAS 38.

(a) See note 17 to the consolidated financial statements.

(b) Capital increase carried out by capitalising reserves and capital reduction by cancelling treasury shares.

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NOTES TO THE 2023 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(All figures are expressed in millions of euros unless otherwise specified)

NOTE 1 ACCOUNTING POLICIES AND SIGNIFICANT EVENTS

The condensed interim consolidated financial statements at 30 June 2023 have been prepared in compliance with IAS 34 – Interim Financial Reporting. The accompanying notes do not contain all the disclosures required for a complete set of annual financial statements. These condensed interim consolidated financial statements should therefore be read in conjunction with the annual consolidated financial statements published for 2022.

The new standards and/or amendments to IFRSs adopted by the European Union that are **effective for periods beginning on or after 1 January 2023**, are as follows:

- ▶ Amendments to IAS 1 – Definition of Material as part of the Disclosure Initiative.
- ▶ Amendments to IAS 8 – Definition of Accounting Estimates.
- ▶ Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

These standards and amendments, as well as those adopted by the European Union that are effective for periods beginning on or after 1 January 2023, do not have an impact on the consolidated financial statements.

The Group did not elect to early adopt the following new amendments which had been endorsed by the European Union, but which will only be effective subsequent to 1 January 2023:

- ▶ Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants.

- ▶ Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback.

The new standards and amendments to existing standards published by the International Accounting Standards Board (IASB) at 30 June 2023 which have **not yet been endorsed by the European Union and which will be effective subsequent to 2023** are as follows:

- ▶ Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules.

The Group has started work on applying safeguard measures based on 2022 data in order to assess its potential exposure when these new regulations take effect, which is expected to be in 2024.

- ▶ Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangement.

The condensed interim consolidated financial statements were approved for issue by the Board of Directors of Lagardère SA on 25 July 2023.

1.1 PROPOSED TRANSACTION BETWEEN LAGARDÈRE SA AND VIVENDI SE

Upon completion of the tender offer launched in 2022, Vivendi SE held 80,943,768 Lagardère shares, as tendered to the principal offer and representing the same number of voting rights, i.e., 57.35% of Lagardère's capital and 48.03% of its theoretical voting rights¹.

A total of 31,184,281 shares were tendered to the subsidiary tender offer. The shareholders who tendered these shares received as many transfer rights, allowing them to sell each share to

¹ Based on the balance sheet approved at 30 June 2022.

Vivendi SE, for each transfer right, at a price of €24.10 (ex-dividend) until 15 December 2023.

On 9 June 2023, the European Commission adopted a decision authorising Vivendi SE to acquire control of Lagardère SA.

The Commission's authorisation is conditional upon compliance with the commitments offered by Vivendi SE, entailing the full divestment of Editis and of *Gala* magazine. Both sales must be concluded with purchasers whose suitability has been assessed and approved by the European Commission.

On 16 June 2023, Vivendi SE announced that it had signed an agreement with the IMI group, a subsidiary of CMI, for the sale of the entire share capital of Editis. On 4 July 2023, Vivendi SE announced that it had entered into exclusive negotiations with the Figaro group for the sale of *Gala* magazine.

The shares acquired by Vivendi SE from Amber Capital and through the public offer will not carry effective voting rights until these two commitments have been fully implemented further to the approval by the European Commission of the respective purchasers of Editis and *Gala*, such that until that time, it can exercise only 38,387,791 voting rights representing approximately 23% of the total.

Expert, financial and legal fees incurred by Lagardère in the context of the public tender offer, as well as the costs inherent in the future takeover by Vivendi SE, are recorded as restructuring costs (see note 5) in the financial statements for the six months ended 30 June 2023.

1.2 LIQUIDITY

At 30 June 2023, the Group's liquidity stood at €1,062 million, comprising €400 million in cash and cash equivalents and an undrawn renewable credit facility of €662 million granted by a syndicate of the Group's banking partners. The facility's maturity, for an amount of €982 million, was extended to April 2025, with the option of a further extension to April 2026 subject to the agreement of the banks.

As part of its review of the financial statements for the six months to 30 June, management examined cash flow forecasts for the next 12 months and assessed its liquidity position in light of its financing requirements over that period – both operational and those relating to the repayment of maturities of €1,436 million (including €479 million in commercial paper and €320 million drawn down on syndicated credit facilities, whose maturities may be rolled over beyond 12 months if necessary).

In addition, in the context of the Group's takeover by Vivendi SE, once approval of the respective purchasers of Editis and *Gala* has been received from the European Commission, the Group believes that it is in a position to meet its commitments and ensure its liquidity with, if necessary, the support of its new reference shareholder in the event that bondholders and lenders trigger the early redemption clauses in the context of the Group's change of control (for a maximum amount of approximately €1,553 million, of which €1,300 million corresponds to bonds).

NOTE 2 MAIN CHANGES IN THE SCOPE OF CONSOLIDATION

2.1 FIRST-HALF 2023

The main changes in the scope of consolidation in the first half of 2023 were as follows:

Lagardère Publishing

- First-time consolidation of **Welbeck Publishing Group**, acquired by Hachette UK in December 2022, which specialises in fiction, illustrated non-fiction and children's gift books. In the first half of 2023, revenue amounted to €13 million.

At 30 June 2023, the preliminary allocation of the purchase price led to the recognition of €14 million in provisional goodwill.

Lagardère Travel Retail

- Acquisition in February 2023 of the **Marché International** group, based in Switzerland. Marché is a well-established international catering company and foodservice provider operating in travel hubs and leisure locations including airports, railway and motorway service stations, zoos and urban shopping centres. The Group comprises nine legal entities with points of sale mainly in Germany, as well as in Austria, Croatia, Czech Republic, Singapore and Slovenia.

At 30 June 2023, the preliminary allocation of the purchase price led to the recognition of €62 million in intangible assets in respect of the concession agreements (amortised over 15 years), and of €20 million in deferred tax liabilities. This preliminary allocation did not result in the recognition of any residual goodwill.

- Acquisition in February 2023 of **Costa Coffee** in **Poland and Latvia**, together operating 142 Costa Coffee stores. Further to this acquisition, Lagardère Travel Retail has become the chain's master franchise partner in these countries.

In the first half of 2023, the preliminary allocation of the purchase price did not result in the recognition of any goodwill further to the allocation of €5 million to intangible assets in respect of the concession agreements (amortised over 10 years).

NOTE 3 SEGMENT INFORMATION

The Group is structured around its two priority divisions (Lagardère Publishing and Lagardère Travel Retail) and also has "Other Activities".

The Group's internal management reporting is structured around its two core operating divisions (Lagardère Publishing and Lagardère Travel Retail), and "Other Activities":

- ▶ **Lagardère Publishing**, which includes the Group's Book Publishing and e-Publishing businesses, covering areas such as Education, General Literature, Illustrated Books, Partworks, Dictionaries, Children and Young Adult, Board Games, Mobile Games, Premium Stationery and Distribution.
- ▶ **Lagardère Travel Retail**, which consists of retail operations in transit hubs and concessions in three business segments: Travel Essentials, Duty Free & Fashion, and Foodservice.

- ▶ **"Other Activities"**, which includes Lagardère News (*Paris Match*, *Le Journal du Dimanche*, *JDD Magazine*, Europe 1, Europe 2, RFM and the Elle brand licence), Lagardère Live Entertainment, Lagardère Paris Racing, and the Group Corporate function. The Corporate function is used primarily to report the effect of financing obtained by the Group and the net operating costs of Group holding companies.

The data presented by division were calculated using the same accounting rules and methods as those used in the consolidated financial statements and described in the accompanying notes. The data include key alternative performance measures.

Transactions between business divisions are carried out on arm's length terms.

First-half 2023 income statement

	Lagardère Publishing	Lagardère Travel Retail	Other Activities	Total
Revenue	1,251	2,329	125	3,705
Inter-segment revenue	(4)	-	-	(4)
Consolidated revenue	1,247	2,329	125	3,701
Other income from ordinary activities	7	5	17	29
Total income from ordinary activities	1,254	2,334	142	3,730
Recurring operating profit (loss) of fully consolidated companies	65	92	(16)	141
Income (loss) from equity-accounted companies before impairment losses	2	(7)	-	(5)
Restructuring costs	(10)	-	(4)	(14)
Gains (losses) on disposals	-	1	2	3
Impairment losses ^(*)	(11)	-	-	(11)
Amortisation of acquisition-related intangible assets	(7)	(47)	-	(54)
Expenses related to acquisitions and disposals	-	(1)	-	(1)
Purchase price adjustment	1	1	-	2
Impact of IFRS 16 on concession agreements	-	118	-	118
Profit (loss) before finance costs and tax	40	157	(18)	179
Items included in recurring operating profit (loss) of fully consolidated companies				
Depreciation and amortisation of property, plant and equipment and intangible assets	(18)	(62)	(5)	(85)
Depreciation of right-of-use assets – Buildings and other	(17)	(6)	(11)	(34)
Cost of free share plans	(3)	(2)	(2)	(7)

(*) Impairment losses on goodwill, property, plant and equipment and intangible assets.

The breakdown of the impact of IFRS 16 on concession agreements and on gains and losses on leases is disclosed in the table below:

	Lagardère Publishing	Lagardère Travel Retail	Other Activities	Total
Gains and losses on leases	-	95	-	95
Depreciation of right-of-use assets	-	(141)	-	(141)
Decrease in lease liabilities	-	128	-	128
Interest paid on lease liabilities	-	33	-	33
Changes in working capital relating to lease liabilities	-	3	-	3
Impact of IFRS 16 on concession agreements	-	118	-	118

First-half 2022 income statement

	Lagardère Publishing	Lagardère Travel Retail	Other Activities	Total
Revenue	1,220	1,688	123	3,031
Inter-segment revenue	(4)	-	-	(4)
Consolidated revenue	1,216	1,688	123	3,027
Other income from ordinary activities	6	7	12	25
Total income from ordinary activities	1,222	1,695	135	3,052
Recurring operating profit of fully consolidated companies	81	26	-	107
Income (loss) from equity-accounted companies before impairment losses	-	(5)	-	(5)
Restructuring costs	(2)	-	(27)	(29)
Gains (losses) on disposals	4	-	(3)	1
Impairment losses ^(*)	-	(3)	-	(3)
Amortisation of acquisition-related intangible assets	(8)	(46)	-	(54)
Expenses related to acquisitions and disposals	(1)	(1)	-	(2)
Purchase price adjustment	-	-	-	-
Impact of IFRS 16 on concession agreements	1	16	-	17
Profit (loss) before finance costs and tax	75	(13)	(30)	32
Items included in recurring operating profit (loss) of fully consolidated companies				
Depreciation and amortisation of property, plant and equipment and intangible assets	(17)	(63)	(5)	(85)
Depreciation of right-of-use assets – Buildings and other	(17)	(7)	(10)	(34)
Cost of free share plans	(3)	(1)	(1)	(5)

(*) Impairment losses on goodwill, property, plant and equipment and intangible assets.

The breakdown of the impact of IFRS 16 on concession agreements and on gains and losses on leases is disclosed in the table below:

	Lagardère Publishing	Lagardère Travel Retail	Other Activities	Total
Gains and losses on leases	1	24	-	25
Depreciation of right-of-use assets	-	(122)	-	(122)
Decrease in lease liabilities	-	82	-	82
Interest paid on lease liabilities	-	28	-	28
Changes in working capital relating to lease liabilities	-	4	-	4
Impact of IFRS 16 on concession agreements	1	16	-	17

First-half 2023 statement of cash flows

	Lagardère Publishing	Lagardère Travel Retail	Other Activities and eliminations	Total
Cash flow from (used in) operating activities	(92)	372	(33)	247
Decrease in lease liabilities ^(*)	(19)	(136)	(9)	(164)
Interest paid on lease liabilities ^(*)	(4)	(35)	(1)	(40)
Cash flow from (used in) operations before income taxes paid	(115)	201	(43)	43
Income taxes paid	(37)	(4)	12	(29)
Cash flow from (used in) operations	(152)	197	(31)	14
Net cash used in investing activities relating to intangible assets and property, plant and equipment	(27)	(71)	(4)	(102)
- Purchases	(27)	(73)	(4)	(104)
- Proceeds from disposals	-	2	-	2
Free cash flow	(179)	126	(35)	(88)
<i>o/w free cash flow excluding changes in working capital</i>	<i>3</i>	<i>86</i>	<i>(13)</i>	<i>76</i>
Net cash from (used in) investing activities relating to investments	6	(149)	6	(137)
- Purchases	5	(156)	5	(146)
- Proceeds from disposals	1	7	1	9
Interest received	7	2	(1)	8
(Increase) decrease in short-term investments	-	-	-	-
Cash flow used in operations and investing activities	(166)	(21)	(30)	(217)

(*) Cash flows relating to lease liabilities are shown within net cash from financing activities in the consolidated statement of cash flows.

First-half 2022 statement of cash flows

	Lagardère Publishing	Lagardère Travel Retail	Other Activities and eliminations	Total
Cash flow from (used in) operating activities	(139)	289	(22)	128
Decrease in lease liabilities ^(*)	(19)	(91)	(9)	(119)
Interest paid on lease liabilities ^(*)	(4)	(30)	(1)	(35)
Cash flow from (used in) operations before income taxes paid	(162)	168	(32)	(26)
Income taxes paid	(67)	-	44	(23)
Cash flow from (used in) operations	(229)	168	12	(49)
Net cash used in investing activities relating to intangible assets and property, plant and equipment	(23)	(43)	(2)	(68)
- Purchases	(23)	(44)	(2)	(69)
- Proceeds from disposals	-	1	-	1
Free cash flow	(252)	125	10	(117)
<i>o/w free cash flow excluding changes in working capital</i>	3	43	8	54
Net cash from (used in) investing activities relating to investments	(25)	(102)	(1)	(128)
- Purchases	(38)	(105)	(1)	(144)
- Proceeds from disposals	13	3	-	16
Interest received	1	-	1	2
(Increase) decrease in short-term investments	-	-	-	-
Cash flow from (used in) operations and investing activities	(276)	23	10	(243)

(*) Cash flows relating to lease liabilities are shown within net cash from financing activities in the consolidated statement of cash flows.

Balance sheet at 30 June 2023

	Lagardère Publishing	Lagardère Travel Retail	Other Activities and eliminations	Total
Segment assets	3,590	3,978	575	8,143
Investments in equity-accounted companies	28	121	5	154
Segment liabilities	(1,827)	(2,893)	(551)	(5,271)
Capital employed	1,791	1,206	29	3,026
Net cash and cash equivalents (net debt)				(2,164)
Equity				862

Balance sheet at 31 December 2022

	Lagardère Publishing	Lagardère Travel Retail	Other Activities and eliminations	Total
Segment assets	3,587	3,859	601	8,047
Investments in equity-accounted companies	28	48	7	83
Segment liabilities	(2,020)	(2,787)	(580)	(5,387)
Capital employed	1,595	1,120	28	2,743
Net cash and cash equivalents (net debt)				(1,713)
Equity				1,030

NOTE 4 REVENUE

Revenue breaks down as follows by business and by division:

	First-half 2023	First-half 2022
Lagardère Publishing	1,247	1,216
General Literature	521	524
Illustrated Books	227	233
Partworks	135	150
Education	130	109
Other	234	200
Lagardère Travel Retail	2,329	1,688
Travel Essentials	829	673
Duty Free & Fashion	902	628
Foodservice	598	387
Other Activities	125	123
Press	53	54
Radio	39	43
Other	33	26
Total	3,701	3,027

Revenue breaks down as follows by country and by division:

	First-half 2023	First-half 2022
Lagardère Publishing	1,247	1,216
United States and Canada	372	396
France	346	311
United Kingdom, Ireland and Oceania	254	249
Spain	57	52
Other Europe	108	106
Other	110	102
Lagardère Travel Retail	2,329	1,688
Europe, Middle East and Africa (excluding France)	1,088	712
Americas	633	515
France	397	314
China	182	118
Other Asia-Pacific	29	29
Other Activities	125	123
France	103	102
Asia-Pacific	9	9
Western Europe	6	6
United States and Canada	7	6
Total	3,701	3,027

Revenue for the Lagardère group came in at €3,701 million for first-half 2023, up 22.3% on a reported basis and up 19.0% like for like. The difference between reported and like-for-like data is attributable to an €87 million positive scope effect, mainly due to the acquisitions of Marché International and Costa Coffee Polska by Lagardère Travel Retail, and of Welbeck Publishing Group by Lagardère Publishing, as well as to a

€14 million negative currency effect attributable to the pound sterling and a €10 million positive currency effect attributable to the US dollar.

E-books accounted for 7.8% of total Lagardère Publishing revenue in the first half of 2023 (7.6% in first-half 2022), while digital audiobooks represented 4.7% of revenue (4.5% in first-half 2022).

NOTE 5 RESTRUCTURING COSTS

Restructuring costs amounted to €14 million in **first-half 2023** and chiefly concern:

- ▶ €10 million at Lagardère Publishing, mainly relating to the integration of Workman Publishing in the United States;
- ▶ €4 million for Other Activities, consisting of expenses relating to Vivendi SE's public tender offer for Lagardère SA, as well as costs inherent in the future takeover.

Restructuring costs amounted to €29 million in **first-half 2022** and chiefly concerned:

- ▶ €26 million for Other Activities, consisting of expenses relating to Vivendi SE's public tender offer for Lagardère SA, as well as costs inherent in the future takeover and severance pay for the announced departure of an Executive Committee member;
- ▶ €2 million at Lagardère Publishing, mainly costs relating to the change of control and consolidation of Workman Publishing and of Maxima.

NOTE 6 CAPITAL GAINS AND LOSSES

In the **first half of 2023**, the Group recorded a net capital gain of €3 million, mainly concerning the expiry of warranties granted in connection with disposals carried out in prior periods.

In the **first half of 2022**, the Group recorded a net gain of €1 million comprising:

- ▶ a €4 million pre-tax gain on the sale of Lagardère Publishing's non-consolidated minority interest in Atticus;
- ▶ the balance of a Lagardère Media News receivable held in escrow, representing a loss of €3 million.

NOTE 7 IMPAIRMENT LOSSES ON GOODWILL, PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

No indication of impairment was identified for the Group's CGUs at 30 June 2023.

In 2022, the full budget preparation process included the assumption that Lagardère Travel Retail would return to 2019 levels between 2023 and 2024.

These forecasts reflect the Group's best estimates at the reporting date and are corroborated by trends in passenger traffic published by external bodies such as the IATA (International Air Transport Association).

Recognised impairment losses

In the first half of 2023, impairment losses were recognised for a total amount of €11 million, mainly relating to right-of-use assets at Lagardère Publishing in the United States in connection with the streamlining of office space initiated further to the integration of Workman Publishing.

Total impairment losses recognised by consolidated companies in **first-half 2022** amounted to €3 million, including €2 million for intangible assets and €1 million for property, plant and equipment at Lagardère Travel Retail, chiefly in the United States.

NOTE 8 OTHER OPERATING EXPENSES

	First-half 2023	First-half 2022
Net change in asset impairment losses	(29)	(36)
Financial expenses other than interest	(4)	(1)
Foreign exchange losses	(1)	(9)
Net additions to provisions for contingencies and losses	-	-
Other operating expenses	(1)	(3)
Total	(35)	(49)

The net change in asset impairment losses includes write-downs at Lagardère Publishing against advances paid to authors totalling €17 million in first-half 2023 and €15 million in first-half 2022. The balance mainly concerns net changes in write-downs of trade receivables and inventories at

Lagardère Publishing totalling a negative €15 million (negative €10 million in first-half 2022), and net changes in write-downs of inventories at Lagardère Travel Retail totalling a positive €2 million (negative €12 million in first-half 2022).

NOTE 9 OTHER OPERATING INCOME

	First-half 2023	First-half 2022
Net reversals of provisions for contingencies and losses	-	15
Operating subsidies	2	5
Tax credits and other subsidies	-	11
Other operating income	5	2
Total	7	33

In first-half 2022, net changes in provisions for contingencies and losses for €15 million arose on net reversals of provisions at Other Activities for €13 million, and Lagardère Publishing and Lagardère Travel Retail for €1 million each.

Tax credits and other subsidies for €11 million in first-half 2022 were received by Lagardère Travel Retail from certain states and local authorities due to the health crisis.

NOTE 10 NET FINANCE COSTS

	First-half 2023	First-half 2022
Interest income on loans	3	1
Investment income and gains on sales of marketable securities	5	2
Gain arising on changes in the fair value of financial assets	4	1
Other financial income	2	1
Financial income	14	5
Interest expense on borrowings	(41)	(27)
Loss arising on changes in the fair value of financial assets	(5)	(11)
Other financial expenses	(6)	(4)
Financial expenses	(52)	(42)
Total	(38)	(37)

Net finance costs amounted to €38 million for first-half 2023, an increase of €1 million on the same prior-year period, mainly due to an increase in financing costs linked to the rise in interest rates on commercial paper, on a portion of the *Schuldscheindarlehen* loans and on recurring drawdowns under the syndicated credit facility.

The increase in this item was partially offset by higher levels of investment income in light of interest rate movements.

Further details on changes in gross borrowings during the first half of 2023 are provided in note 16.

Losses arising on changes in the fair value of financial assets improved by €6 million, mainly due to the impairment of financial assets in the first half of 2022.

Note 13 sets out interest expense on lease liabilities.

NOTE 11 INCOME TAX

	First-half 2023	First-half 2022
Current taxes	(23)	(15)
Deferred taxes	(17)	17
Total	(40)	2

In first-half 2023, the income tax expense recognised amounted to €40 million, representing a year-on-year increase of €42 million, mainly due to the improvement in business levels in Europe and North America, especially at Lagardère Travel

Retail, and to the €13 million negative deferred tax effect of the gain on lease modifications further to the amendment of a concession agreement (see note 13).

NOTE 12 EARNINGS PER SHARE

Basic earnings per share

Earnings per share are calculated by dividing profit attributable to owners of the Parent by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares and free shares.

Diluted earnings per share

The only dilutive ordinary shares are free shares, when it is probable that they will vest at the vesting date set in the plan. Free shares with a performance condition are excluded from the calculation of dilution when the estimation of the achievement of the performance conditions is not sufficiently reliable. Where continuing operations (attributable to the Parent) represent a loss, there is no dilutive effect. Any loss from discontinued operations (Group share) is, however, impacted by the dilutive effect.

	First-half 2023	First-half 2022
Profit (loss) for the period attributable to owners of the Parent (in millions of euros)	45	(45)
Number of shares making up the share capital at 30 June	141,133,286	141,133,286
Treasury shares	(322,050)	(540,404)
Number of shares outstanding at 30 June	140,811,236	140,592,882
Average number of shares outstanding during the period	140,746,377	140,283,333
Basic earnings (loss) per share – Attributable to owners of the Parent (in euros)	0.32	(0.32)
Free shares with a dilutive impact	1,824,600	991,820
Average number of shares including dilutive share options and free shares	142,570,977	141,275,153
Diluted earnings (loss) per share – Attributable to owners of the Parent (in euros)	0.32	(0.32)
Profit (loss) from continuing operations – Attributable to owners of the Parent (in millions of euros)	45	(45)
Basic earnings (loss) per share from continuing operations – Attributable to owners of the Parent (in euros)	0.32	(0.32)
Diluted earnings (loss) per share from continuing operations – Attributable to owners of the Parent (in euros)	0.32	(0.32)

NOTE 13 LEASES

When the Group acts as lessee, the present value of lease payment commitments that are fixed or fixed in substance and due are recognised within lease liabilities against a corresponding right-of-use asset. Leases within the scope of IFRS 16 include concession agreements entered into by Lagardère Travel Retail entities in respect of the leased retail premises in transport hubs and hospitals and the right to use those premises, as well as building leases and leases of other equipment.

The variable portion of lease payments under concession agreements, based on passenger flows or revenue earned by retail outlets, continues to be shown in external charges or in other operating expenses. In application of the full retrospective method, lease liabilities are discounted at the rate set at the start of each agreement. The discount is updated to take account of any lease modifications, notably as regards the leased premises or lease term. The discount rates applied range from 0.05% to 11.28%.

Changes in right-of-use assets and lease liabilities were as follows in first-half 2023 and 2022:

Right-of-use assets

	Gross amount			Depreciation and impairment losses			Carrying amount		
	Concession agreements	Buildings and other	Total	Concession agreements	Buildings and other	Total	Concession agreements	Buildings and other	Total
At 1 January 2023	3,065	730	3,795	(1,767)	(388)	(2,155)	1,298	342	1,640
New leases	105	25	130				105	25	130
Depreciation				(142)	(33)	(175)	(142)	(33)	(175)
Impairment losses				-	(13)	(13)	-	(13)	(13)
Translation adjustments	(22)	(4)	(26)	11	2	13	(11)	(2)	(13)
Lease modifications	(43)	7	(36)				(43)	7	(36)
Lease remeasurements	83	3	86				83	3	86
Changes in scope of consolidation	19	-	19	-	-	-	19	-	19
Terminated leases	(271)	(9)	(280)	271	9	280	-	-	-
Other	1	6	7	1	(2)	(1)	2	4	6
At 30 June 2023	2,937	758	3,695	(1,626)	(425)	(2,051)	1,311	333	1,644

	Gross amount			Depreciation and impairment losses			Carrying amount		
	Concession agreements	Buildings and other	Total	Concession agreements	Buildings and other	Total	Concession agreements	Buildings and other	Total
At 1 January 2022	2,802	744	3,546	(1,605)	(358)	(1,963)	1,197	386	1,583
New leases	74	6	80				74	6	80
Depreciation				(122)	(34)	(156)	(122)	(34)	(156)
Impairment losses				-	-	-	-	-	-
Translation adjustments	95	16	111	(52)	(9)	(61)	43	7	50
Lease modifications	20	(1)	19				20	(1)	19
Lease remeasurements	27	2	29				27	2	29
Changes in scope of consolidation	58	3	61	(6)	(2)	(8)	52	1	53
Terminated leases	(79)	(9)	(88)	79	9	88	-	-	-
Other	6	-	6	(8)	-	(8)	(2)	-	(2)
At 30 June 2022	3,003	761	3,764	(1,714)	(394)	(2,108)	1,289	367	1,656

Lease liabilities

	Non-current lease liabilities			Current lease liabilities			Total lease liabilities		
	Concession agreements	Buildings and other	Total	Concession agreements	Buildings and other	Total	Concession agreements	Buildings and other	Total
At 1 January 2023	1,277	357	1,634	311	77	388	1,588	434	2,022
New leases	103	25	128	-	-	-	103	25	128
Interest expense	-	-	-	34	6	40	34	6	40
Decreases from gains on leases ^(*)	(95)	-	(95)	-	-	-	(95)	-	(95)
Lease payments	-	-	-	(162)	(42)	(204)	(162)	(42)	(204)
Reclassifications ^(**)	(142)	(35)	(177)	142	35	177	-	-	-
Translation adjustments	(9)	(1)	(10)	(3)	(1)	(4)	(12)	(2)	(14)
Lease modifications	(43)	7	(36)	-	-	-	(43)	7	(36)
Lease remeasurements	110	3	113	(27)	-	(27)	83	3	86
Changes in scope of consolidation	13	-	13	6	-	6	19	-	19
Other	-	-	-	(1)	-	(1)	(1)	-	(1)
At 30 June 2023	1,214	356	1,570	300	75	375	1,514	431	1,945

(*) Including gains and losses on lease modifications and negative variable lease payments.

(**) Reclassifications relate to the current portion of lease liabilities, reclassified within current lease liabilities.

	Non-current lease liabilities			Current lease liabilities			Total lease liabilities		
	Concession agreements	Buildings and other	Total	Concession agreements	Buildings and other	Total	Concession agreements	Buildings and other	Total
At 1 January 2022	1,191	411	1,602	237	72	309	1,428	483	1,911
New leases	73	6	79	-	-	-	73	6	79
Interest expense	-	-	-	22	7	29	22	7	29
Decreases from gains on leases ^(*)	(24)	(1)	(25)	-	-	-	(24)	(1)	(25)
Lease payments	-	-	-	(111)	(43)	(154)	(111)	(43)	(154)
Reclassifications ^(**)	(63)	(36)	(99)	63	36	99	-	-	-
Translation adjustments	43	8	51	10	2	12	53	10	63
Lease modifications	16	(1)	15	4	-	4	20	(1)	19
Lease remeasurements	27	2	29	-	-	-	27	2	29
Changes in scope of consolidation	29	-	29	36	-	36	65	-	65
Other	(2)	1	(1)	2	-	2	-	1	1
At 30 June 2022	1,290	390	1,680	263	74	337	1,553	464	2,017

(*) Including gains and losses on lease modifications, negative variable lease payments and reductions in lease liabilities obtained in connection with Covid-19.

(**) Reclassifications relate to the current portion of lease liabilities, reclassified within current lease liabilities.

The main movements in right-of-use assets and lease liabilities **at 30 June 2023** were as follows:

- ▶ a reduction in lease liabilities recognised against right-of-use assets for **€36 million (lease modifications)** corresponding to:
 - a decrease in lease terms and in premises leased, representing a negative €40 million,
 - an increase in lease terms and in premises leased, representing a positive €29 million,
 - lease modifications representing a negative €18 million,
 - the impact of discounting future lease payments at a revised discount rate, representing a negative €8 million;
- ▶ an increase in lease liabilities against right-of-use assets for **€86 million (lease remeasurements)**, corresponding mainly to revised guaranteed minimum payments under concession agreements in connection with the recovery in air traffic;
- ▶ the conclusion of an amendment to a concession agreement substituting variable

for fixed lease payments with effect from 1 January 2023, which resulted in the derecognition of the associated lease liability for €110 million and right-of-use asset for €20 million, thereby generating a **€90 million gain on lease modifications**;

- ▶ recognition of a **€13 million impairment loss on right-of-use assets** at Lagardère Publishing (see note 7).

Interest expense on lease liabilities amounted to €40 million in first-half 2023, compared to €29 million in first-half 2022, an increase of €11 million mainly attributable to the increase in discount rates between end-June 2022 and end-June 2023.

Lease payments represented €204 million at 30 June 2023, compared with €154 million at 30 June 2022.

Certain leases do not give rise to a right-of-use asset or a lease liability. These are **leases with variable lease payments, with a term of less than 12 months, or with a low-value underlying asset**. The corresponding rental expenses, representing **€285 million in first-half 2023** (€179 million in first-half 2022), continue to be shown in external charges or

in other operating expenses, including **€276 million in respect of variable lease payments** under concession agreements.

In the Group's segment information (see note 3), the rental expense reclassified in recurring operating profit of fully consolidated companies amounts to €164 million for concession agreements in first-half 2023 (€114 million in first-half 2022).

The table below shows the **maturity of undiscounted lease liabilities** at 30 June 2023 and 31 December 2022:

Lease liabilities	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	Beyond 5 years	Total
Concession agreements	353	316	266	210	174	431	1,750
Buildings and other	88	79	69	65	62	110	473
At 30 June 2023	441	395	335	275	236	541	2,223

Lease liabilities	31 Dec. 2023	31 Dec. 2024	31 Dec. 2025	31 Dec. 2026	31 Dec. 2027	Beyond 5 years	Total
Concession agreements	354	335	280	227	169	455	1,820
Buildings and other	88	80	69	63	58	117	474
At 31 December 2022	442	415	349	290	227	572	2,294

At 30 June 2023, the **residual weighted average term of concession agreements and building leases** was seven years.

Concession agreements and building leases signed at 30 June 2023 but not yet effective, represented total undiscounted **lease payment commitments** of €140 million and mainly reflect an off-plan lease signed in April 2023.

The Group sub-lets retail premises and office space under operating leases in which it acts as lessor. The

associated income from sub-leasing such premises continues to be included within other operating income.

In certain cases, sub-letting arrangements cover substantially all of the risks and rewards of the principal lease, and are recognised as finance sub-leases. Right-of-use assets relating to the principal lease are derecognised and a financial receivable booked. At 30 June 2023, this represented €20 million (versus €29 million at 31 December 2022).

NOTE 14 INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

Investments in **associates and joint ventures** are accounted for under the equity method in the Group's consolidated financial statements. The Group's main equity-accounted companies are as follows:

	Joint shareholder	Main business	Country	% interest		Balance sheet		Income statement	
				30 June 2023	31 Dec. 2022	30 June 2023	31 Dec. 2022	30 June 2023	30 June 2022
Lagardère & Connexions	SNCF Participations	Travel Retail	France	50%	50%	9	14	1	2
Lagardère AWPL	AWPL	Travel Retail	New Zealand	50%	50%	6	5	(5)	(4)
Other						5	4	1	-
Total joint ventures						20	23	(3)	(5)
S.D.A. (Société de Distribution Aéroportuaire) ^(*)	ADP group	Travel Retail	France		45%		6		(5)
Extime Duty Free Paris ^(*)	ADP group	Travel Retail	France	44%		79		(6)	
Relay@ADP	ADP group	Travel Retail	France	50%	50%	5	4	2	2
Inmedio	Eurocash	Travel Retail	Poland	49%	49%	12	12	-	-
Yen Press	Kadokawa Corporation	Publishing	United States	49%	49%	24	25	2	-
Saddlebrook International Sports	Saddlebrook International Tennis, Inc	Other Activities	United States	30%	30%	5	5	-	-
Other						9	8	-	-
Total associates						134	60	(2)	(3)
Total investments in equity-accounted companies						154	83	(5)	(5)

(*) Sale of Société de Distribution Aéroportuaire shares and acquisition of Extime Duty Free Paris shares by Lagardère Travel Retail on 1 January 2023.

Joint ventures at Lagardère Travel Retail

As part of its business operations, Lagardère Travel Retail manages concessions in the form of 50-50 joint ventures entered into with grantors. The main joint ventures set up by Lagardère Travel Retail with its partners are (i) Lagardère & Connexions (formerly Société des Commerces en Gares), with SNCF Gares et Connexions, (ii) SVRLS@LAREUNION, with Servair, (iii) Lyon Duty Free, with Lyon airport authorities, and (iv) Lagardère AWPL with AWPL (Australia and New Zealand).

Revenue generated by these joint ventures (on a 100% basis) totalled €338 million in first-half 2023 versus €202 million in first-half 2022. In addition, the Group's fully consolidated companies invoiced these joint ventures amounts of €10 million in first-half 2023 and €7 million in first-half 2022.

	Figures on a 100% basis		Lagardère's share (50%)	
	First-half 2023	First-half 2022	First-half 2023	First-half 2022
Total revenue	338	202	169	101
Group revenue with joint ventures	(10)	(7)	(5)	(4)
Adjusted revenue	328	194	164	97
Recurring operating profit (loss)	(2)	4	(1)	2
Profit (loss) before finance costs and tax	(3)	(3)	(2)	(2)
Profit (loss) before tax	(10)	(5)	(5)	(3)
Profit (loss) for the period	(8)	(3)	(4)	(2)
Net debt	(39)	(24)	(19)	(12)

Associates at Lagardère Travel Retail

As part of its business operations, Lagardère Travel Retail also manages certain concessions in conjunction with associates. The main associates held by Lagardère Travel Retail with its partners are Extime Duty Free Paris and Relay@ADP, both with the ADP group.

Revenue generated by these associates for Lagardère Travel Retail (on a 100% basis) totalled €409 million in first-half 2023 versus €311 million in first-half 2022. Fully consolidated entities invoiced joint ventures amounts of €69 million in first-half 2023 versus €51 million in 2022.

	Figures on a 100% basis		Lagardère's share (50%)	
	First-half 2023	First-half 2022	First-half 2023	First-half 2022
Total revenue	409	311	204	155
Group revenue with associates	(69)	(51)	(34)	(26)
Adjusted revenue	340	259	170	130
Recurring operating profit (loss)	1	(4)	1	(2)
Profit (loss) before finance costs and tax	-	(4)	-	(2)
Profit (loss) before tax	(1)	(5)	-	(2)
Profit (loss) for the period	(1)	(6)	0	(3)
Net debt	(73)	(32)	(36)	(16)

NOTE 15 CASH AND CASH EQUIVALENTS AND WORKING CAPITAL

	30 June 2023	31 Dec. 2022
Cash and cash equivalents	400	851
Short-term bank loans and overdrafts	(82)	(105)
Cash and cash equivalents, net	318	746

Cash and cash equivalents break down as follows:

	30 June 2023	31 Dec. 2022
Bank accounts	390	848
Money market funds	2	1
Term deposits and current accounts maturing in less than three months	8	2
Cash and cash equivalents	400	851

Changes in working capital as reported in the statement of cash flows can be analysed as follows:

	First-half 2023	First-half 2022
Change in inventories	(65)	(127)
Change in trade receivables	(30)	150
Change in trade payables	(21)	(67)
Change in other receivables and payables	(48)	(126)
Change in lease liabilities	(5)	(6)
Changes in working capital^(*)	(169)	(176)

(*) Including changes in working capital relating to lease liabilities representing a negative €5 million, of which a negative €3 million in respect of concession agreements in first-half 2023 (negative €6 million and €4 million, respectively, in first-half 2022).

Changes in working capital represented an outflow of €169 million, versus an outflow of €176 million in first-half 2022.

The slight improvement in this item was chiefly attributable to Lagardère Publishing (€74 million decrease in working capital), reflecting a smaller increase in inventories following the sharp rise in the first half of 2022 required to secure supplies, and the

impacts of higher raw materials prices. The €42 million year on year change at Lagardère Travel Retail is mainly attributable to the challenging comparison basis versus last year (excluding the wholesale business), with strong business growth in the second quarter of 2022 having given rise to a relatively high levels of trade payables at end-June 2022.

Factoring and sale of trade receivables

Receivables sold and deconsolidated under the factoring and discounting programmes totalled €136 million at 30 June 2023 versus €244 million at end-December 2022.

The sums to be repaid to the banks in respect of the receivables collected within the scope of debt collection procedures, as well as the share of the risk retained on the receivables sold, represented a

debt of €58 million at 30 June 2023 versus €37 million at end-December 2022.

Lagardère is also exposed to a residual risk on the transferred receivables, represented mainly by the guarantee fund and the reserve fund set up by the bank in the amount of €2 million at 30 June 2023 versus €2 million at 31 December 2022.

NOTE 16 DEBT**16.1 BREAKDOWN OF DEBT**

The **Group's total debt** breaks down as follows:

	30 June 2023	31 Dec. 2022
Bonds	994	1,292
Bank loans	70	256
Debt related to put options granted to minority shareholders	52	65
Other debt	15	15
Non-current debt excluding financial instruments designated as hedges of debt	1,131	1,628
Financial instruments designated as hedges of debt	4	19
Non-current debt	1,135	1,647
Bonds	299	350
Bank loans	184	3
Syndicated credit facility	320	-
Debt related to put options granted to minority shareholders	12	1
Medium-term notes (NEU MTN ^(*))	-	5
Commercial paper (NEU CP ^(**))	479	371
Other debt	135	182
Current debt excluding financial instruments designated as hedges of debt	1,429	912
Financial instruments designated as hedges of debt	7	8
Current debt	1,436	920
Total debt	2,571	2,567

(*) Negotiable Euro Medium-Term Notes.

(**) Negotiable European Commercial Paper.

The main movements in debt during the first half of 2023 were as follows:

- ▶ redemption on 13 April 2023 of €350 million worth of the remaining 2016 bond issue. This bond pays interest at 2.75%;
- ▶ also in April 2023, two successive drawdowns totalling €320 million were made on the syndicated credit facility;

▶ continuation of the commercial paper programme with a ceiling of €850 million. Debt issuance under the programme represented €479 million at 30 June 2023 compared with €371 million at 31 December 2022.

Net debt breaks down as follows:

(in millions of euros)	30 June 2023	31 Dec. 2022
Short-term investments and cash and cash equivalents	400	851
Financial instruments designated as hedges of debt with a positive fair value	7	3
Non-current debt ^(*)	(1,134)	(1,647)
Current debt ^(*)	(1,437)	(920)
Net debt	(2,164)	(1,713)

(*) Current and non-current debt includes financial instruments designated as hedges of debt with a negative fair value, representing €7 million and €4 million, respectively, at 30 June 2023 (negative fair value of €8 million and €19 million, respectively, at 31 December 2022).

16.2 ANALYSIS OF DEBT BY MATURITY

Debt can be analysed as follows by maturity at 30 June 2023:

	30 June 2024 ^(*)	30 June 2025	30 June 2026	30 June 2027	30 June 2028	Beyond 5 years	Total
Bonds	299	-	-	498	496	-	1,293
Bank loans	184	1	66	1	1	2	255
Financial instruments designated as hedges of debt	7	-	4	-	-	-	11
Syndicated credit facility	320	-	-	-	-	-	320
Debt related to put options granted to minority shareholders	12	5	1	3	-	43	64
NEU CP and NEU MTN	479	-	-	-	-	-	479
Other debt	135	8	-	-	-	6	149
At 30 June 2023	1,436	14	71	502	497	51	2,571

(*) Debt due within one year is reported in the consolidated balance sheet under "Current debt".

16.3 RISKS ARISING FROM THE APPLICATION OF DEFAULT CLAUSES ON COVENANTS

The syndicated credit facility provides for a financial covenant (financial leverage), which must be less than 4x at 30 June 2023 and less than 3.5x as of 31 December 2023.

At 30 June 2023, the financial leverage ratio stood within the prescribed limits, at 3.4x.

NOTE 17 OTHER COMPREHENSIVE INCOME (EXPENSE)

The components of **other comprehensive income (expense)** can be analysed as follows:

	First-half 2023			First-half 2022		
	Attributable to owners ^(*)	Minority interests	Total equity	Attributable to owners ^(*)	Minority interests	Total equity
Translation reserve	(30)	(1)	(31)	94	8	102
- Currency translation adjustments	(30)	(1)	(31)	94	8	102
- Share of other comprehensive income (expense) of equity-accounted companies, net of tax	-	-	-	-	-	-
Valuation reserve	9	-	9	(26)	-	(26)
Change in fair value of derivative financial instruments	9	-	9	(26)	-	(26)
- Unrealised gains (losses) recognised directly in equity	13	-	13	(33)	-	(33)
- Amounts reclassified from equity to profit or loss	-	-	-	-	-	-
- Tax effect	(4)	-	(4)	7	-	7
Change in fair value of investments in non-consolidated companies	-	-	-	-	-	-
- Unrealised gains (losses) recognised directly in equity	-	-	-	-	-	-
- Amounts reclassified from equity to profit or loss	-	-	-	-	-	-
- Tax effect	-	-	-	-	-	-
Other reserves	(1)	-	(1)	19	-	19
Change in provisions for pensions and other post-employment benefit obligations	(1)	-	(1)	19	-	19
- Actuarial gains and losses on pensions and other post-employment benefit obligations	(1)	-	(1)	23	-	23
- Tax effect	-	-	-	(4)	-	(4)
Other comprehensive income (expense) for the period, net of tax	(22)	(1)	(23)	87	8	95

(*) Equity attributable to owners of the Parent.

Currency translation adjustments recognised within attributable other comprehensive income (expense) relate mainly to the following currencies:

	First-half 2023	First-half 2022
US dollar	(44)	101
Pound sterling	11	(9)
Other	3	2
Total	(30)	94

NOTE 18 OFF-BALANCE SHEET COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The main changes in first-half 2023 compared to the commitments presented in notes 32 and 33 to the consolidated financial statements at 31 December 2022 were as follows:

Contractual obligations

Lagardère Travel Retail

In accordance with IFRS 16, minimum guaranteed payments under concession agreements give rise to the recognition of a right-of-use asset and lease liability in the balance sheet (see note 13).

Off-balance sheet commitments

In the first half of 2023, the Group signed a new property lease representing a total commitment of €140 million, subject to conditions precedent.

Confirmed, unused lines of credit

On 11 May 2015, Lagardère SCA (succeeded by Lagardère SA) signed a €1,250 million, five-year multicurrency syndicated loan with two possible one-year extensions.

A further amendment was signed on 21 April 2022, adjusting the amount of the facility to €1,042 million and extending its maturity for an amount of €982 million from March 2023 to April 2024, with the option to further extend the maturity to April 2026 subject to the agreement of the banks.

In April 2023, two successive drawdowns totalling €320 million were made on the syndicated credit facility.

In June 2023, the maturity of the credit facility, for an amount of €982 million, was extended to 30 April 2025 further to the agreement of the banks.

At 30 June 2023, undrawn available amounts on the syndicated loan stood at €662 million.

NOTE 19 LITIGATION

Class action against The Paradies Shops

This dispute is described in note 34 to the consolidated financial statements for the year ended 31 December 2022. Since that date, a Court of Appeal decision dated 5 June 2023 has partially annulled the decision granting The Paradies Shops' request for dismissal. The Paradies Shops has appealed.

Litigation with photographers

These disputes are described in note 34 to the consolidated financial statements for the year ended 31 December 2022. Since that date, an appeal decision in favour of the Group has been handed down, which may be appealed to the Supreme Court. In addition, the plaintiffs have appealed a 2022 appeal decision in favour of the Group.

Disputes that continue to be managed by the Group following the sale of the Sports division to H.I.G. Capital**WSG India and WSG Mauritius/Indian Premier League contracts**

These disputes are described in note 34 to the consolidated financial statements for the year ended 31 December 2022.

Since that date, several decisions by the competent court in favour of WSG India, which are subject to appeal by the Indian tax authorities, have drastically reduced the amount of the tax reassessments and will lead to the repayment of certain advances made by WSG India.

NOTE 20 RELATED PARTIES

The related-party agreements described in note 35 to the consolidated financial statements at 31 December 2022 remained in force in the first half of 2023.

NOTE 21 EVENTS AFTER THE REPORTING PERIOD

No events that could have an impact on the interim condensed consolidated financial statements occurred after the end of the reporting period.



STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION

To the Shareholders of Lagardère SA,

In compliance with the assignment entrusted to us by your general shareholders' meetings and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- ▶ the limited review of the accompanying condensed consolidated interim financial statements of Lagardère SA, for the period from 1 January to 30 June 2023; and

- ▶ the verification of the information presented in the interim management report.

These condensed consolidated interim financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that

might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union.

2. Specific verification

We have also verified the information presented in the interim management report in respect of the condensed consolidated interim financial statements subject to our review.

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

French language original signed at Paris-La Défense, on 25 July 2023

The Statutory Auditors**MAZARS**

Simon Beillevaire

Romain Maudry

DELOITTE & ASSOCIÉS

Ariane Bucaille



ADDITIONAL INFORMATION

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4.1 STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I hereby declare that, to the best of my knowledge, the condensed consolidated interim financial statements for the first half of 2023 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the company and all the entities included in the consolidation, and that the accompanying interim management report presented in section 1 of this report provides a fair view of the significant events of the first six months of the year, their impact on the financial statements and the principal related-party transactions, and that it

provides a description of the main risks and uncertainties for the remaining six months of the year.

Paris, 25 July 2023

Arnaud Lagardère

Chairman and Chief Executive Officer

4.2 DETAILS OF THE STATUTORY AUDITORS

	First appointed	End of current term of office
Statutory		
Deloitte & Associés represented by Ariane Bucaille 6, place de la Pyramide – 92908 Paris-La Défense – France Member of Compagnie régionale de Versailles et du Centre	18 April 2023	2029
Mazars represented by Simon Beillevaire and Romain Maudry 61, rue Henri Regnault – 92075 Paris-La Défense – France Member of Compagnie régionale de Versailles et du Centre	20 June 1996	2026

Lagardère

Lagardère SA

A French joint-stock corporation with share capital of €860,913,044.60

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