

Universal Music Group:

Paris, May 18, 2021

- **Update on the proposed distribution**
- **Governance and voting rights treating all shareholders equally to be proposed for the future UMG NV public company**
- **Excellent first quarter 2021 results**

Vivendi will propose the setting up of a governance structure for Universal Music Group (UMG) NV, which is expected to list its shares on the Euronext Amsterdam stock exchange on September 27, 2021 at the latest, consistent with the best policies and standards, treating all shareholders on an equal basis.

Subject to Tencent's and the members of its Consortium's approval, the following principles will be proposed by Vivendi:

- A Board of UMG NV Directors comprised primarily of non-executive members, a majority of whom will be independent;
- Shareholders' meetings will be free to elect directors in accordance with the majority conditions provided by law;
- Neither Vivendi nor Group Bolloré intend to be represented on the Board at this stage;
- The principle of "one share, one vote" will be fully observed as no preferred shares nor any other multiple voting rights will be exercised;
- No poison pill mechanism will be put in place;
- Board members' term of office will be limited to two business years.

Prior to the distribution of 60% of the UMG shares to Vivendi shareholders, the group is analyzing the opportunity of selling 10% of UMG shares to an American investor or initiating a public offering of at least 5% and up to 10% of UMG shares. Furthermore, Vivendi will retain 10% of the UMG share capital for a minimum period of two years in order to remain associated with the development of its subsidiary while benefiting from the protection of EU legislation applicable to parent companies and subsidiaries from different Member States.

Vivendi and UMG released UMG's financial statements for the first quarter of 2021 showing excellent results, with an EBIT of €322 million compared to €248 million in the first quarter of 2020, thanks to a 9.4% revenue growth and strict cost control during the period.

(in millions of euros)	UMG - First quarter ended March 31		% change at constant change and perimeter
	2021	2020	
Revenues	1 809	1 769	+9.4%
EBIT	322	248	+35.8%
Earnings before provision for income taxes	164	144	+21.9%
Earnings	136	90	+61.6%
Earnings attributable to shareowners	135	89	62.1%

Universal Music Group's (UMG) revenues amounted to €1,809 million in the first quarter of 2021, up 9.4% at constant currency and perimeter compared to the first quarter of 2020 (+2.2% on an actual basis).

Recorded music revenues grew by 10.8% at constant currency and perimeter thanks to the growth in subscription and streaming revenues (+19.6%) and despite the receipt of a digital royalty claim in the first quarter of 2020. Physical sales were up 14.8% compared to the first quarter of 2020 driven by better new release and catalogue sales, while download sales declined by 16.0%. Recorded music best sellers for the first quarter of 2021 included new releases from King & Prince and Justin Bieber as well as continued sales from The Weeknd, Ariana Grande and Pop Smoke.

Music publishing revenues grew by 6.9% at constant currency and perimeter compared to the first quarter of 2020, driven by increased subscription and streaming revenues.

Merchandising and other revenues were down 10.0% at constant currency and perimeter compared to the first quarter 2020, due to the continued impact of the COVID-19 pandemic on touring activity, which was not fully offset by improved retail and direct-to-consumer sales.

UMG EBIT of €322 million in the first quarter of 2021 was up 35.8% at constant currency and perimeter compared to the first quarter of 2020 thanks to the revenue growth and cost control.

Net Cash Provided by Operating Activities Before Income Tax Paid came in at an outflow of €69 million in the first quarter of 2021, 65.7% favorable at constant currency and perimeter to the first quarter of 2020 driven by the improved operating performance and lower content spend.

About Vivendi

Since 2014, Vivendi has been focused on building a world-class content, media and communications group. In content creation, Vivendi owns powerful, complementary assets in music (Universal Music Group), movies and series (Canal+ Group), publishing (Editis) and games (Gameloft) which are the most popular forms of entertainment content in the world today. In the distribution market, Vivendi has acquired the Dailymotion platform and repositioned it to create a new digital showcase for its content. The Group has also joined forces with several telecom operators and platforms to maximize the reach of its distribution networks. In communications, through Havas, the Group possesses unique creative expertise in promoting free content and producing short formats, which are increasingly viewed on mobile devices. In addition, through Vivendi Village, the Group explores new forms of business in live entertainment, franchises and ticketing that are complementary to its core activities. Vivendi's various businesses cohesively work together as an integrated industrial group to create greater value. www.vivendi.com