



Lagardère

**PRESS
RELEASE**

Paris, 26 October 2023

Lagardère makes radio unit autonomous further to Arcom approval

On 25 October 2023, Arcom, the French audiovisual regulator, approved the proposal submitted on 29 July 2022 to make the Lagardère group's radio unit (Europe 1, Europe 2 and RFM) autonomous.

The Memorandum of Understanding setting out the terms and conditions of this transaction was signed today with the authorisation of the Board of Directors. The proposal had already received a positive opinion from all the employee representative bodies consulted, as well as from Europe 1's Ethics Committee.

Lagardère Radio SAS, the head company of the radio unit, will be converted into a French partnership limited by shares, of which Arnaud Lagardère will be indirectly General Partner and personally Managing Partner. In this dual capacity, Arnaud Lagardère will be solely responsible for supervising the management and teams of the radio unit and will be the ultimate decision-maker on editorial policy.

The transaction is financially neutral for the Lagardère group, which will continue to consolidate the radio unit in its financial statements. In particular, it does not result in any transfer of value to Arnaud Lagardère.

The project to make the radio unit autonomous is part of the commitment, reiterated many times by the Board of Directors, to preserve and maintain the integrity, sustainability and managerial continuity of the Lagardère group. Accordingly, it will remain under the management of Arnaud Lagardère.

On 25 October 2023, Arcom, the French audiovisual regulator, approved the proposal to make the Lagardère group's radio unit (Europe 1, Europe 2 and RFM) autonomous (see press releases of 10 May 2022, 26 July 2022 and 14 March 2023).

As a result, a Memorandum of Understanding governing the transaction was signed today with the authorisation of the Board of Directors, in particular with respect to the rules on related-party agreements provided for in article L. 225-38 of the French Commercial Code (*Code de commerce*).

Lagardère Radio, a company bringing together the radio businesses, will be converted into a French partnership limited by shares (*société en commandite par actions* – SCA), whose Limited Partners will be three wholly owned Lagardère group companies, and of which Arnaud Lagardère will be indirectly General Partner and personally Managing Partner.

The conversion of Lagardère Radio into an SCA will take place by the end of October 2023.

Main provisions of the Memorandum of Understanding relating to Lagardère Radio SCA

Lagardère SA has made strong commitments, notably to Arcom, to respect the autonomy of the radio unit vis-à-vis the Lagardère group, its controlling shareholder and their respective management teams.

The Articles of Association of Lagardère Radio SCA will confer on the Lagardère group, in its capacity as Limited Partner, the customary rights to protect its financial interests.

Arnaud Lagardère will be solely responsible for supervising the management and teams of the radio unit and its operations and will be the ultimate decision-maker on editorial policy. Constance Benqué will be appointed Chief Executive Officer of Lagardère Radio SCA and will remain chair of the main companies making up the radio unit. She will report to Arnaud Lagardère.

The radio unit will have sufficient cash to finance its business plan through to 2027, corresponding to roughly €145 million at 31 December 2023, which will be placed in the radio unit cash pool.

The Memorandum of Understanding will allow Lagardère SA to regain control of Lagardère Radio SCA – and therefore of the radio unit – by acquiring the General Partner for a nominal price as of 2027, subject to prior Arcom approval. The company may also regain control ahead of this time under exceptional circumstances, such as the death or incapacity of Arnaud Lagardère or his resignation as Chairman and Chief Executive Officer of Lagardère SA.

Financially neutral

This transaction will be financially neutral for the Lagardère group. The radio unit will remain in the Lagardère group's scope of consolidation for tax and accounting purposes.

Any remuneration or dividends received by Arnaud Lagardère as General and Managing Partner, both subject to a ceiling, will be deducted from his remuneration as Chairman and Chief Executive Officer of Lagardère SA. The transaction will therefore not result in any transfer of value to Arnaud Lagardère.

Eight Advisory, appointed by the Board of Directors to assess the financial terms of the transaction from the point of view of the Group's interests and fairness to shareholders, concluded that *"the financial terms of the transfer of rights carried out as part of the conversion are fair for the Group and comply with the principle of equitable treatment of all Group shareholders"*. The report can be consulted in the "Governance/Related-party agreements" section of the Lagardère SA website.

Created in 1992, 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 focuses on three divisions: Lagardère Publishing (Book and e-Publishing, Board Games and Mobile Games), Lagardère Travel Retail (Travel Essentials, Duty Free & Fashion and Foodservice) and Lagardère News (Paris Match, Le Journal du Dimanche, JDD Magazine, Europe 1, Europe 2, RFM, and the Elle brand licence).
The Group's operating assets also include Lagardère Live Entertainment and Lagardère Paris Racing.
Lagardère shares are listed on Euronext Paris.
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