



PRESS RELEASE

Prospectus relating to the listing of Technicolor Creative Studios (TCS) in connection with the distribution of 65% of TCS now available on Technicolor's website.

Technicolor Creative Studios admission to trading expected to occur on September 27, 2022

Technicolor adjusted illustrative information for the Financial Year 2021

Paris (France), August 1st, 2022 – Technicolor SA (Euronext Paris: TCH; OTCQX: TCLRY “ Technicolor”) today announced that the *Autorité des Marché Financiers* (“AMF”) has approved the prospectus prepared by Technicolor Creative Studios (“TCS”) in connection with the admission of TCS shares to trading on the regulated market of Euronext in Paris as part of the distribution of 65% of TCS shares by Technicolor to its shareholders (the “Distribution”).

The prospectus is now available on the websites of Technicolor (<https://www.technicolor.com/investor-center>) and Technicolor Creative Studios (<https://www.technicolorcreative.com/investors/>).

Technicolor's Distribution to its shareholders (other than the Technicolor company itself) of TCS shares will take the form of an exceptional distribution in kind of share issuance premiums subject to a ratio of one (1) TCS share for every (1) Technicolor share held.

The allotment of shares in TCS will be subject to shareholder approval at the ordinary part of the combined general meeting of Technicolor shareholders due to take place on September 6, 2022, of the second resolution relating to the exceptional distribution in kind by way of allotment of TCS shares.

The documents relating to the general meeting of Technicolor shareholders will be available on the dedicated web page of the Technicolor website.

As mentioned in the prospectus:

- The technical reference price of TCS shares is expected to be announced on September 26, 2022 by Euronext Paris after market closure;
- The admission of the TCS shares to trading on Euronext Paris and the ex-date (detachment) of the Distribution in kind will take place on September 27, 2022;
- The date for determining the beneficiaries of the Distribution in kind (record date), taking into account the orders executed during the day of September 26, 2022 (included), shall be September 28, 2022; and
- Payment of the Distribution in kind (delivery and account registration of the TCS shares allotted as part of the Distribution) will take place on September 29, 2022.

For information on the tax treatment of the Distribution in kind, shareholders of Technicolor are invited to read the prospectus approved by the AMF.

Copies of the prospectus in English language, approved by the AMF on August 1, 2022 under number 22-331, are available free of charge and upon request at the company's registered office, 8-10 rue du Renard, 75004 Paris, France, or on the websites of the AMF (<https://www.amf-france.org>), Technicolor (<https://www.technicolor.com/fr/relations-investisseurs>) and Technicolor Creative Studios (<https://www.technicolorcreative.com/investors/>).

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Potential investors in TCS are invited to consult the prospectus before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in TCS shares. In particular, investors' attention is drawn to the risk factors relating to TCS described in Chapter 3 of the prospectus.

The Technicolor adjusted 2021 financial information presented in the Appendix have been prepared to reflect the impact that the Distribution and refinancing operations would have had on Technicolor's consolidated financial statements if they had occurred on January 1, 2021.

This adjusted financial information has been prepared based on the Technicolor 2021 consolidated financial statements published in accordance with International Financial Reporting Standards (IFRS).

This adjusted financial information is presented for illustrative purposes only and therefore is not indicative of the results and financial position that Technicolor would have reported had the Distribution actually occurred on January 1, 2021. This adjusted financial information has not been audited or reviewed by the Technicolor's statutory auditors, nor has any report been issued by the latter, and is therefore presented for reference purposes only and should not be considered as binding on the Technicolor.

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ANNEX

Adjusted Illustrative Information for the Financial Year 2021

Adjusted illustrative Information below presents the Technicolor group 2021 accounts (to be renamed Vantiva subject to the September 6th EGM approval) as if the Spin-off and refinancing operations had occurred on January 1st 2021, therefore presenting the Vantiva group based on its future scope and debt structure.

These accounts have not been audited and are presented for illustrative purposes only and cannot be considered as predictive of the consequences of the operation in progress.

In order to prepare these illustrative financial statements, here are the main assumptions:

- €300m Mandatory Convertible bond (MCN) approved, raised and converted
- €375m Vantiva private debt issued
- €623m TCS private debt issued
- €1,035m Repayment of Safeguard debt (estimated to be €1.1 bn as of end of September 2022)
- Distribution of 65% of TCS shares (Spin-off)
- Vantiva's 35% stake in TCS in the process of being sold

Key accounting adjustments of the Spin-off:

- Financial elements of the TCS Group have been carved-out
- The loss of control results in a net gain on distribution presented in discontinued operations in accordance with IFRS 5
- In accordance with IFRIC 17, this gain on distribution is equal to the difference between the fair value of the distribution in kind and the carrying amount of the equity distributed. This fair value is credited in P&L but debited in the retained earnings in the Balance sheet, so that net impact in equity is the carrying amount of the net equity of TCS distributed
- The fair value of TCS used in these adjusted illustrative statements has been computed using the Enterprise value from the independent appraiser adjusted for debt and debt-like elements and is not predictive of the fair value that will be retained in the Full Year Vantiva Financial Statements and that will be measured using the future TCS share price after listing
- The shares representing 35% of the share capital of TCS which will not be distributed are revalued at fair value (€383m based on the independent appraiser valuation) and reclassified as asset held for sale

Refinancing accounting assumptions:

- The capital increase through conversion of the Mandatory convertible note (€300m) is recognized in Equity and the Financing cash-flows for an amount net of estimated fees of €287m
- The new Vantiva private debt (€375m) is recognized net of issuance premiums and fees, which are amortized in one year based on the assumption of an early repayment in 2022 depending on the sale of the 35% stake in TCS
- Part of the funds raised from the TCS private debt (in these adjusted illustrative financial statements €566m out the €623m) will fund Vantiva (through repayment of intra-group debt and TCS legal structuring)
- Repayment of the Safeguard Debt shown here is €1,035m versus an expected €1.1bn and excludes the PIK interest accrued between January 21th, 2021 and September 22nd, 2022 nor the change in conversion rate between the euro and US dollar.

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Other elements

- Transaction fees non directly accounted in debt or equity were estimated at around €36m were booked for €28m in Discontinued activities and €8m in the Other financial expenses
- One-off costs linked to the separation are presented in Other income (expense)
- Neither the dyssynergies (as costs), nor the income from the transaction services re-invoicing have been recorded here
- Trademark Licensing activities have been presented in discontinued activities in the P&L and as asset held for sale in the Balance sheet to reflect their disposal in 2022
- Interest expense in the Adjusted Illustrative accounts includes a €86m reversal of the IFRS adjustment on the Safeguard debt

ADJUSTED ILLUSTRATIVE STATEMENT OF OPERATIONS

(€ in million)	Year ended December 31, 2021		
	Technicolor accounts (published)	Adjustments	Vantiva accounts (illustrative)
CONTINUING OPERATIONS			
Revenue	2,898	(647)	2,251
Cost of sales	(2,494)	517	(1,977)
Gross margin	404	(130)	274
Selling and administrative expenses	(263)	81	(182)
Research and development expenses	(84)	1	(84)
Restructuring costs	(37)	6	(31)
Net impairment losses on non-current operating assets	(5)	2	(2)
Other income (expense)	14	(9)	5
Earnings before Interest & Tax (EBIT) from continuing operations	30	(49)	(19)
Interest income	-	-	-
Interest expense	(126)	(44)	(171)
Other financial income (expense)	-	-	-
Net financial expense	(127)	(44)	(171)
Share of gain (loss) from associates	0	-	0
Income tax income (expense)	(24)	10	(15)
Loss from continuing operations	(121)	(83)	(204)
DISCONTINUED OPERATIONS			
Net gain (loss) from discontinued operations	(19)	947	928
Net loss for the year	(140)	864	724
Attributable to :			
- Equity holders	(140)	864	724
- Non-controlling interest	-	-	-

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ADJUSTED ILLUSTRATIVE STATEMENT OF CASH FLOWS

(€ in million)	Year ended December 31, 2021		
	Technicolor accounts (published)	Adjustments	Vantiva accounts (illustrative)
Net income (loss)	(140)	864	724
Income (loss) from discontinuing activities	(19)	947	928
Profit (loss) from continuing activities	(121)	(83)	(204)
<i>Summary adjustments to reconcile profit from continuing activities to cash generated from continuing operations</i>			
Depreciation and amortization	222	(83)	138
Impairment of assets	1	3	3
Net changes in provisions	(53)	(1)	(55)
Gain (loss) on asset disposals	(29)	8	(21)
Interest (income) and expense	126	44	171
Other items (including tax)	29	(23)	6
Changes in working capital and other assets and liabilities	(81)	(20)	(101)
Cash generated from continuing activities	93	(156)	(63)
Interest paid on lease debt	(15)	11	(4)
Interest paid	(49)	19	(30)
Interest received	0	(0)	0
Income tax paid	(16)	0	(16)
NET OPERATING CASH GENERATED FROM CONTINUING ACTIVITIES (I)	14	(126)	(112)
Acquisition of subsidiaries, associates and investments, net of cash acquired	(0)	0	(0)
Proceeds from sale of investments, net of cash	27	(27)	0
Purchases of property, plant and equipment (PPE)	(45)	12	(33)
Proceeds from sale of PPE and intangible assets	2	(2)	0
Purchases of intangible assets including capitalization of development costs	(52)	16	(36)
Cash collateral and security deposits granted to third parties	(10)	2	(8)
Cash collateral and security deposits reimbursed by third parties	12	(1)	11
NET INVESTING CASH USED IN CONTINUING ACTIVITIES (II)	(67)	0	(66)
Increase of Capital	0	287	287
Net contributions from / (distributions to) TCS	-	5	5
Proceeds from borrowings	0	375	375
Repayments of lease debt	(62)	34	(29)
Repayments of borrowings	(1)	(1,035)	(1,035)
Fees paid in relation to financing operations	(2)	(33)	(35)
Other	(4)	-	(4)
NET FINANCING CASH USED IN CONTINUING ACTIVITIES (III)	(68)	(367)	(435)
NET CASH FROM DISCONTINUED ACTIVITIES (IV)	(29)	552	524
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	330	(28)	301
Net increase (decrease) in cash and cash equivalents (I+II+III+IV)	(149)	60	(90)
Exchange gains / (losses) on cash and cash equivalents	16	(16)	(0)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	196	15	211

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ADJUSTED ILLUSTRATIVE STATEMENT OF FINANCIAL POSITION

(€ in million)	Year ended December 31, 2021		
	Technicolor accounts (published)	Adjustments	Vantiva accounts (illustrative)
ASSETS			
Goodwill	773	(188)	585
Intangible assets	510	(328)	182
Property, plant and equipment	162	(68)	93
Right-of-use assets	143	(96)	47
Other operating non-current assets	35	(18)	17
TOTAL OPERATING NON-CURRENT ASSETS	1,622	(698)	924
Non-consolidated investments	20	(1)	19
Other financial non-current assets	38	(12)	25
TOTAL FINANCIAL NON-CURRENT ASSETS	58	(13)	45
Investments in associates and joint-ventures	1	0	2
Deferred tax assets	50	(33)	16
TOTAL NON-CURRENT ASSETS	1,730	(744)	987
Inventories	335	(0)	335
Trade accounts and notes receivable	359	(64)	295
Contract assets	94	(76)	18
Other operating current assets	243	(29)	214
TOTAL OPERATING CURRENT ASSETS	1,031	(170)	861
Income tax receivable	13	(6)	8
Other financial current assets	26	(1)	25
Cash and cash equivalents	196	15	211
Assets classified as held for sale	3	422	424
TOTAL CURRENT ASSETS	1,268	261	1,529
TOTAL ASSETS	2,999	(483)	2,516

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(€ in million)	Year ended December 31, 2021		
	Technicolor accounts (published)	Adjustments	Vantiva accounts (illustrative)
EQUITY AND LIABILITIES			
Invested equity and retained earnings	532	(28)	504
Cumulative translation adjustment	(399)	556	157
Shareholders equity attributable to owners of the parent	134	528	662
Non-controlling interests	-	0	0
TOTAL INVESTED EQUITY	134	527	662
Retirement benefits obligations	261	(5)	256
Provisions	35	(3)	31
Contract liabilities	-	1	1
Other operating non-current liabilities	19	(12)	7
TOTAL OPERATING NON-CURRENT LIABILITIES	315	(20)	296
Borrowings	1,025	(1,023)	2
Lease liabilities	145	(106)	39
Other non-current liabilities	0	(0)	0
Deferred tax liabilities	20	(14)	6
TOTAL NON-CURRENT LIABILITIES	1,505	(1,163)	343
Retirement benefits obligations	34	(0)	34
Provisions	44	(7)	37
Trade accounts and notes payable	671	(38)	634
Accrued employee expenses	147	(63)	84
Contract liabilities	81	(78)	4
Other operating current liabilities	284	(21)	263
TOTAL OPERATING CURRENT LIABILITIES	1,263	(207)	1,056
Borrowings	17	372	389
Lease liabilities	48	(28)	19
Income tax payable	29	11	40
Other financial current liabilities	3	1	3
Liabilities classified as held for sale	-	4	4
TOTAL CURRENT LIABILITIES	1,360	152	1,512
TOTAL LIABILITIES	2,865	(1,010)	1,855
TOTAL EQUITY & LIABILITIES	2,999	(483)	2,516

These accounts have not been audited and are presented for illustrative purposes only and cannot be considered as predictive of the consequences of the operation in progress.

Warning: Legal Disclaimer

This press release has been prepared by Technicolor SA (“TSA”) in the context of the contemplated spin-off of Technicolor Creative Studios (“TCS” or the “Company”) as a result of which TSA ex-TCS is to become Vantiva. This press release is an advertisement and does not constitute a prospectus under Regulation (EU) 2017/1129 of the European parliament and of the council of 14 June 2017 (the “Prospectus Regulation”).

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*This press release is an advertisement and not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the “**Prospectus Regulation**”).*

France

In France, a public offering of securities may only be conducted on the basis of a prospectus approved by the AMF.

European Economic Area and United Kingdom

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About Technicolor:

www.technicolor.com

Technicolor shares are admitted to trading on the regulated market of Euronext Paris (TCH) and are tradable in the form of American Depositary Receipts (ADR) in the United States on the OTCQX market (TCLRY).

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